

HOUSE JOURNAL

EIGHTY-FIFTH LEGISLATURE, REGULAR SESSION

PROCEEDINGS

EIGHTY-FIRST DAY — THURSDAY, MAY 25, 2017

The house met at 2:03 p.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 1815).

Present — Mr. Speaker(C); Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Absent, Excused — Minjarez.

Absent — Cortez.

The speaker recognized Representative Parker who introduced James Flynn, pastor, St. Francis of Assisi Catholic Church, Grapevine, who offered the invocation as follows:

Heavenly Father, we give you thanks for these women and men who have dedicated themselves to the service of the great State of Texas. Grant them a spirit of dedicated self-sacrifice to the greater good of the citizenry of our state. Grant them a spirit of wisdom to open their minds to your will for the State of Texas, and may their solutions be guided by a true sense of love and affection for the people they serve. Protect the families of those who serve in the state legislature who are keeping the fires of their homefront burning while their loved ones selflessly dedicate themselves to the work of ordering our government. May the

citizens of the State of Texas treat these statesmen with ever greater kindness as they work diligently to solve the complicated issues that confront them here in these esteemed hallways.

Compassionate God, may you also protect all of those in military and diplomatic services and our first responders and hospital workers. Grant them safety in their work, healing for those who have been injured, and eternal life to those who have given the ultimate sacrifice to the service of the people of our nation and our state. We ask all of this in the most holy name of the Father, Son, and Holy Spirit. Amen.

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

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for today to attend a funeral:

Minjarez on motion of Guerra.

(Cyrier in the chair)

RESOLUTIONS ADOPTED

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

The motion prevailed.

The following resolutions were laid before the house:

HCR 139 (by Frullo, Flynn, Burrows, P. King, and Schaefer), Honoring Captain Carl H. Isett on the event of his retirement from the United States Navy Reserve.

HR 2181 (by J. Rodriguez), Recognizing the Jefferson Outreach for Older People in San Antonio on the occasion of National Older Americans Month.

HR 2282 (by Phelan), Recognizing October 2017 as Italian History Month in the State of Texas.

HR 2313 (by Wu), Commending Hannah Jordan Bevers for her service as a legislative aide in the office of State Representative Gene Wu.

HR 2314 (by Wu), Commending Trang-Thu "Mimi" Duong for her service as a policy analyst in the office of State Representative Gene Wu.

HR 2315 (by Wu), Commending Alyssa Perez Morrison for her service as a policy analyst in the office of State Representative Gene Wu.

HR 2316 (by Wu), Commending J Andrew Ehlinger for his service as a policy analyst in the office of State Representative Gene Wu.

HR 2371 (by Ashby), Commemorating the 50th anniversary of the Ellen Trout Zoo in Lufkin.

HR 2434 (by Bell), Commending Brandon Bell on his service as a legislative intern in the office of State Representative Cecil Bell.

HR 2435 (by Bell), Commending Jacob Rosen for his service as a legislative intern in the office of State Representative Cecil Bell.

HR 2436 (by Bell), Commending Halen Butler for his service as a legislative aide in the office of State Representative Cecil Bell.

HR 2437 (by Bell), Commending Clint Harned for his service as a legislative aide in the office of State Representative Cecil Bell.

The resolutions were adopted.

On motion of Representative Lucio, the names of all the members of the house were added to the resolutions as signers thereof, with the understanding that a member may remove his or her name from any resolution.

CAPITOL PHYSICIAN

The chair recognized Representative Cospo who presented Dr. Mark Lane of Lampasas as the "Doctor for the Day."

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

HR 2181 - PREVIOUSLY ADOPTED (by J. Rodriguez)

The chair laid out and had read the following previously adopted resolution:

HR 2181, Recognizing the Jefferson Outreach for Older People in San Antonio on the occasion of National Older Americans Month.

INTRODUCTION OF GUESTS

The chair recognized Representative J. Rodriguez who introduced representatives of the Jefferson Outreach for Older People.

COMMITTEE GRANTED PERMISSION TO MEET

Representative Cook requested permission for the Committee on State Affairs to meet while the house is in session, at 3 p.m. today, in 1W.14, to consider **HCR 125**, **HR 1854**, and **SCR 55**.

Permission to meet was granted.

(Cortez now present)

COMMITTEE MEETING ANNOUNCEMENT

The following committee meeting was announced:

State Affairs, 3 p.m. today, 1W.14, for a formal meeting, to consider **HCR 125**, **HR 1854**, and **SCR 55**.

HR 695 - PREVIOUSLY ADOPTED (by Shine)

The chair laid out and had read the following previously adopted resolution:

HR 695, In memory of Leroy Adolph Schiller of Bell County.

INTRODUCTION OF GUESTS

The chair recognized Representative Shine who introduced family members of Leroy Adolph Schiller.

**HCR 139 - PREVIOUSLY ADOPTED
(by Frullo, Flynn, Burrows, P. King, and Schaefer)**

The chair laid out and had read the following previously adopted resolution:

HCR 139, Honoring Captain Carl H. Isett on the event of his retirement from the United States Navy Reserve.

INTRODUCTION OF GUEST

The chair recognized Representative Frullo who introduced Captain Carl H. Isett.

LEAVE OF ABSENCE GRANTED

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

Walle on motion of Herrero.

**HCR 69 - PREVIOUSLY ADOPTED
(by Smithee)**

The chair laid out the following previously adopted resolution:

HCR 69, In memory of Brenda Nation of Austin.

**HR 2331 - ADOPTED
(by Uresti)**

Representative Uresti moved to suspend all necessary rules to take up and consider at this time **HR 2331**.

The motion prevailed.

The following resolution was laid before the house:

HR 2331, In memory of Eustacio Rodriguez Sr. of Austin.

HR 2331 was read and was unanimously adopted by a rising vote.

On motion of Representative Hinojosa, the names of all the members of the house were added to **HR 2331** as signers thereof.

INTRODUCTION OF GUESTS

The chair recognized Representative Uresti who introduced family members of Eustacio Rodriguez Sr.

(Lucio in the chair)

CONGRATULATORY AND MEMORIAL CALENDAR

On motion of Representative Kacal and by unanimous consent, the house agreed to dispense with the reading of the resolutions on the congratulatory calendar, with the understanding that the resolutions will be recorded in the journal.

HCR 130 (by Hefner), Commemorating the 100th anniversary of the first aircraft landing at Mineola-Wisener Field Airport in Wood County.

HCR 132 (by Sanford), Congratulating artist Colin Kimball of McKinney on his receipt of a Distinguished Citizen Medal from the Daughters of the American Revolution.

HCR 138 (by Dean), Commemorating the 40th annual Great Texas Balloon Race in Gregg County.

HCR 139 was previously adopted.

HCR 145 (by Klick), Congratulating Gregory D. Watson on having the overall course grade for his 1982 University of Texas American government class elevated from a C to an A after a wait of 35 years.

HCR 148 (by Kacal), Commending Elizabeth J. Nelson on her service as mayor of Marlin.

HR 1997 (by K. King), Recognizing the Texas Medical Association for its Ernest and Sarah Butler Awards for Excellence in Science Teaching program.

HR 1998 (by Krause), Congratulating Paul and Charla Vinyard on their receipt of the Tom Landry Leadership Award from Dallas Baptist University.

HR 1999 (by White), Commending Brock Joseph Barbay on his graduation as salutatorian of the Newton High School Class of 2017 and on his perfect attendance record.

HR 2003 (by Clardy), Congratulating Matthew David Wurst on his graduation from Stephen F. Austin State University.

HR 2006 (by Herrero), Congratulating John Barrera on winning two first-place medals at the 2017 Pan Jiu-Jitsu International Brazilian Jiu-Jitsu Federation Championship.

HR 2013 (by D. Bonnen), Congratulating Aaron and Randi Pate on the birth of their daughter, Quinn Elise Pate, and recognizing Quinn as an honorary Texan.

HR 2015 (by Arévalo), Congratulating mariachi singer Sebastien De La Cruz of San Antonio on his accomplishments.

HR 2017 (by Wu), Congratulating Dave Ward on the occasion of his retirement from KTRK-TV in Houston.

HR 2018 (by Alonzo), Honoring the life of William C. Velasquez on the 74th anniversary of his birth.

HR 2021 (by Wilson), Recognizing July 1 through 4, 2017, as American Family Reunion Days.

HR 2022 (by Alonzo), Congratulating William Hardin Adamson High School in Dallas on being named a 2017 Gold Ribbon High School by Children at Risk.

HR 2023 (by Alonzo), Congratulating Sunset High School in Dallas on being named a 2017 Gold Ribbon High School by Children at Risk.

HR 2024 (by Alonzo), Congratulating Moisés E. Molina High School in Dallas on being named a 2017 Gold Ribbon High School by Children at Risk.

HR 2025 (by Shine), Commending Maxwell Newton on his service as a legislative intern in the office of State Representative Hugh D. Shine.

HR 2026 (by Shine), Commending Allison Joy for her service as a legislative intern.

HR 2027 (by Shine), Commending Connor Leigh for his service as a legislative intern.

HR 2028 (by Shine), Commending Jade Cabrero Doss for her service as an intern in the office of State Representative Hugh D. Shine.

HR 2029 (by Shine), Commending Ashton Thomas for her service as a legislative intern in the office of State Representative Hugh D. Shine.

HR 2030 (by Frullo), Congratulating Rise Academy in Lubbock on being named a National Title I Distinguished School.

HR 2031 (by Klick), Paying tribute to the life of Aubrey Keith Wilson and honoring Nona Long Wilson for the couple's contributions to Birdville ISD.

HR 2032 (by Klick), Honoring the Haltom City Senior Center on its 40th anniversary.

HR 2033 (by Klick), Commemorating the grand opening of The Link Event and Recreation Center in Richland Hills on April 29, 2017.

HR 2034 (by Reynolds), Commending Carl David Evans for his service as president of Fort Bend Houston Super Neighborhood Council-41.

HR 2035 (by Reynolds), Commending Evelyn Barnett for her 42 years of service as the Fort Bend County Democratic Party Precinct Chair for Precinct 2050.

HR 2036 (by Reynolds), Congratulating Gary Majors on his appointment as constable of Fort Bend County, Precinct 2.

HR 2037 (by Reynolds), Congratulating Rudolph White Jr. on his selection as the 2017 president of the Fort Bend County Pastors Association.

HR 2038 (by Reynolds), Commemorating the 15th anniversary of the Missouri City Juneteenth Celebration Foundation.

HR 2039 (by Reynolds), Congratulating the Thurgood Marshall High School boys' basketball team on its success during the 2016-2017 season.

HR 2041 (by Laubenberg), Honoring the Texas Podiatric Medical Association on its 100th anniversary.

HR 2044 (by Kacal), Congratulating James W. Elliott of Waco on his 80th birthday.

HR 2045 (by Romero), Commending Eva Sandoval Bonilla for her record of community service in Fort Worth.

HR 2046 (by Romero), Commemorating the 15th anniversary of Cesar Chavez Elementary School in Fort Worth.

HR 2047 (by Romero), Congratulating Nannette Underwood of Fort Worth on her retirement from Rosemont Middle School.

HR 2048 (by Canales), Commending Carlos Pimentel for his service as a legislative intern in the office of State Representative Terry Canales.

HR 2049 (by Canales), Commending Julissa Cantu on her service as a legislative aide in the office of State Representative Terry Canales.

HR 2050 (by Cain), Recognizing the third week of September 2017 as Towing Industry Awareness Week.

HR 2054 (by Hunter), Commemorating the 2017 Fiesta de la Flor in Corpus Christi.

HR 2055 (by Herrero), Congratulating Justin Clinton Holt on his receipt of a Rising Star Award from the Student Support Services Teacher Prep program at Texas A&M University–Corpus Christi.

HR 2056 (by Herrero), Congratulating Marissa Danielle Marciel on her receipt of a Rising Star Award from the Student Support Services Teacher Prep program at Texas A&M University–Corpus Christi.

HR 2059 (by Herrero), Congratulating William Andrew Scanlon II on his receipt of a Rising Star Award from the TRIO Islanders Organization at Texas A&M University–Corpus Christi.

HR 2061 (by R. Anderson), Congratulating Jack and Janice Lobb of Irving on their 70th wedding anniversary.

HR 2063 (by Herrero), Congratulating Devonta McDade on his receipt of a Community Service Award from the TRIO Islanders Organization at Texas A&M University–Corpus Christi.

HR 2064 (by Herrero), Congratulating Iyobo Elegon on her receipt of two awards from the Project GRAD program at Texas A&M University–Corpus Christi.

HR 2065 (by Herrero), Congratulating Lauren Davila on her receipt of a Rising Star Award from the Student Support Services–STEM program at Texas A&M University–Corpus Christi.

HR 2066 (by Herrero), Congratulating Orquidia Medina on her receipt of an Outstanding Award from the Student Support Services–STEM program at Texas A&M University–Corpus Christi.

HR 2067 (by Herrero), Congratulating Ivan Martinez on his receipt of an Outstanding Award from the Student Support Services–STEM program at Texas A&M University–Corpus Christi.

HR 2068 (by Herrero), Congratulating Micah Bachner on his receipt of an Outstanding Award from the Student Support Services–STEM program at Texas A&M University–Corpus Christi.

HR 2071 (by White), Recognizing July 19, 2017, as Back the Badge Day in Hardin County.

HR 2072 (by Wilson), Congratulating Colonel Craig Hunter on his retirement as director of law enforcement for the Texas Parks and Wildlife Department.

HR 2073 (by Herrero), Congratulating Michael Fitch on his receipt of a Community Service Award from the TRIO Islanders Organization at Texas A&M University–Corpus Christi.

HR 2074 (by Herrero), Congratulating Pedro Damián González on his receipt of both an SSS–STEM Outstanding Award and a TRIO Islanders Community Service Award at Texas A&M University–Corpus Christi.

HR 2075 (by Herrero), Congratulating Laura Sylvia Cardenas on her receipt of Superstar and Outstanding Awards from the Student Support Services Teacher Prep program at Texas A&M University–Corpus Christi.

HR 2076 (by Herrero), Congratulating Reymundo Barrera on his receipt of a Key Spouse Award from the TRIO Islanders Organization at Texas A&M University–Corpus Christi.

HR 2077 (by Herrero), Congratulating Clyde Avalos on receiving an Outstanding Award from the McNair Scholars Program at Texas A&M University–Corpus Christi.

HR 2078 (by Herrero), Congratulating April Emmett on her receipt of an Outstanding Award from the Student Support Services program at Texas A&M University–Corpus Christi.

HR 2079 (by Herrero), Congratulating Trent Harris on his receipt of an Outstanding Award from the Student Support Services program at Texas A&M University–Corpus Christi.

HR 2081 (by Anchia), Commending Laurie Burnham Roberts for her service as a legislative aide in the office of State Representative Rafael Anchia.

HR 2082 (by Roberts), Congratulating the Cypress Creek High School girls' water polo team on winning the 2017 Texas Interscholastic Swimming Coaches Association state championship.

HR 2083 (by Herrero), Congratulating Kianna Sills on her receipt of two awards from the TRIO Islanders Organization at Texas A&M University–Corpus Christi.

HR 2084 (by Lucio), Congratulating Port of Brownsville Police Officer Jose Luis Ramirez on his receipt of the Fire Chief Life Saving Award from the Brownsville Fire Department.

HR 2086 (by Dutton), Congratulating Ja'Nae Elyse Hammond of Missouri City on attaining the Girl Scout Gold Award.

HR 2088 (by Kacal), Congratulating Messina Hof Winery on its 40th anniversary.

HR 2089 (by Lucio), Honoring Officer Eric Park of The University of Texas at Austin Police Department for intervening in an attack on students on May 1, 2017.

HR 2091 (by Minjarez), Congratulating Warren High School in San Antonio on receiving a silver medal from U.S. News & World Report in the publication's 2017 Best High Schools feature.

HR 2092 (by Minjarez), Honoring Miriam M. Elizondo for her service to the Rape Crisis Center in San Antonio.

HR 2093 (by Morrison), Honoring Michael Cloud for his service as chair of the Victoria County Republican Party.

HR 2094 (by Herrero), Congratulating Cristina Arriola on her selection as the Paralegal Student of the Year by Del Mar College.

HR 2095 (by Sanford), Commending Genet Kendrick for her service as a legislative intern in the office of State Representative Scott Sanford.

HR 2096 (by G. Bonnen), Congratulating Trish Hanks on her retirement as superintendent of Friendswood ISD.

HR 2098 (by Isaac), Congratulating Lindsey and Evan Autry on the birth of their daughter, Cameron Lynn Autry.

HR 2099 (by Isaac), Commemorating the 50th anniversary of the Hays Consolidated Independent School District.

HR 2100 (by Springer), Congratulating Connor Wolfe of Graham High School on placing third in the 2017 StellarXplorers III National High School Space Challenge as a member of the Rocketeer Steers team.

HR 2101 (by Springer), Congratulating Smith Graham of Graham High School on placing third in the 2017 StellarXplorers III National High School Space Challenge as a member of the Rocketeer Steers team.

HR 2102 (by Springer), Congratulating Garrett Gatlin of Graham High School on placing third in the 2017 StellarXplorers III National High School Space Challenge as a member of the Rocketeer Steers team.

HR 2103 (by Springer), Congratulating Jonah Qualls of Graham High School on placing third in the 2017 StellarXplorers III National High School Space Challenge as a member of the Rocketeer Steers team.

HR 2104 (by Springer), Congratulating Nicolas Saunders of Graham High School on placing third in the 2017 StellarXplorers III National High School Space Challenge as a member of the Rocketeer Steers team.

HR 2105 (by Springer), Congratulating the Graham High School Rocketeer Steers team on placing third in the 2017 StellarXplorers III National High School Space Challenge.

HR 2106 (by Springer), Commending Nick Garcia of Childress High School for recognizing first responders with a commemorative bench in Fair Park.

HR 2107 (by Herrero), Congratulating Renita Newton on her receipt of a Community Service Award from the TRIO Islanders Organization at Texas A&M University–Corpus Christi.

HR 2108 (by Hinojosa), Commending the Sigma chapter of Delta Epsilon Mu at The University of Texas at Austin for its community service.

HR 2110 (by Canales), Commending Alfred Breuer for his service as legislative director in the office of State Representative Terry Canales.

HR 2111 (by Gooden), Congratulating Detective Ronald L. Iscaro on his retirement from the Dallas Police Department.

HR 2117 (by Herrero), Honoring the Joe A. Gonzalez (JAG) Education Is Our Freedom GED College Scholarship Program on the occasion of its annual banquet on July 25, 2017.

HR 2124 (by Sanford), Recognizing David Alexander Weiser of Austin for his professional accomplishments.

HR 2125 (by Sanford), Congratulating the Prosper High School baseball team on winning the 2015 UIL 5A state championship.

HR 2126 (by Sanford), Congratulating the Prosper High School girls' and boys' swimming and diving teams on their outstanding success during the 2016-2017 season.

HR 2127 (by White), Congratulating Karsten Walker on being named a winner of the 2017 Treasures of the Texas Coast Children's Art Contest.

HR 2128 (by Dean), Congratulating Rogers Pope Sr. on his selection as 2017 Citizen of the Year by the Rotary Club of Longview.

HR 2129 (by Kuempel), Recognizing November 2017 as Diabetes and Cardiovascular Disease Awareness Month.

HR 2130 (by Herrero), Congratulating Jacob Rodriguez on his athletic achievements at Tuloso-Midway High School in Corpus Christi.

HR 2133 (by White), Honoring Elder Debra Battise-Kleinman of the Indian Presbyterian Church at the Alabama-Coushatta Indian Reservation for her service as Pastor of the Day.

HR 2135 (by Goldman), Congratulating Jennifer Mitchell on her selection as a 2016-2017 Fort Worth ISD Elementary Teacher of the Year finalist.

HR 2136 (by Goldman), Congratulating Tara Woods on her selection as a 2016-2017 Fort Worth ISD Elementary Teacher of the Year finalist.

HR 2137 (by Herrero), Congratulating George Ann Voss on her receipt of a Superstar Award from the Student Support Services–STEM program at Texas A&M University–Corpus Christi.

HR 2138 (by Herrero), Congratulating Jessica Barrera on her receipt of three awards from the Programs for Academic Student Support initiative at Texas A&M University–Corpus Christi.

HR 2139 (by Button, Burkett, Koop, and Neave), Congratulating Jim Cahill on his retirement from the Garland City Council.

HR 2140 (by Herrero), Congratulating Aissa Garza on her receipt of an Outstanding Award from the Project GRAD program at Texas A&M University–Corpus Christi.

HR 2141 (by Button, Burkett, Koop, and Neave), Honoring Stephen W. Stanley on his retirement from the Garland City Council.

HR 2142 (by Roberts), Congratulating the boys' track and field team from Cypress Christian School in Houston on placing second overall at the 2017 TAPPS 4A Track & Field State Meet.

HR 2144 (by Dutton), Commending the Honorable Monique D. Davis for her outstanding service as a member of the Illinois House of Representatives.

HR 2146 (by E. Johnson), Commending Maria Torres for serving as Democratic Party precinct chair of Precinct 1054 in Dallas County.

HR 2147 (by E. Johnson), Commending Cheryl Rhodes for serving as Democratic Party precinct chair of Precinct 4041 in Dallas County.

HR 2148 (by E. Johnson), Commending Mathis Perkins for serving as Democratic Party precinct chair of Precinct 4040 in Dallas County.

HR 2149 (by E. Johnson), Commending Hollis Wakefield for serving as Democratic Party precinct chair of Precinct 4038 in Dallas County.

HR 2150 (by E. Johnson), Commending Jack Gresham for serving as Democratic Party precinct chair of Precinct 4033 in Dallas County.

HR 2151 (by E. Johnson), Commending Patricia Swift Stephens for serving as Democratic Party precinct chair of Precinct 4028 in Dallas County.

HR 2152 (by E. Johnson), Commending D. C. Culberson for serving as Democratic Party precinct chair of Precinct 4024 in Dallas County.

HR 2153 (by E. Johnson), Commending Claudia Fowler for serving as Democratic Party precinct chair of Precinct 3045 in Dallas County.

HR 2154 (by E. Johnson), Commending Deborah Gardner for serving as Democratic Party precinct chair of Precinct 3035 in Dallas County.

HR 2155 (by E. Johnson), Commending Debra Aguilar for serving as Democratic Party precinct chair of Precinct 3034 in Dallas County.

HR 2156 (by E. Johnson), Commending Ricky Phillips for serving as Democratic Party precinct chair of Precinct 3027 in Dallas County.

HR 2157 (by E. Johnson), Commending Clifford Mills for serving as Democratic Party precinct chair of Precinct 3026 in Dallas County.

HR 2158 (by E. Johnson), Commending Tommy Briggs for serving as Democratic Party precinct chair of Precinct 3024 in Dallas County.

HR 2159 (by E. Johnson), Commending Cynthia Cole for serving as Democratic Party precinct chair of Precinct 3023 in Dallas County.

HR 2160 (by E. Johnson), Commending Marilynn Mayse for serving as Democratic Party precinct chair of Precinct 3022 in Dallas County.

HR 2161 (by E. Johnson), Commending Cydney Walker for serving as Democratic Party precinct chair of Precinct 3018 in Dallas County.

HR 2162 (by E. Johnson), Commending Vincent Rodriguez for serving as Democratic Party precinct chair of Precinct 3016 in Dallas County.

HR 2163 (by E. Johnson), Commending Fernando Rojas for serving as Democratic Party precinct chair of Precinct 1308 in Dallas County.

HR 2164 (by E. Johnson), Commending Emma Nelson for serving as Democratic Party precinct chair of Precinct 1307 in Dallas County.

HR 2165 (by E. Johnson), Commending George Collins for serving as Democratic Party precinct chair of Precinct 1119 in Dallas County.

HR 2166 (by E. Johnson), Commending John Burton for serving as Democratic Party precinct chair of Precinct 1115 in Dallas County.

HR 2167 (by E. Johnson), Commending Diego Ayala for serving as Democratic Party precinct chair of Precinct 1112 in Dallas County.

HR 2168 (by E. Johnson), Commending Carlton Caraway for serving as Democratic Party precinct chair of Precinct 1089 in Dallas County.

HR 2169 (by E. Johnson), Commending Tracy Dotie-Hill for serving as Democratic Party precinct chair of Precinct 1084 in Dallas County.

HR 2170 (by E. Johnson), Commending Shannon Bailey for serving as Democratic Party precinct chair of Precinct 1081 in Dallas County.

HR 2171 (by E. Johnson), Commending Hobie Hukill for serving as Democratic Party precinct chair of Precinct 1079 in Dallas County.

HR 2172 (by E. Johnson), Commending Cynthia Cole for serving as Democratic Party precinct chair of Precinct 1078 in Dallas County.

HR 2173 (by E. Johnson), Commending Barbara Rosenberg for serving as Democratic Party precinct chair of Precinct 1076 in Dallas County.

HR 2174 (by E. Johnson), Commending Johnny Jefferson for serving as Democratic Party precinct chair of Precinct 1063 in Dallas County.

HR 2175 (by E. Johnson), Commending Gabriela Pataro for serving as Democratic Party precinct chair of Precinct 1061 in Dallas County.

HR 2176 (by E. Johnson), Commending Sally White for serving as Democratic Party precinct chair of Precinct 1058 in Dallas County.

HR 2177 (by E. Johnson), Commending Randy Mock for serving as Democratic Party precinct chair of Precinct 1057 in Dallas County.

HR 2179 (by K. King), Honoring the Legislative Reference Library.

HR 2180 (by Kacal), Congratulating Roshauud Paul of Bremond High School on earning the 2016 Mr. Texas Football High School Player of the Year Award.

HR 2181 was previously adopted.

HR 2184 (by Paddie), Congratulating Leland Vance Jordan Jr. on receiving a Golden Trowel Award from Masonic Lodge No. 856 in Joaquin.

HR 2186 (by Herrero), Congratulating Peyton Baros of Tuloso-Midway High School in Corpus Christi on his selection as a 2017 Buc Days King Scholar.

HR 2187 (by Herrero), Congratulating Michael Gutierrez of Harold T. Branch Academy in Corpus Christi on his selection as a 2017 Buc Days King Scholar.

HR 2188 (by Herrero), Congratulating Rush Hoelscher of Tuloso-Midway High School in Corpus Christi on his selection as a 2017 Buc Days King Scholar.

HR 2189 (by Herrero), Congratulating Carlos Machado of Mary Carroll High School in Corpus Christi on his selection as a 2017 Buc Days King Scholar.

HR 2190 (by Herrero), Congratulating Jordan Moeller of W. B. Ray High School in Corpus Christi on his selection as a 2017 Buc Days King Scholar.

HR 2191 (by Herrero), Congratulating Aaron Rodriguez of Richard King High School in Corpus Christi on his selection as a 2017 Buc Days King Scholar.

HR 2192 (by Herrero), Congratulating Joe Rosas of Mary Carroll High School in Corpus Christi on his selection as a 2017 Buc Days King Scholar.

HR 2193 (by Herrero), Congratulating Matthew Rodriguez of Tuloso-Midway High School in Corpus Christi on his selection as a 2017 Buc Days King Scholar.

HR 2194 (by Herrero), Congratulating Carlos Vela of Ingleside High School on his selection as a 2017 Buc Days King Scholar.

HR 2195 (by Herrero), Congratulating Noal Villareal of Odem High School on his selection as a 2017 Buc Days King Scholar.

HR 2196 (by Herrero), Congratulating Meagan Harrington of Richard King High School in Corpus Christi on her selection as a 2017 Miss Buc Days Scholar.

HR 2197 (by Herrero), Congratulating Maddie Hernandez of Harold T. Branch Academy in Corpus Christi on her selection as a 2017 Miss Buc Days Scholar.

HR 2198 (by Herrero), Congratulating Roslyn Holland of A. C. Jones High School in Beeville on her selection as a 2017 Miss Buc Days Scholar.

HR 2199 (by Herrero), Congratulating Kennedy Quintanilla of W. B. Ray High School in Corpus Christi on her selection as a 2017 Miss Buc Days Scholar.

HR 2200 (by Herrero), Congratulating Tara Remmich of Richard King High School in Corpus Christi on her selection as a 2017 Miss Buc Days Scholar.

HR 2201 (by Herrero), Congratulating Catherine Schultz of Incarnate Word Academy in Corpus Christi on her selection as a 2017 Miss Buc Days Scholar.

HR 2202 (by Herrero), Congratulating Mallory Smith of Henrietta M. King High School in Kingsville on her selection as a 2017 Miss Buc Days Scholar.

HR 2203 (by Herrero), Congratulating Sheridan Steen of Incarnate Word Academy in Corpus Christi on her selection as a 2017 Miss Buc Days Scholar.

HR 2204 (by Herrero), Congratulating Vaunne Telan of Richard King High School in Corpus Christi on her selection as a 2017 Miss Buc Days Scholar.

HR 2205 (by Herrero), Congratulating Aleena Villareal of Mary Carroll High School in Corpus Christi on her selection as a 2017 Miss Buc Days Scholar.

HR 2206 (by Ashby), Commemorating the 25th anniversary of Love INC of Angelina County.

HR 2208 (by White, Ashby, Bailes, Clardy, and Paddie), Congratulating the Deep East Texas Council of Governments and Economic Development District on its 50th anniversary.

HR 2211 (by Farrar), Congratulating Rebecca C. Reyna on the occasion of her 10th anniversary as executive director of the Greater Northside Management District.

HR 2212 (by Oliverson), Congratulating the Yellow Rose of Texas Republican Women on its 10th anniversary.

HR 2213 (by Oliverson), Commending Bruce Hillegeist for his outstanding service to the Tomball community.

HR 2214 (by Oliverson), Congratulating the Tomball High School Percussion Ensemble on winning the Scholastic Concert Open Class title at the 2017 Winter Guard International Percussion World Championship.

HR 2215 (by Oliverson), Congratulating Justin Jackson of Tomball on helping the University of North Carolina men's basketball team win the 2017 NCAA national championship.

HR 2218 (by Roberts), Congratulating Chantal Thantrong of Cypress Creek High School on her selection as a National Merit Scholar semifinalist.

HR 2219 (by Button), Commemorating the exhibition of the Moving Wall Vietnam Veterans Memorial in Sachse May 26-29, 2017.

HR 2221 (by Craddick), Congratulating the Klondike FFA homesite evaluation team on its first-place finish at the 66th National Land and Range Judging Contest.

HR 2223 (by Button, Burkett, Koop, and Neave), Congratulating Lori Barnett Dodson on her retirement from the Garland City Council.

HR 2224 (by Button, Villalba, and Koop), Congratulating Kris Oliver on his retirement from the Richardson ISD Board of Trustees.

HR 2226 (by Craddick), Congratulating Eddie Lee of Midland Christian School on his receipt of an honorary doctorate from Abilene Christian University.

HR 2228 (by Herrero), Congratulating Alfonso Cohuo on his receipt of an Outstanding Award from the McNair Scholars Program at Texas A&M University–Corpus Christi.

HR 2229 (by Murr), Congratulating the Junction High School cheerleading squad on winning the UIL 2A Spirit State Championship for two consecutive years.

HR 2230 (by Cain), Congratulating Savannah Cushman of Sea Scout Ship 208, SSS Red Skies, in Baytown on her appointment as the 2017-2018 regional boatswain for the Sea Scouts Southern Region.

HR 2231 (by Romero), Commending the graduates of Parent University at Manuel Jara Elementary School in Fort Worth.

HR 2234 (by Goldman), Congratulating 14-year-old Carson Huey-You on his graduation from Texas Christian University.

HR 2235 (by Sheffield), Congratulating Dr. Mark A. Baker on his appointment as president of the American Osteopathic Association.

HR 2236 (by Sheffield), Congratulating Dr. Rodney M. Wiseman on his election as president of the American College of Osteopathic Family Physicians.

HR 2242 (by Anchia), Congratulating the members of the Leadership Dallas Class of 2017.

HR 2246 (by Schubert), Commemorating the 150th anniversary of the Brenham Fire Department.

HR 2247 (by Gooden), Congratulating Garrett and Barbara Smith of Athens on their 65th wedding anniversary.

HR 2249 (by Gooden), Congratulating Daniel Fisher of Plano on attaining the rank of Eagle Scout.

HR 2250 (by Gooden), Congratulating Terrell chief of police Jody Lay on his retirement.

HR 2251 (by Gooden), Congratulating Patrick Wallace on his retirement from East Texas Medical Center of Athens.

HR 2253 (by Price), Congratulating the Panhandle High School girls' basketball team on winning the 2017 UIL 2A state championship.

HR 2254 (by Price), Commending Jessica Dorsey of Claude on her service as a legislative intern.

HR 2255 (by Price), Commending Hunter Tormey for his service as a legislative intern in the office of State Representative Four Price.

HR 2256 (by Price), Commemorating Memorial Day 2017.

HR 2257 (by Price), Commemorating the 30th anniversary of President Ronald Reagan's speech at the Berlin Wall on June 12, 1987.

HR 2258 (by Price), Commemorating Flag Day 2017.

HR 2259 (by Price), Commemorating the Fourth of July, 2017.

HR 2262 (by Price), Recognizing September 17, 2017, as Constitution Day.

HR 2263 (by Dean), Congratulating the girls' track and field team of Union Grove High School in Gladewater on winning the 2017 UIL 2A state championship.

HR 2264 (by Wu), Congratulating the Wisdom High School boys' soccer team on its success during the 2016-2017 season.

HR 2266 (by Klick), Congratulating Linda Caram of Fort Worth on her 50th anniversary with AT&T.

HR 2267 (by Anchia), Commending Andrea Ojeda for her service as a legislative intern in the office of State Representative Rafael Anchia.

HR 2268 (by Meyer), Congratulating Ryan and Lauren Trimble on the birth of their daughter, Tabitha Mae Trimble.

HR 2269 (by Gutierrez), Commending Paola Pina for her service as a legislative intern in the office of State Representative Roland Gutierrez.

HR 2270 (by R. Anderson), Commending Alexander Stephens for his service as a legislative analyst in the office of State Representative Rodney Anderson.

HR 2273 (by Herrero), Congratulating Robert Carter IV, valedictorian of the Class of 2017 at Foy H. Moody High School.

HR 2274 (by Herrero), Congratulating Mercedes Virginia Gonzalez, salutatorian of the Class of 2017 at Foy H. Moody High School.

HR 2276 (by Herrero), Congratulating Anna Elise Trevino, valedictorian of the Class of 2017 at Collegiate High School.

HR 2277 (by Herrero), Congratulating Ezra N. Garza, salutatorian of the Class of 2017 at Collegiate High School.

HR 2279 (by R. Anderson), Commending Jeffrey Chatman for his service as legislative director in the office of State Representative Rodney Anderson.

HR 2281 (by R. Anderson), Commending Savannah Jane Reed for her service as a legislative aide in the office of State Representative Rodney Anderson.

HR 2282 was previously adopted.

HR 2283 (by Herrero), Congratulating Albert Hernandez on receiving an Outstanding Award from the Student Support Services program at Texas A&M University–Corpus Christi.

HR 2284 (by Herrero), Congratulating Miesha Jones on receiving an Outstanding Award from the Student Support Services program at Texas A&M University–Corpus Christi.

HR 2285 (by Herrero), Congratulating Nneka Ukegbu on receiving an Outstanding Award from the Student Support Services program at Texas A&M University–Corpus Christi.

HR 2286 (by Herrero), Congratulating Austin "Rose" Heilman on receiving a Rising Star Award from the McNair Scholars Program at Texas A&M University–Corpus Christi.

HR 2287 (by Herrero), Congratulating Jesusa Razzo on receiving a Texas A&M University–Corpus Christi Student Support Services Outstanding Award.

HR 2288 (by Turner), Commending Kylie Calabrese for her service as legislative director in the office of State Representative Chris Turner.

HR 2290 (by Herrero), Congratulating Michelle McGaha on her receipt of an Outstanding Award from the McNair Scholars Program at Texas A&M University–Corpus Christi.

HR 2292 (by Dale), Commending Adrian Piloto for his service as a legislative aide in the office of State Representative Tony Dale.

HR 2294 (by Price), Commemorating Gold Star Mother's Day 2017.

HR 2295 (by Price), Commemorating Veterans Day 2017.

HR 2296 (by Price), Commemorating Thanksgiving 2017.

HR 2297 (by Walle), Honoring Pastor Joe F. Russell on the occasion of his 20th pastoral anniversary at Greater Jerusalem Missionary Baptist Church in Houston.

HR 2298 (by Walle), Commemorating the 27th anniversary of the Buckner Family Hope Center at Aldine.

HR 2299 (by Price), Commemorating Christmas 2017.

HR 2300 (by Price), Congratulating Oleta Smith of Dumas on the occasion of her 100th birthday.

HR 2301 (by Price), Commemorating the 90th anniversary of the Moore County News-Press.

HR 2302 (by Price), Commemorating the 50th anniversary of the Opportunities, Inc., senior citizen center in Borger.

HR 2303 (by Howard), Recognizing the 2017 class of the NEW Leadership Texas Summer Institute.

HR 2304 (by Dutton), Congratulating Earlmound Hammond III on his graduation from Prairie View A&M University.

HR 2305 (by Price), Commemorating the ribbon-cutting ceremony for the new unit at the Agrium plant in Borger.

HR 2306 (by Price), Commemorating the 50th anniversary of the Texas Cattle Feeders Association.

HR 2307 (by Price), Honoring the Amarillo Area Foundation on its 60th anniversary.

HR 2312 (by Flynn), Congratulating the Cumby High School Z robotics team on winning first place in its division at the VEX Robotics Competition High School World Championship.

HR 2313 was previously adopted.

HR 2314 was previously adopted.

HR 2315 was previously adopted.

HR 2316 was previously adopted.

HR 2317 (by Herrero), Congratulating Rush Hoelscher, valedictorian of the Class of 2017 at Tulosos-Midway High School.

HR 2318 (by Herrero), Congratulating Rianna Turner, salutatorian of the Class of 2017 at Tulosos-Midway High School.

HR 2319 (by Herrero), Congratulating Eric Torres, valedictorian of the Class of 2017 at London High School.

HR 2320 (by Herrero), Congratulating Ellie Makae Tilton, valedictorian of the Class of 2017 at Calallen High School.

HR 2321 (by Herrero), Congratulating Dillon Humpal, salutatorian of the Class of 2017 at London High School.

HR 2322 (by Herrero), Congratulating Mackenzie Arnold, salutatorian of the Class of 2017 at Calallen High School.

HR 2323 (by Herrero), Congratulating Alejandro Jorge Olvera, valedictorian of the Class of 2017 at Calallen Charter High School.

HR 2324 (by Herrero), Congratulating Calysta Elise Guerrero, salutatorian of the Class of 2017 at Bishop High School.

HR 2325 (by Herrero), Congratulating Jessie Danielle Torres, valedictorian of the Class of 2017 at Bishop High School.

HR 2326 (by Herrero), Congratulating Whitney Mae McClendon, valedictorian of the Class of 2017 at Banquete High School.

HR 2327 (by Herrero), Congratulating Hope Nicole Ranly, salutatorian of the Class of 2017 at Banquete High School.

HR 2328 (by Herrero), Honoring Rene Vasquez for his 30-year career in sports broadcasting.

HR 2330 (by Gutierrez), Commending the San Antonio Water System for the assistance it provided to the Corpus Christi community in December 2016.

HR 2332 (by Uresti), Commending Dr. William Gonzaba for his contributions to the health and welfare of the people of San Antonio.

HR 2333 (by Isaac), Congratulating Naomi Narvaiz of San Marcos on her 50th birthday.

HR 2334 (by Herrero), Congratulating W. Allan Hayes on his receipt of a 2016-2017 Daniel E. Kilgore Local History Award from the Nueces County Historical Society.

HR 2335 (by Herrero), Congratulating James E. Klein on his receipt of a 2016-2017 Daniel E. Kilgore Local History Award from the Nueces County Historical Society.

HR 2336 (by Herrero), Congratulating Christine Reiser-Robbins on her receipt of a 2016-2017 Daniel E. Kilgore Local History Award from the Nueces County Historical Society.

HR 2337 (by Herrero), Congratulating Mark W. Robbins on his receipt of a 2016-2017 Daniel E. Kilgore Local History Award from the Nueces County Historical Society.

HR 2338 (by Herrero), Congratulating Corbin Lewis on receiving the Superstar Award from the McNair Scholars Program at Texas A&M University–Corpus Christi.

HR 2340 (by Gooden), Congratulating David A. Byrnes on his retirement as sheriff of Kaufman County.

HR 2341 (by Wray), Congratulating assistant baseball coach Jim Miller on his retirement from Waxahachie High School.

HR 2342 (by Turner), Commending Cailey Hudson of Juan Seguin High School on her perfect attendance during the 2016-2017 school year.

HR 2343 (by Turner), Commending Ruston Laurence of Juan Seguin High School on his perfect attendance during the 2016-2017 school year.

HR 2344 (by Turner), Commending Jennifer McCoy of Juan Seguin High School on her perfect attendance during the 2016-2017 school year.

HR 2345 (by Bohac), Commending Cassidy Taylor Zgabay for her service as an intern in the office of State Representative Dwayne Bohac.

HR 2346 (by Turner), Commending Gregory Wilson of Juan Seguin High School on his perfect attendance during the 2016-2017 school year.

HR 2347 (by Turner), Commending Jayson Carraway of Juan Seguin High School on his perfect attendance during the 2016-2017 school year.

HR 2348 (by Turner), Commending Katelyn Jamieson of Juan Seguin High School on her perfect attendance during the 2016-2017 school year.

HR 2349 (by Turner), Commending Mike Jenkins of Juan Seguin High School on his perfect attendance during the 2016-2017 school year.

HR 2350 (by Turner), Commending Robert Krecklow of Juan Seguin High School on his perfect attendance during the 2016-2017 school year.

HR 2352 (by Turner), Commending Cathy Ownby of Juan Seguin High School on her perfect attendance during the 2016-2017 school year.

HR 2353 (by Turner), Commending Wesley Ownby of Juan Seguin High School on his perfect attendance during the 2016-2017 school year.

HR 2354 (by Turner), Commending Marla Wilkins of Juan Seguin High School on her perfect attendance during the 2016-2017 school year.

HR 2355 (by Sanford), Congratulating Gabrielle Kopenski on her success at the 2017 Speedo Sectionals Championship Series in College Station.

HR 2356 (by Sanford), Congratulating Prosper High School UIL academics teams on winning the district championship.

The resolutions were adopted.

The following memorial resolutions were laid before the house:

HR 2000 (by Burrows), In memory of Tommy J. Turner of Lubbock.

HR 2001 (by C. Anderson), In memory of J. B. Owen Jr. of Waco.

HR 2002 (by Farrar), In memory of Hattie Marshall of Houston.

HR 2004 (by Wu), In memory of Richard "Racehorse" Haynes.

HR 2005 (by Murr), In memory of John William Zerr of Hondo.

HR 2016 (by Morrison), In memory of Robert Gaylan Duncan of Victoria.

HR 2040 (by Reynolds), In memory of Cayla Symone Simple of Fresno.

HR 2051 (by Hunter), In memory of Willard Howard Hammonds Sr. of Corpus Christi.

HR 2052 (by Hunter), In memory of Robert David Fields of Sandia.

HR 2053 (by Hunter), In memory of Sandra Valls of Port Aransas.

HR 2057 (by Ashby), In memory of Delbert Walker of Grapeland.

HR 2058 (by Oliveira), In memory of Rachel Greenspan Perelman of Brownsville.

HR 2062 (by Goldman), In memory of Rickey Clay Turner Sr. of Fort Worth.

HR 2070 (by Howard), In memory of Barbara Ruud of Austin.

HR 2182 (by Isaac), In memory of Allen W. Duhr of Cedarburg, Wisconsin.

HR 2183 (by E. Johnson), In memory of Charles Hamilton of DeSoto.

HR 2210 (by Farrar), In memory of Lindsay Davis Weems of Fort Worth.

HR 2216 (by Oliverson), In memory of former Tomball mayor Harold Gene "Hap" Harrington.

HR 2220 (by Wu), In memory of Lillian Anderson of Austin.

HR 2233 (by Martinez), In memory of Anthony Guajardo of Weslaco.

HR 2243 (by Price), In memory of Lometa Odom of Amarillo.

HR 2248 (by C. Anderson), In memory of Billy G. McGinnis of Troy.

HR 2260 (by Cain), In memory of Linda Cottar of Baytown.

HR 2265 (by E. Rodriguez), In memory of John Treviño Jr. of Austin.

HR 2275 (by Murphy), In memory of Barbara Dunn Kuhl of Houston.

HR 2308 (by Farrar), In memory of Steve Dekker of Houston.

HR 2309 (by Herrero), In memory of Charles "Chuck" E. Malone.

HR 2311 (by Farrar), In memory of Richard Rodriguez of Houston.

HR 2331 was previously adopted.

HR 2339 (by Ashby), In memory of Charles Loyd Graham of Normangee.

The resolutions were unanimously adopted by a rising vote.

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. 32).

HB 2691 - HOUSE REFUSES TO CONCUR IN SENATE AMENDMENTS CONFERENCE COMMITTEE APPOINTED

Representative G. Bonnen called up with senate amendments for consideration at this time,

HB 2691, A bill to be entitled An Act relating to certain election practices and procedures.

Representative G. Bonnen moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 2691**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 2691**: G. Bonnen, chair; Laubenberg, Schofield, Longoria, and Israel.

HB 3521 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 3521, A bill to be entitled An Act relating to the issuance of specialty license plates for certain veterans.

Representative Lambert moved to concur in the senate amendments to **HB 3521**.

The motion to concur in the senate amendments to **HB 3521** prevailed by (Record 1816): 144 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio(C); Martinez; Metcalf; Meyer; Miller; Moody; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker.

Absent, Excused — Minjarez; Walle.

Absent — Dukes; King, P.; Morrison.

STATEMENT OF VOTE

When Record No. 1816 was taken, I was in the house but away from my desk. I would have voted yes.

Morrison

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

Amend **HB 3521** (senate committee report) in SECTION 1 of the bill, in amended Section 504.202(e-1), Transportation Code (page 1, line 30), between "504.308," and "504.311," by inserting "504.309,".

HB 3294 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 3294, A bill to be entitled An Act relating to the eligibility of certain NASCAR events to receive funding through the Major Events Reimbursement Program.

Representative Krause moved to concur in the senate amendments to **HB 3294**.

The motion to concur in the senate amendments to **HB 3294** prevailed by (Record 1817): 119 Yeas, 22 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospere; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Dutton; Elkins; Faircloth; Farrar; Flynn; Frank; Frullo; Gervin-Hawkins; Goldman; Gonzales; González; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Israel; Johnson, E.; Johnson, J.; Kacal; King, K.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Larson; Laubenberg; Longoria; Lozano; Lucio(C); Martinez; Metcalf; Meyer; Miller; Moody; Muñoz; Murphy; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, J.; Romero; Rose; Sanford; Schofield; Schubert; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Biedermann; Burrows; Cain; Fallon; Geren; Gooden; Hefner; Isaac; Keough; Landgraf; Lang; Leach; Murr; Phillips; Rinaldi; Schaefer; Shaheen; Stickland; Swanson; Tinderholt; White; Wilson.

Present, not voting — Mr. Speaker.

Absent, Excused — Minjarez; Walle.

Absent — Deshotel; Dukes; Giddings; King, P.; Morrison; Rodriguez, E.

STATEMENTS OF VOTE

When Record No. 1817 was taken, I was in the house but away from my desk. I would have voted yes.

Morrison

When Record No. 1817 was taken, I was shown voting yes. I intended to vote no.

Sanford

When Record No. 1817 was taken, I was shown voting yes. I intended to vote no.

Springer

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

Amend **HB 3294** (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 5A, Chapter 1507 (**SB 456**), Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by amending Subsection (a-1) and adding Subsection (a-4) to read as follows:

(a-1) An event not listed in Subsection (a)(4) of this section is ineligible for funding under this section. A listed event may receive funding through the Major Events Reimbursement Program under this section only if:

(1) a site selection organization selects a site located in this state for the event to be held one time or, for an event scheduled to be held each year for a period of years under an event contract, or an event support contract, one time each year for the period of years, after considering, through a highly competitive selection process, one or more sites that are not located in this state;

(2) a site selection organization selects a site in this state as:

(A) the sole site for the event; or

(B) the sole site for the event in a region composed of this state and one or more adjoining states;

(3) the event is held not more than one time in any year; ~~and~~

(4) the amount of the incremental increase in tax receipts determined by the department under Subsection (b) of this section equals or exceeds \$1 million, provided that for an event scheduled to be held each year for a period of years under an event contract or event support contract, the incremental increase in tax receipts shall be calculated as if the event did not occur in the prior year; and

(5) not later than the 30th day before the first day of the event, a site selection organization submits a plan to prevent the trafficking of persons in connection with the event to the office of the attorney general and the chief of the Texas Division of Emergency Management.

(a-4) The office of the attorney general may:

(1) distribute the plan required under Subsection (a-1)(5) of this section to appropriate law enforcement agencies and to the office of the governor; and

(2) publish the plan on the office's Internet website.

**HB 3879 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

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

HB 3879, A bill to be entitled An Act relating to nonlawyer representation in an appeal of an eviction suit.

Representative Goldman moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 3879**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 3879**: Goldman, chair; Herrero, Shine, Simmons, and Geren.

**HB 2279 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

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

HB 2279, A bill to be entitled An Act relating to the regulation of residential service contracts.

Representative Goldman moved to concur in the senate amendments to **HB 2279**.

The motion to concur in the senate amendments to **HB 2279** prevailed by (Record 1818): 143 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio(C); Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker; Israel.

Absent, Excused — Minjarez; Walle.

Absent — Anderson, R.; Deshotel; Dukes.

Senate Committee Substitute

CSHB 2279, A bill to be entitled An Act relating to the regulation of residential service contracts.

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

SECTION 1. Section 1303.002, Occupations Code, is amended by adding Subdivisions (2-a) and (3-a) and amending Subdivision (5) to read as follows:

(2-a) "Executive director" means the executive director of the Texas Real Estate Commission.

(3-a) "Reimbursement insurance policy" means a policy of insurance issued to a residential service company to:

(A) provide reimbursement to the residential service company under the terms of the insured residential service contracts issued or sold by the residential service company; or

(B) pay on behalf of the residential service company, in the event of the residential service company's nonperformance, all covered contractual obligations incurred by the residential service company under the terms of the insured residential service contracts issued or sold by the residential service company.

(5) "Residential service contract" means an agreement that is entered into for a separately stated consideration and for a specified term under which [; in exchange for a fee,] a person agrees to, in the event of the operational or structural failure of or damage caused by a defect in materials or workmanship or by normal wear to [undertakes for a specified period to maintain, repair, or replace all or any part of] a structural component, an appliance, or an electrical, plumbing, heating, cooling, or air-conditioning system of a residential property that is attached to or located on the residential property:

(A) [; The term does not include a service or maintenance agreement sold, offered for sale, or issued by a manufacturer or merchant under which the manufacturer or merchant undertakes to] maintain, repair, or replace all or any part of the [a product or part of a product, including a] structural component, [an] appliance, or [an] electrical, plumbing, heating, cooling, or air-conditioning system;

(B) provide incidental payment of indemnity under limited circumstances, including food spoilage; or

(C) provide payment instead of repair when a part, structural component, appliance, or service provider or technician is unavailable [of a residential property, that is:

(A) manufactured or sold by the manufacturer or merchant; or

(B) installed by the merchant in a building or residence].

SECTION 2. Section 1303.052(b), Occupations Code, is amended to read as follows:

(b) A residential service company shall pay to the commission a fee for:

- (1) filing a [~~an annual~~] report under Section 1303.202; and
- (2) any other filing required by this chapter.

SECTION 3. Section 1303.053, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) Information prepared or compiled by the commission relating to an examination conducted under this section, including the examination file, is confidential and exempt from disclosure under Chapter 552, Government Code. The commission may withhold the information without the necessity of requesting a decision from the attorney general under Subchapter G, Chapter 552, Government Code.

SECTION 4. Section 1303.103, Occupations Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) Each application for a license must contain or be accompanied by:

(1) a copy of the articles of incorporation, articles of association, partnership agreement, trust agreement, or any other basic organizational document of the applicant;

(2) a copy of any amendment to the applicant's basic organizational document;

(3) a copy of any bylaws, rules, or other similar document that regulates the conduct of the applicant's internal affairs;

(4) the name, address, and official position of each person who will be responsible for the conduct of the applicant's affairs, including:

(A) each member of the board of directors, board of trustees, executive committee, or other governing body or committee of the applicant;

(B) the applicant's principal officer, if the applicant is a corporation; and

(C) each partner or member of the applicant, if the applicant is a partnership or association;

(5) a copy of the residential service contract made or to be made between the applicant and another person;

(6) a general description of the residential service contract or the contract's coverage or plan;

(7) the most recent [a] financial statements for the applicant [statement that]:

(A) that are [is]:

(i) prepared by an independent certified public accountant; or

(ii) certified as accurate by at least two of the residential service company's principal officers, if the residential service company uses a reimbursement insurance policy to insure its outstanding residential service contracts written in this state in accordance with Section 1303.151(b) [within six months preceding the date the application is submitted]; and

(B) that show [shows] the applicant's assets, liabilities, and sources of financial support;

(8) a description of the applicant's proposed method of marketing a residential service contract;

(9) a statement regarding the applicant's sources of working capital and any other funding sources;

(10) if the applicant is not domiciled in this state, a power of attorney appointing the executive director [administrator] and the executive director's [administrator's] successors in office, or the executive director's [administrator's] authorized deputy, as the applicant's agent for service of process in this state in a legal action arising in this state against the applicant or the applicant's agents; and

(11) any other information the commission requires to make a determination required by this chapter.

(d) The commission shall maintain the confidentiality of information submitted to the commission by an applicant under this section that is claimed to be confidential for competitive purposes. The confidential information is exempt from disclosure under Chapter 552, Government Code. The commission may withhold the information without the necessity of requesting a decision from the attorney general under Subchapter G, Chapter 552, Government Code.

SECTION 5. Section 1303.151, Occupations Code, is amended to read as follows:

Sec. 1303.151. RESERVE OR REIMBURSEMENT INSURANCE POLICY REQUIRED. (a) Except as provided by Subsection (b), a [A] residential service company shall maintain a funded reserve against its liability to provide repair and replacement services under its outstanding residential service contracts written in this state.

(b) Except as provided by Section 1303.152(d), a residential service company is not required to maintain a funded reserve if it insures all of its risk under its outstanding residential service contracts written in this state under a reimbursement insurance policy issued by:

(1) an admitted insurer; or

(2) a surplus lines insurer or a surplus lines bonding company if the insurer or bonding company:

(A) is rated A+ or better by a rating service recognized by the commission; and

(B) submits to the commission for its approval evidence, in the form of a certified audit and other pertinent information the commission may require, of the insurer's or bonding company's ability to meet its contractual obligations.

SECTION 6. Section 1303.152, Occupations Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) For purposes of this chapter, to the extent a residential service company uses a reimbursement insurance policy described by Section 1303.151(b) to insure an outstanding residential service contract written in this state, the company's reserve is not required to include a contract fee on the [a] residential service contract [to the extent that provision is made for reinsurance of the outstanding risk on the contract by:

[1) a residential service company licensed in this state;

[2) an admitted insurer; or

[3) a surplus line insurer or a surplus line bonding company if the insurer or bonding company:

[A) is rated A+ or better by a rating service recognized by the commission; and

[B) submits to the commission for its approval evidence, in the form of a certified audit and other pertinent information the commission may require, of the insurer's or bonding company's ability to meet its contractual obligations].

(d) If a residential service company's reimbursement insurance policy is issued by a captive insurance company as defined by Section 964.001, Insurance Code, the residential service company shall maintain a funded reserve of at least 25 percent of the reserve amount described by Subsection (a).

SECTION 7. Subchapter D, Chapter 1303, Occupations Code, is amended by adding Section 1303.1525 to read as follows:

Sec. 1303.1525. REIMBURSEMENT INSURANCE POLICY. (a) An insurer that issues a reimbursement insurance policy to a residential service company is considered to have received the premiums for the policy on the dates contract holders pay for residential service contracts issued by the residential service company.

(b) An insurer may not cancel a reimbursement insurance policy until the insurer mails or delivers a notice of cancellation to the commission. The cancellation of the policy does not affect the issuer's liability for a residential service contract issued by the insured residential service company before the effective date of the cancellation.

SECTION 8. Section 1303.153, Occupations Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Except as provided by Subsection (d), as [As] a guarantee that a residential service company will meet its obligations to its contract holders, the company shall maintain with the commission a bond or other security accepted by the commission.

(d) This section does not apply to a residential service company that uses a reimbursement insurance policy to insure its outstanding residential service contracts written in this state in accordance with Section 1303.151(b).

SECTION 9. Section 1303.154, Occupations Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Except as provided by Subsection (d), an [An] applicant for a new license must provide security in the amount of \$25,000. The amount of the security may not be reduced before the residential service company files a second report under Section 1303.202.

(d) This section does not apply to a residential service company that uses a reimbursement insurance policy to insure its outstanding residential service contracts written in this state in accordance with Section 1303.151(b).

SECTION 10. Section 1303.202, Occupations Code, is amended to read as follows:

Sec. 1303.202. ~~[ANNUAL] REPORT.~~ (a) The commission may adopt rules requiring [Not later than April 1 of each year,] each residential service company to [shall] file with the commission a report that meets the requirements in Subsection (b) [covering the preceding calendar year].

(b) The report must:

(1) be on a form prescribed by the commission;

(2) be verified by at least two of the residential service company's principal officers; and

(3) include:

(A) ~~[a] financial statements [statement]~~ of the residential service company, including its balance sheet and receipts and disbursements for the preceding year, certified as accurate by:

(i) an independent public accountant; or

(ii) at least two of the residential service company's principal officers, if the residential service company uses a reimbursement insurance policy to insure its outstanding residential service contracts written in this state in accordance with Section 1303.151(b);

(B) any material change to the information submitted under Section 1303.103, except an amendment to a residential service contract filed with the commission under Section 1303.251;

(C) if the residential service company maintains a reserve required by Section 1303.151(a), the number of residential service contracts entered into during the year, the number of contract holders as of the end of the year, and the number of contracts terminating during the year; and

(D) any other information that:

(i) relates to the performance and solvency of the residential service company; and

(ii) is necessary for the commission to perform its duties under this chapter.

(c) The commission shall maintain the confidentiality of information [Information] provided to the commission by a residential service company under this section that [Subsection (b)(3)(D)] is claimed to be confidential for competitive purposes. The confidential information is exempt from disclosure under Chapter 552, Government Code. The commission may withhold the information without the necessity of requesting a decision from the attorney general under Subchapter G, Chapter 552, Government Code [:

[~~(1) confidential; and~~

[~~(2) for the exclusive use of the commission].~~

SECTION 11. Section 1303.251, Occupations Code, is amended to read as follows:

Sec. 1303.251. CONTRACT DELIVERY AND FILING [EVIDENCE OF COVERAGE]. (a) Each contract holder residing in this state is entitled to receive a copy of the [evidence of coverage under a] residential service contract not later than the 15th day after the date the contract holder pays for the residential service contract or the effective date of the residential service contract, whichever is later. The residential service company may provide [that issued] the copy by mail, e-mail, or other means of delivery acceptable to the commission [contract shall issue evidence of coverage under the contract].

(b) A residential service company shall file with the commission for approval [may not issue or deliver evidence of coverage under] a residential service contract, or an amendment to a previously filed residential service contract that changes the residential service contract's coverage or substantially amends a disclosure required by Section 1303.252 [evidence, to a person in this state until a copy of the evidence or amendment is filed with and approved by the commission].

(c) The commission may require a residential service company to submit relevant information the commission considers necessary to determine whether to approve or disapprove a filing made under Subsection (b) [the company's evidence of coverage].

(d) The commission shall approve a filing made under Subsection (b) [residential service company's evidence of coverage] if the requirements of this section and Section 1303.252 are met.

(d-1) For a filing made under Subsection (b) after a residential service company is licensed, the commission shall have 30 days to consider the filing from the date of the filing or the date that the commission receives any associated filing fee, whichever is later. On the 31st day after that date, the filing is

considered approved unless the commission disapproves the filing or notifies the residential service company in writing that the filing violates this section or Section 1303.252.

(d-2) If the commission notifies the residential service company that the filing violates this section or Section 1303.252, the residential service company may submit a written response to that notification. The commission shall have 30 days to reconsider the filing from the date that the commission receives the residential service company's written response. On the 31st day after the commission receives the residential service company's written response, the filing is considered approved unless the commission disapproves the filing. If the residential service company does not respond in writing before the 61st day after being notified by the commission that the filing violates this section or Section 1303.252, the filing is automatically disapproved.

(d-3) The commission may not require a residential service company to waive a 30-day consideration period provided by this section or make the approval of a filing contingent on waiving a 30-day consideration period provided by this section.

(e) If the commission disapproves a filing made under Subsection (b) [residential service company's evidence of coverage], the commission shall notify the company of the disapproval and in the notice shall specify in detail the reason for the disapproval.

(f) A residential service company whose filing under Subsection (b) [evidence of coverage] is disapproved by the commission is entitled to a hearing conducted by the State Office of Administrative Hearings [may request a hearing on the commission's decision. If a hearing is requested, the commission shall set a hearing on the decision as soon as reasonably possible. Not later than the 60th day after the date of the hearing, the commission by written order shall approve or disapprove the evidence. If the evidence is disapproved, the commission shall state in the order the grounds for the disapproval].

(g) A hearing under Subsection (f) is governed by the contested case procedures under Chapter 2001, Government Code.

SECTION 12. Section 1303.252, Occupations Code, is amended to read as follows:

Sec. 1303.252. FORM OF CONTRACT AND REQUIRED DISCLOSURES [CONTENTS OF EVIDENCE OF COVERAGE]. (a) A residential service contract marketed, sold, offered for sale, issued, made, proposed to be made, or administered in this state must be written, printed, or typed in clear, understandable language that is easy to read and must disclose the following [Evidence of coverage under a residential service contract must contain a clear and complete statement, if the evidence is a contract, or a reasonably complete facsimile, if the evidence is a certificate, of]:

- (1) the services or benefits to which the contract holder is entitled;
- (2) any limitation on the services, kinds of services, or benefits to be provided, including a deductible or co-payment provision;
- (3) where and in what manner information is available on how to obtain services;

(4) the period during which the coverage is in effect;

(5) the residential service company's agreement to perform services on the contract holder's telephone request to the company, without a requirement that a claim form or application be filed before the services are performed;

(6) the company's agreement that, under normal circumstances, the company will initiate the performance of services within 48 hours after the contract holder requests the services; and

(7) any service fee to be charged for a service call.

(b) A service fee under Subsection (a)(7) is not required to be preprinted on the residential service contract but must be disclosed in writing to the contract holder before the purchase of the residential service contract.

(c) A residential service contract insured under a reimbursement insurance policy in accordance with Section 1303.151(b) must contain a statement substantially similar to the following: "The residential service company's obligations under this residential service contract are insured under a reimbursement insurance policy." The residential service contract must also:

(1) state the name and address of the insurer; and

(2) state that the contract holder may apply for reimbursement directly to the insurer if a covered service is not provided to the contract holder by the residential service company before the 61st day after the date the contract holder provides proof of loss.

(d) A residential service contract [Evidence of coverage] may not contain a provision that encourages misrepresentation or that is unjust, unfair, inequitable, misleading, deceptive, or false.

SECTION 13. Section 1303.253, Occupations Code, is amended to read as follows:

Sec. 1303.253. SCHEDULE OF CHARGES. (a) A residential service company shall file with the commission ~~may not use in conjunction with a residential service contract~~ a schedule of charges for services covered under a residential service ~~the~~ contract and any ~~or an~~ amendment to a previously filed ~~that~~ schedule before implementation of the schedule of charges or amendment ~~until a copy of the schedule or amendment is filed with and approved by the commission~~.

(b) A filing made under Subsection (a) by a residential service company that uses a reimbursement insurance policy to insure its outstanding residential service contracts written in this state in accordance with Section 1303.151(b) is not subject to approval by the commission and is made for informational purposes only.

(c) A filing made under Subsection (a) by a residential service company that maintains a reserve required by Section 1303.151(a) may not be implemented until approved by the commission.

(d) The commission shall approve a filing made under Subsection (a) ~~schedule of charges~~ if the commission determines that the filing ~~schedule~~ is reasonably related to the amount, term, and conditions of the contract to which the filing applies.

(e) ~~[(e)]~~ If the commission determines that a filing made under Subsection (a) ~~[the schedule of charges]~~ is not reasonably related to the contract as described by Subsection (d) ~~[(b)]~~, the commission may disapprove ~~[reject]~~ the filing ~~[schedule]~~. If the commission disapproves ~~[rejects]~~ the filing ~~[schedule]~~, the commission shall notify the company of the disapproval ~~[rejection]~~ and shall specify in detail the reason for the disapproval ~~[rejection]~~.

(f) For a filing made under Subsection (a) by a residential service company described by Subsection (c) after the residential service company is licensed, the commission shall have 30 days to consider the filing from the date of the filing or the date that the commission receives any associated filing fee, whichever is later. On the 31st day after that date, the filing is considered approved unless the commission disapproves the filing or notifies the residential service company in writing that the filing is not reasonably related to the amount, term, and conditions of the contract to which the filing applies.

(g) If the commission notifies the residential service company that the filing is not reasonably related to the amount, term, and conditions of the contract to which the filing applies, the residential service company may submit a written response to that notification. The commission shall have 30 days to reconsider the filing from the date that the commission receives the residential service company's written response. On the 31st day after the commission receives the residential service company's written response, the filing is considered approved unless the commission disapproves the filing. If the residential service company does not respond in writing before the 61st day after being notified by the commission that the filing is not reasonably related to the amount, term, and conditions of the contract to which the filing applies, the filing is automatically disapproved.

(h) The commission may not require a residential service company to waive a 30-day consideration period provided by this section or make the approval of a filing contingent on waiving a 30-day consideration period provided by this section.

(i) ~~[(d)]~~ A residential service company whose filing under Subsection (a) ~~[schedule of charges]~~ is disapproved ~~[rejected]~~ by the commission is entitled to [may request] a hearing conducted by the State Office of Administrative Hearings ~~[on the commission's decision to be held as soon as reasonably possible]~~. ~~[Not later than the 60th day after the date of the hearing, the commission by written order shall approve or reject the schedule. If the schedule is rejected, the commission shall state in the order the grounds for the rejection.]~~

(j) A hearing under Subsection (i) is governed by the contested case procedures under Chapter 2001, Government Code.

SECTION 14. Section 1303.301(a), Occupations Code, is amended to read as follows:

(a) A residential service company may not cause or permit the use of:

(1) a false or misleading advertisement or solicitation; or

(2) any deceptive residential service contract ~~[evidence of coverage]~~.

SECTION 15. Section 1303.352(a), Occupations Code, is amended to read as follows:

(a) The commission may discipline a residential service company under Section 1303.351 if the continued operation of the company would be hazardous to its contract holders or if the company:

(1) operates in conflict with its basic organizational document or in a manner that is contrary to that described in and reasonably inferred from information submitted under Section 1303.103, unless an amendment to the information has been filed with and approved by the commission;

(2) issues a residential service contract [~~evidence of coverage~~] that does not comply with Sections 1303.251 and 1303.252;

(3) uses a schedule of charges that does not comply with Section 1303.253;

(4) is not financially responsible and may be reasonably expected to be unable to meet the company's obligations to contract holders;

(5) did not comply with Subchapter D;

(6) advertised or marketed the company's services in a false, misrepresentative, misleading, deceptive, or unfair manner; or

(7) otherwise did not substantially comply with this chapter or a rule adopted under this chapter.

SECTION 16. The changes in law made by this Act apply only to a residential service contract entered into or renewed on or after the effective date of this Act. A residential service contract entered into or renewed before that date 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 17. This Act takes effect January 1, 2018.

HB 4 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 4, A bill to be entitled An Act relating to monetary assistance provided by the Department of Family and Protective Services to certain relative or designated caregivers; creating a criminal offense; creating a civil penalty.

Representative Burkett moved to concur in the senate amendments to **HB 4**.

The motion to concur in the senate amendments to **HB 4** prevailed by (Record 1819): 144 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano;

Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Davis, S.; Workman.

Senate Committee Substitute

CSHB 4, A bill to be entitled An Act relating to monetary assistance provided by the Department of Family and Protective Services to certain relative or designated caregivers; creating a criminal offense; creating a civil penalty.

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

SECTION 1. Section 264.755, Family Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (b-1), (b-2), and (f) to read as follows:

(a) The department shall, subject to the availability of funds, enter into a caregiver assistance agreement with each relative or other designated caregiver to provide monetary assistance and additional support services to the caregiver. The monetary assistance and support services shall be based on a family's need, as determined by Subsection (b) and rules adopted by the executive commissioner.

(b) The department shall provide monetary [Monetary] assistance [provided] under this section to a caregiver who has a family income that is less than or equal to 300 percent of the federal poverty level. Monetary assistance provided to a caregiver under this section may not exceed 50 percent of the department's daily basic foster care rate for the child. A caregiver who has a family income greater than 300 percent of the federal poverty level is not eligible for monetary assistance under this section [must include a one time cash payment to the caregiver on the initial placement of a child or a sibling group. The amount of the cash payment, as determined by the department, may not exceed \$1,000 for each child. The payment for placement of a sibling group must be at least \$1,000 for the group, but may not exceed \$1,000 for each child in the group. The cash payment must be provided on the initial placement of each child with the caregiver and is provided to assist the caregiver in purchasing essential child care items such as furniture and clothing].

(b-1) The department shall disburse monetary assistance provided to a caregiver under Subsection (b) in the same manner as the department disburses payments to a foster parent.

(b-2) The department shall implement a process to verify the family income of a relative or other designated caregiver for the purpose of determining eligibility to receive monetary assistance under Subsection (b).

(c) Monetary assistance and additional support services provided under this section may include:

(1) case management services and training and information about the child's needs until the caregiver is appointed permanent managing conservator;

(2) referrals to appropriate state agencies administering public benefits or assistance programs for which the child, the caregiver, or the caregiver's family may qualify;

(3) family counseling not provided under the Medicaid program for the caregiver's family for a period not to exceed two years from the date of initial placement;

(4) if the caregiver meets the eligibility criteria determined by rules adopted by the executive commissioner, reimbursement of all child-care expenses incurred while the child is under 13 years of age, or under 18 years of age if the child has a developmental disability, and while the department is the child's managing conservator; and

(5) if the caregiver meets the eligibility criteria determined by rules adopted by the executive commissioner, reimbursement of 50 percent of child-care expenses incurred after the caregiver is appointed permanent managing conservator of the child while the child is under 13 years of age, or under 18 years of age if the child has a developmental disability[~~and~~

~~(6) reimbursement of other expenses, as determined by rules adopted by the executive commissioner, not to exceed \$500 per year for each child].~~

(f) If a person who has a family income that is less than or equal to 300 percent of the federal poverty level enters into a caregiver assistance agreement with the department, obtains permanent managing conservatorship of a child, and meets all other eligibility requirements, the person may receive an annual reimbursement of other expenses for the child, as determined by rules adopted by the executive commissioner, not to exceed \$500 per year until the earlier of:

(1) the third anniversary of the date the person was awarded permanent managing conservatorship of the child; or

(2) the child's 18th birthday.

SECTION 2. Subchapter I, Chapter 264, Family Code, is amended by adding Section 264.7551 to read as follows:

Sec. 264.7551. FRAUDULENT AGREEMENT; CRIMINAL OFFENSE; CIVIL PENALTY. (a) A person commits an offense if, with intent to defraud or deceive the department, the person knowingly makes or causes to be made a false statement or misrepresentation of a material fact that allows a person to enter into a caregiver assistance agreement.

(b) An offense under Subsection (a) is a state jail felony unless it is shown on the trial of the offense that the person has previously been convicted under this section, in which case the offense is a felony of the third degree.

(c) If conduct that constitutes an offense under this section also constitutes an offense under any other law, the actor may be prosecuted under this section, the other law, or both.

(d) The appropriate county prosecuting attorney shall be responsible for the prosecution of an offense under this section.

(e) A person who engaged in conduct described by Subsection (a) is liable to the state for a civil penalty of \$1,000. The attorney general shall bring an action to recover a civil penalty as authorized by this subsection.

(f) The commissioner of the department may adopt rules necessary to determine whether fraudulent activity that violates Subsection (a) has occurred.

SECTION 3. (a) Except as provided by Subsection (b) of this section, Section 264.755, Family Code, as amended by this Act, applies to a caregiver assistance agreement entered into before, on, or after the effective date of this Act.

(b) If a person who has a family income that is less than or equal to 300 percent of the federal poverty level entered into a caregiver assistance agreement with the Department of Family and Protective Services on or after June 1, 2017, but before the effective date of this Act, and received monetary assistance under the agreement from the department, the department shall consider the money paid to the person to be a credit against the disbursement of caregiver assistance funds, and may not begin disbursing money to the person as authorized by Section 264.755, Family Code, as amended by this Act, until the credit has been offset.

SECTION 4. This Act takes effect only if a specific appropriation for the implementation of the Act is provided in a general appropriations act of the 85th Legislature. If the legislature does not appropriate money specifically for the purpose of implementing this Act, this Act has no effect.

SECTION 5. Except as otherwise provided by this Act, this Act takes effect September 1, 2017.

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

Amend **CSHB 4** (senate committee printing) in SECTION 2 of the bill, by striking added Section 264.7551(b), Family Code (page 2, lines 44-47), and substituting the following:

(b) An offense under this section is:

(1) a Class C misdemeanor if the person entered into a fraudulent caregiver assistance agreement and received no monetary assistance under the agreement or received monetary assistance under the agreement for less than 7 days;

(2) a Class B misdemeanor if the person entered into a fraudulent caregiver assistance agreement and received monetary assistance under the agreement for 7 days or more but less than 31 days;

(3) a Class A misdemeanor if the person entered into a fraudulent caregiver assistance agreement and received monetary assistance under the agreement for 31 days or more but less than 91 days; or

(4) a state jail felony if the person entered into a fraudulent caregiver assistance agreement and received monetary assistance under the agreement for 91 days or more.

Senate Amendment No. 2 (Senate Floor Amendment No. 2)

Amend **CSHB 4** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter I, Chapter 264, Family Code, is amended by adding Section 264.762 to read as follows:

Sec. 264.762. ANNUAL REPORT. Not later than September 1 of each year, the department shall publish a report on the relative and other designated caregiver placement program created under this subchapter. The report must include data on permanency outcomes for children placed with relative or other designated caregivers, including:

(1) the number of disruptions in a relative or other designated caregiver placement;

(2) the reasons for any disruption in a relative or other designated caregiver placement; and

(3) the length of time before a relative or other designated caregiver who receives monetary assistance from the department under this subchapter obtains permanent managing conservatorship of a child.

SECTION _____. Not later than September 1, 2018, the Department of Family and Protective Services shall publish the first report required under Section 264.762, Family Code, as added by this Act.

Senate Amendment No. 3 (Senate Floor Amendment No. 3)

Amend **CSHB 4** (senate committee printing) in SECTION 1 of the bill, in added Section 264.755(b-1), Family Code (page 1, line 54), following "parent." by inserting:

The department may not provide monetary assistance to an eligible caregiver under Subsection (b) after the first anniversary of the date the caregiver receives the first monetary assistance payment from the department under this section.

Senate Amendment No. 4 (Senate Floor Amendment No. 4)

Amend Amendment No. 3 by Taylor to **CSHB 4** on page 1, line 8, by inserting the following after "section.":

"The department, at its discretion and for good cause, may extend the monetary assistance payments for an additional 6 months."

HB 4042 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 4042, A bill to be entitled An Act relating to the sale by certain alcoholic beverage permit holders of alcoholic beverages at auction.

Representative Paddie moved to concur in the senate amendments to **HB 4042**.

The motion to concur in the senate amendments to **HB 4042** prevailed by (Record 1820): 145 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospes; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Laubenberg.

Senate Committee Substitute

CSHB 4042, A bill to be entitled An Act relating to the sale by certain alcoholic beverage permit holders of alcoholic beverages at auction.

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

SECTION 1. Chapter 53, Alcoholic Beverage Code, is amended to read as follows:

CHAPTER 53. TEMPORARY [~~CHARITABLE~~] AUCTION PERMIT

Sec. 53.001. AUTHORIZED ACTIVITIES. The holder of a temporary [~~charitable~~] auction permit may auction alcoholic beverages for consumption off premises to raise money to support the stated purpose [~~charitable works~~] of the permit holder.

Sec. 53.002. FEE. (a) The state fee for a temporary [~~charitable~~] auction permit is \$25.

(b) A local fee may not be charged for the application for or issuance of a temporary [~~charitable~~] auction permit.

(c) The commission may not impose a surcharge for a temporary auction permit.

Sec. 53.003. DURATION OF PERMIT. A temporary [~~charitable~~] auction permit may be issued for a period of not more than five days.

Sec. 53.004. PERMIT. The commission may issue a temporary [~~charitable~~] auction permit only to:

(1) an organization that is exempt from taxation under Section 501(a), Internal Revenue Code of 1986 (26 U.S.C. Section 501(a)) by being listed under Section 501(c)(3), Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3));
or

(2) a person or group of persons who are subject to recordkeeping requirements under Chapter 254, Election Code.

Sec. 53.005. AUCTION LOCATION. (a) The holder of a temporary [charitable] auction permit may conduct an auction in any area where the sale of the type of alcoholic beverage to be auctioned is authorized by a local option election.

(b) The holder of a temporary [charitable] auction permit may conduct an auction at a premises of another permit or license holder if:

(1) the alcoholic beverages to be auctioned are kept separate from the alcoholic beverages sold, stored, or served at the premises; and

(2) the alcoholic beverages subject to the auction, whether sold or unsold, are removed from the premises immediately following the auction.

Sec. 53.006. AUCTION NOTICE. Before an auction is held, the holder of a temporary [charitable] auction permit shall provide to the branch office of the commission located closest to the auction site written notice of:

(1) the date, time, and place of the auction; and

(2) the inventory of the alcoholic beverages to be auctioned.

Sec. 53.007. DISPOSITION OF PROCEEDS. The proceeds from an auction authorized by this chapter shall be deposited to the account of the holder of a temporary [charitable] auction permit.

Sec. 53.008. PROHIBITED ACTIVITIES. The holder of a temporary [charitable] auction permit may not:

(1) auction distilled spirits, wine, ale, or malt liquor that has not been donated to the organization;

(2) auction alcoholic beverages if any taxes are owed on the beverages;

and

(3) ~~conduct more than one auction during each calendar year, and~~

~~(4)~~ pay a commission or promotional allowance to a person to:

(A) arrange or conduct an auction under this chapter; or

(B) arrange the donation of alcoholic beverages to be auctioned by

the organization.

Sec. 53.009. RULES. (a) The commission shall adopt rules to ensure the applicant qualifies under this chapter for [governing] the issuance and use of a temporary [charitable] auction permit.

(b) The commission shall adopt rules establishing penalties for the violation of rules adopted under this chapter. A penalty established by the commission under this subsection may not exceed a penalty that the commission may impose on the holder of another temporary license or permit.

SECTION 2. Section 151.461(5), Tax Code, is amended to read as follows:

(5) "Retailer" means a person required to hold:

(A) a wine and beer retailer's permit under Chapter 25, Alcoholic Beverage Code;

(B) a wine and beer retailer's off-premise permit under Chapter 26, Alcoholic Beverage Code;

(C) a temporary wine and beer retailer's permit or special three-day wine and beer permit under Chapter 27, Alcoholic Beverage Code;

(D) a mixed beverage permit under Chapter 28, Alcoholic Beverage Code;

(E) a daily temporary mixed beverage permit under Chapter 30, Alcoholic Beverage Code;

(F) a private club registration permit under Chapter 32, Alcoholic Beverage Code;

(G) a certificate issued to a fraternal or veterans organization under Section 32.11, Alcoholic Beverage Code;

(H) a daily temporary private club permit under Subchapter B, Chapter 33, Alcoholic Beverage Code;

(I) a temporary [charitable] auction permit under Chapter 53, Alcoholic Beverage Code;

(J) a retail dealer's on-premise license under Chapter 69, Alcoholic Beverage Code;

(K) a temporary license under Chapter 72, Alcoholic Beverage Code; or

(L) a retail dealer's off-premise license under Chapter 71, Alcoholic Beverage Code, except for a dealer who also holds a package store permit under Chapter 22, Alcoholic Beverage Code.

SECTION 3. This Act takes effect September 1, 2017.

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

Amend **CSHB 4042** (senate committee printing) in SECTION 1 of the bill, in amended Section 53.009(a), Alcoholic Beverage Code (page 2, lines 26-27), by striking "to ensure the applicant qualifies under this chapter for [governing]" and substituting "governing".

HB 2098 - HOUSE REFUSES TO CONCUR IN SENATE AMENDMENTS CONFERENCE COMMITTEE APPOINTED

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

HB 2098, A bill to be entitled An Act relating to allowing the holder of a brewpub license to sell ale and malt liquor to certain wholesalers.

Representative Geren moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 2098**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 2098**: Geren, chair; Kuempel, Herrero, Frullo, and Darby.

**HB 2466 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative S. Davis called up with senate amendments for consideration at this time,

HB 2466, A bill to be entitled An Act relating to coverage for certain services related to maternal depression under the Medicaid and child health plan programs.

Representative S. Davis moved to concur in the senate amendments to **HB 2466**.

The motion to concur in the senate amendments to **HB 2466** prevailed by (Record 1821): 145 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martínez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Schaefer.

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

Absent, Excused — Minjarez; Walle.

STATEMENT OF VOTE

When Record No. 1821 was taken, I was shown voting no. I intended to vote yes.

Schaefer

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

Amend **HB 2466** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 32.025, Human Resources Code, is amended by adding Subsection (g) to read as follows:

(g) The application form adopted under this section must include:

(1) for an applicant who is pregnant, a question regarding whether the pregnancy is the woman's first gestational pregnancy; and

(2) a question regarding the applicant's preferences for being contacted, as follows:

"If you are determined eligible for benefits, your managed care organization or health plan provider may contact you by telephone, text message, or e-mail about health care matters, including reminders for appointments and information about immunizations or well check visits. All preferred methods of contact listed on this application will be shared with your managed care organization or health plan provider. Please indicate below your preferred methods of contact in order of preference, with the number 1 being the most preferable method:

(1) By telephone (if contacted by cellular telephone, the call may be autodialed or prerecorded, and your carrier's usage rates may apply)? Yes No

Telephone number: _____

Order of preference: 1 2 3 (circle a number)

(2) By text message (a free autodialed service, but your carrier may charge message and data rates)? Yes No

Cellular telephone number: _____

Order of preference: 1 2 3 (circle a number)

(3) By e-mail? Yes No

E-mail address: _____

Order of preference: 1 2 3 (circle a number)".

(b) Not later than January 1, 2018, the executive commissioner of the Health and Human Services Commission shall adopt a revised application form for medical assistance benefits that conforms to the requirements of Section 32.025(g), Human Resources Code, as added by this section.

HB 214 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 214, A bill to be entitled An Act relating to a recording of certain proceedings of the Texas Supreme Court and Court of Criminal Appeals and the publication of the recordings.

Representative Canales moved to concur in the senate amendments to **HB 214**.

The motion to concur in the senate amendments to **HB 214** prevailed by (Record 1822): 135 Yeas, 9 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank;

Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Sanford; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Biedermann; Cain; Hefner; Krause; Murr; Schaefer; Stickland; Swanson; Tinderholt.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Rose.

STATEMENT OF VOTE

When Record No. 1822 was taken, I was shown voting yes. I intended to vote no.

Fallon

Senate Committee Substitute

CSHB 214, A bill to be entitled An Act relating to a recording of certain proceedings of the Texas Supreme Court and Court of Criminal Appeals and the publication of the recordings.

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

SECTION 1. Subchapter D, Chapter 22, Government Code, is amended by adding Section 22.303 to read as follows:

Sec. 22.303. RECORDING OF CERTAIN COURT PROCEEDINGS. If appropriated funds or donations are available in the amount necessary to cover the cost, the supreme court and the court of criminal appeals shall make a video recording or other electronic visual and audio recording of each oral argument and public meeting of the court and post the recording on the court's Internet website.

SECTION 2. The Texas Supreme Court and the Court of Criminal Appeals are required to implement this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Texas Supreme Court and the Court of Criminal Appeals may, but are not required to, implement this Act using other appropriations available for the purpose.

SECTION 3. This Act takes effect September 1, 2017.

HB 3649 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS

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

HB 3649, A bill to be entitled An Act relating to confidential communications of victims of certain family violence offenses.

Representative Herrero moved to concur in the senate amendments to **HB 3649**.

The motion to concur in the senate amendments to **HB 3649** prevailed by (Record 1823): 141 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Clardy; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Hunter; Isaac; Israel; Johnson, E.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Capriglione; Coleman; Huberty; Johnson, J.; White.

Senate Committee Substitute

CSHB 3649, A bill to be entitled An Act relating to confidential communications of victims of certain family violence offenses.

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

SECTION 1. The heading to Subtitle C, Title 4, Family Code, is amended to read as follows:

SUBTITLE C. ~~REPORTING~~ FAMILY VIOLENCE REPORTING AND SERVICES

SECTION 2. Subtitle C, Title 4, Family Code, is amended by adding Chapter 93 to read as follows:

CHAPTER 93. CONFIDENTIAL AND PRIVILEGED COMMUNICATIONS

Sec. 93.001. DEFINITIONS. In this chapter:

(1) "Advocate" means a person who has at least 20 hours of training in assisting victims of family violence and is an employee or volunteer of a family violence center.

(2) "Family violence center" means a public or private nonprofit organization that provides, as its primary purpose, services to victims of family violence, including the services described by Section 51.005(b)(3), Human Resources Code.

(3) "Victim" has the meaning assigned to "victim of family violence" by Section 51.002, Human Resources Code.

Sec. 93.002. CONFIDENTIAL COMMUNICATIONS. A written or oral communication between an advocate and a victim made in the course of advising, advocating for, counseling, or assisting the victim is confidential and may not be disclosed.

Sec. 93.003. PRIVILEGED COMMUNICATIONS. (a) A victim has a privilege to refuse to disclose and to prevent another from disclosing a confidential communication described by Section 93.002.

(b) The privilege may be claimed by:

(1) a victim or a victim's attorney on a victim's behalf;

(2) a parent, guardian, or conservator of a victim under 18 years of age;

or

(3) an advocate or a family violence center on a victim's behalf.

Sec. 93.004. EXCEPTIONS. (a) A communication that is confidential under this chapter may be disclosed only:

(1) to another individual employed by or volunteering for a family violence center for the purpose of furthering the advocacy process;

(2) for the purpose of seeking evidence that is admissible under Article 38.49, Code of Criminal Procedure, following an in camera review and a determination that the communication is admissible under that article;

(3) to other persons in the context of a support group or group counseling in which a victim is a participant; or

(4) for the purposes of making a report under Chapter 261 of this code or Section 48.051, Human Resources Code.

(b) Notwithstanding Subsection (a), the Texas Rules of Evidence govern the disclosure of a communication that is confidential under this chapter in a criminal or civil proceeding by an expert witness who relies on facts or data from the communication to form the basis of the expert's opinion.

(c) If the family violence center, at the request of the victim, discloses a communication privileged under this chapter for the purpose of a criminal or civil proceeding, the family violence center shall disclose the communication to all parties to that criminal or civil proceeding.

SECTION 3. This Act takes effect September 1, 2017.

COMMITTEE GRANTED PERMISSION TO MEET

Representative Smithee requested permission for the Committee on Judiciary and Civil Jurisprudence to meet while the house is in session, at 4 p.m. today, in 1W.14, to consider **HCR 142**.

Permission to meet was granted.

COMMITTEE MEETING ANNOUNCEMENT

The following committee meeting was announced:

Judiciary and Civil Jurisprudence, 4 p.m. today, 1W.14, for a formal meeting, to consider **HCR 142**.

HB 13 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 13, A bill to be entitled An Act relating to the creation of a matching grant program to support community mental health programs for individuals experiencing mental illness.

HB 13 - REMARKS

REPRESENTATIVE TURNER: You largely answered my question because you explained the senate amendments very well in terms of revamping the tier system for the match for this very important program. I just want to take the opportunity to thank you and the senators who worked on this for taking those concerns into account that we had discussed earlier on. I really appreciate your leadership on this bill and more importantly on the overall subject of mental health last interim and throughout this session. So thank you very much.

REPRESENTATIVE PRICE: Thank you, Representative. And thank you for your work in the interim as well as your work on this bill after we laid it out, because I think as it turned out, the language we added both here and working with our counterparts in the east wing—it's a much better bill, and it'll serve the mental health needs in communities all across the state. I think it's a much better product. I appreciate it very much.

TURNER: Absolutely, thank you.

Representative Price moved to concur in the senate amendments to **HB 13**.

The motion to concur in the senate amendments to **HB 13** prevailed by (Record 1824): 138 Yeas, 7 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy; Collier; Cook; Cortez; Cospere; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Hinojosa; Holland; Howard;

Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio(C); Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Biedermann; Cain; Krause; Rinaldi; Stickland; Swanson; Tinderholt.

Present, not voting — Mr. Speaker.

Absent, Excused — Minjarez; Walle.

Absent — Coleman; Herrero.

STATEMENT OF VOTE

When Record No. 1824 was taken, I was shown voting yes. I intended to vote no.

Zedler

Senate Committee Substitute

CSHB 13, A bill to be entitled An Act relating to the creation of a matching grant program to support community mental health programs for individuals experiencing mental illness.

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

SECTION 1. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.0999 to read as follows:

Sec. 531.0999. GRANT PROGRAM FOR MENTAL HEALTH SERVICES. (a) To the extent money is appropriated to the commission for that purpose, the commission shall establish a matching grant program for the purpose of supporting community mental health programs providing services and treatment to individuals experiencing mental illness.

(b) The commission shall ensure that each grant recipient obtains or secures contributions to match awarded grants in amounts of money or other consideration as required by Subsection (h). The money or other consideration obtained or secured by the recipient, as determined by the executive commissioner, may include cash or in-kind contributions from any person but may not include money from state or federal funds.

(c) Money appropriated to or obtained by the commission for the matching grant program must be disbursed directly to grant recipients by the commission, as authorized by the executive commissioner.

(d) A grant awarded under the matching grant program and matching amounts must be used for the sole purpose of supporting community programs that provide mental health care services and treatment to individuals with a mental illness and that coordinate mental health care services for individuals with a mental illness with other transition support services.

(e) The commission shall select grant recipients based on the submission of applications or proposals by nonprofit and governmental entities. The executive commissioner shall develop criteria for the evaluation of those applications or proposals and the selection of grant recipients. The selection criteria must:

(1) evaluate and score:

(A) fiscal controls for the project;

(B) project effectiveness;

(C) project cost; and

(D) an applicant's previous experience with grants and contracts;

(2) address whether the services proposed in the application or proposal would duplicate services already available in the applicant's service area;

(3) address the possibility of and method for making multiple awards;

and

(4) include other factors that the executive commissioner considers relevant.

(f) A nonprofit or governmental entity that applies for a grant under this section must notify each local mental health authority with a local service area that is covered wholly or partly by the entity's proposed community mental health program and must provide in the entity's application a letter of support from each local mental health authority with a local service area that is covered wholly or partly by the entity's proposed community mental health program. The commission shall consider a local mental health authority's written input before awarding a grant under this section and may take any recommendations made by the authority.

(g) The commission shall condition each grant awarded to a recipient under the program on the recipient obtaining or securing matching funds from non-state sources in amounts of money or other consideration as required by Subsection (h).

(h) A community that receives a grant under this section is required to leverage funds in an amount:

(1) equal to 50 percent of the grant amount if the community mental health program is located in a county with a population of less than 250,000;

(2) equal to 100 percent of the grant amount if the community mental health program is located in a county with a population of at least 250,000; and

(3) equal to the percentage of the grant amount otherwise required by this subsection for the largest county in which a community mental health program is located if the community mental health program is located in more than one county.

(i) Except as provided by Subsection (j), from money appropriated to the commission for each fiscal year to implement this section, the commission shall reserve 40 percent of that total to be awarded only as grants to a community mental health program located in a county with a population not greater than 250,000.

(j) To the extent money appropriated to the commission to implement this section for a fiscal year remains available to the commission after the commission selects grant recipients for the fiscal year, the commission shall make grants available using the money remaining for the fiscal year through a competitive request for proposal process, without regard to the limitation provided by Subsection (i).

(k) Not later than December 1 of each calendar year, the executive commissioner shall submit to the governor, the lieutenant governor, and each member of the legislature a report evaluating the success of the matching grant program created by this section.

(l) The executive commissioner shall adopt any rules necessary to implement the matching grant program under this section.

SECTION 2. This Act takes effect only if a specific appropriation for the implementation of the Act is provided in a general appropriations act of the 85th Legislature.

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, 2017.

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

Amend **CSHB 13** (senate committee printing) in SECTION 1 of the bill, in added Section 531.0999, Government Code, as follows:

(1) Immediately following added Section 531.0999(1), Government Code (page 2, after line 52), insert the following:

"(m) The commission shall implement a process to better coordinate all behavioral health grants administered by the commission in a manner that streamlines the administrative processes at the commission and decreases the administrative burden on applicants applying for multiple grants. This may include the development of a standard application for multiple behavioral health grants."

Senate Amendment No. 2 (Senate Floor Amendment No. 2)

Amend **CSHB 13** (senate committee printing) in SECTION 1 of the bill, in added Section 531.0999(i), Government Code (page 2, line 36), by striking "40" and substituting "50".

HB 2792 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 2792, A bill to be entitled An Act relating to housing authorities established by municipalities and counties.

Representative González moved to concur in the senate amendments to **HB 2792**.

The motion to concur in the senate amendments to **HB 2792** prevailed by (Record 1825): 133 Yeas, 11 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schubert; Sheffield; Shine; Smithee; Springer; Stephenson; Stickland; Stucky; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Cain; Krause; Lang; Paul; Rinaldi; Schaefer; Schofield; Shaheen; Swanson; White; Wilson.

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

Absent, Excused — Minjarez; Walle.

Absent — Simmons.

Senate Committee Substitute

CSHB 2792, A bill to be entitled An Act relating to housing authorities established by municipalities and counties.

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

SECTION 1. Sections 392.005(c) and (d), Local Government Code, are amended to read as follows:

(c) An exemption under this section for a multifamily residential development which is owned by [(+)] a public facility corporation created by a housing authority under Chapter 303, owned by [(+)] a housing development corporation, or owned by [(+)] a similar entity created by a housing authority and which does not have at least 20 percent of its units reserved for public housing units, rent-restricted units subsidized by a housing authority, or a combination of public housing and rent-restricted units, applies only if:

(1) the authority holds a public hearing, at a regular meeting of the authority's governing body, to approve the development; and

(2) at least 50 percent of the units in the multifamily residential development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income.

(d) For the purposes of Subsection (c), a "public housing unit":

(1) is a dwelling unit for which the owner:

(A) receives a public housing operating subsidy; or

(B) received a public housing operating subsidy, if the dwelling unit was subsequently converted through the Rental Assistance Demonstration program administered by the United States Department of Housing and Urban Development as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments; and

(2) ~~[-#]~~ does not include a unit for which payments are made to the landlord under the federal Section 8 Housing Choice Voucher Program unless the unit was converted under the Rental Assistance Demonstration program.

SECTION 2. Section 392.031(b), Local Government Code, is amended to read as follows:

(b) A commissioner may not be an officer or employee of the municipality. A commissioner may be:

(1) a tenant of a public project over which the housing authority has jurisdiction; or

(2) a ~~[person who is a]~~ recipient of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program.

SECTION 3. Section 392.0331, Local Government Code, is amended by amending Subsections (b), (b-2), (g), and (h-1) and adding Subsection (b-3) to read as follows:

(b) Except as provided by Subsections [Subsection] (b-1) and (b-2), in appointing commissioners under Section 392.031, a municipality with a municipal housing authority composed of five commissioners shall appoint at least one commissioner to the authority who is a tenant of a public housing project over which the authority has jurisdiction or who is a recipient of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program. Except as provided by Subsection (b-3) [(b-2)], in appointing commissioners under Section 392.031, a municipality with a municipal housing authority composed of seven or more commissioners shall appoint at least two commissioners to the authority who are tenants of a public housing project over which the authority has jurisdiction or who are recipients of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program.

(b-2) This subsection applies only to a municipality that has a population over 600,000 and is located adjacent to the international border of this state. In appointing commissioners under Section 392.031, a municipality described by this subsection that has a municipal housing authority composed of five commissioners shall appoint at least one commissioner to the authority who is:

(1) a tenant of a public housing project over which the authority has jurisdiction; or

(2) a recipient of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program.

(b-3) In appointing commissioners under Section 392.031, a municipality that has a population over two million and a municipal housing authority composed of seven or more commissioners shall appoint at least two commissioners to the authority who are:

(1) tenants of a public housing project over which the authority has jurisdiction; or

(2) recipients of housing assistance administered through the authority's housing choice voucher program.

(g) A commissioner appointed under this section may not participate:

(1) in any vote or discussion concerning the termination of:

(A) the commissioner's occupancy rights in public housing;

(B) the commissioner's rights to housing assistance administered through a housing choice voucher program or a project-based rental assistance program; or

(C) the rights of any person related in the first degree by consanguinity to the commissioner with respect to the person's occupancy rights in public housing or right to receive housing assistance administered through a housing choice voucher program or a project-based rental assistance program; or

(2) in a grievance or administrative hearing in which the commissioner or a person related in the first degree by consanguinity to the commissioner is a party.

(h-1) If a commissioner appointed under this section as a recipient of housing assistance administered through the authority's housing choice voucher program or project-based rental assistance program ceases to receive that assistance, a majority of the other commissioners shall decide whether to request that a new commissioner be appointed. A majority of the commissioners may decide to allow the commissioner to serve the remaining portion of the commissioner's term.

SECTION 4. This Act takes effect September 1, 2017.

HB 2174 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 2174, A bill to be entitled An Act relating to the regulation of motor fuel quality and motor fuel metering devices.

Representative Darby moved to concur in the senate amendments to **HB 2174**.

The motion to concur in the senate amendments to **HB 2174** prevailed by (Record 1826): 134 Yeas, 11 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Rane; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Workman; Wray; Wu; Zerwas.

Nays — Biedermann; Cain; Krause; Rinaldi; Schaefer; Schofield; Stickland; Swanson; Tinderholt; Wilson; Zedler.

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

Absent, Excused — Minjarez; Walle.

Absent — Keough.

Senate Committee Substitute

CSHB 2174, A bill to be entitled An Act relating to the regulation of motor fuel quality and motor fuel metering devices; authorizing fees.

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

SECTION 1. Section 13.001(a), Agriculture Code, is amended by adding Subdivision (1-a) to read as follows:

(1-a) "Motor fuel metering device" means a commercial weighing or measuring device used for motor fuel sales with a maximum flow rate of 20 gallons per minute or less.

SECTION 2. Section 13.029, Agriculture Code, is amended to read as follows:

Sec. 13.029. EXEMPTION OF WEIGHING OR MEASURING DEVICES. (a) The department by rule may exempt a weighing or measuring device from a requirement established by this chapter if the department determines that imposing or enforcing the requirement:

- (1) is not cost-effective for the department;
- (2) is not feasible with current resources or standards; or
- (3) will not substantially benefit or protect consumers.

(b) A motor fuel metering device is exempt from the requirements of this chapter if the motor fuel metering device is not used to:

- (1) calculate the amount of fuel sold in a commercial transaction; or
- (2) compute the charge for service.

SECTION 3. Section 13.101, Agriculture Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not apply to a motor fuel metering device.

SECTION 4. Section 13.1011, Agriculture Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not apply to a motor fuel metering device.

SECTION 5. Subchapter C, Chapter 13, Agriculture Code, is amended by adding Sections 13.1015, 13.1016, and 13.1017 to read as follows:

Sec. 13.1015. INSPECTION OF MOTOR FUEL METERING DEVICES.

(a) Unless a motor fuel metering device is exempt from the application of this section by department rule, a motor fuel metering device shall be inspected, tested, and calibrated for correctness by a license holder under Subchapter I at least once every two years if the device is:

(1) kept for sale, sold, or used by a proprietor, agent, lessee, or employee in proving the measure of motor fuel; or

(2) purchased, offered, or submitted by a proprietor, agent, lessee, or employee for sale, hire, or award.

(b) Inspection, testing, and calibration under this section must be performed by a license holder under Subchapter I under contract with the operator or user of the motor fuel metering device.

Sec. 13.1016. REQUIRED REGISTRATION OF MOTOR FUEL METERING DEVICES. (a) Unless a motor fuel metering device is exempt from the application of this section by department rule, a person who owns or operates a motor fuel metering device shall register the device with the department before using the device for a commercial transaction.

(b) An application for a device registration must:

(1) be submitted to the department on a form prescribed by the department;

(2) be accompanied by any other document or form required by the department;

(3) include the registration fee required under Section 13.1151; and

(4) include documentation of compliance with Section 13.1015.

(c) A registration under this section is valid for one year unless a different period is established by department rule. The registration must be renewed at or before the end of each registration period and the application for renewal must include documentation of compliance with Section 13.1015.

(d) If a person fails to register or renew a registration as required by this section, the department may not issue a certificate to operate the motor fuel metering device. The department shall issue the certificate when the operator submits to the department the items required by Subsection (b).

(e) The department may assess a late fee if the registration of one or more devices located on a premises is renewed after the end of the registration period because of a registration error, including one or more devices not properly registered, failure to register the correct type of device, or failure to timely

register a previously registered device. The amount of the penalty may not exceed \$50 per device, with a maximum penalty amount of \$500 per year for the premises.

Sec. 13.1017. COMPLAINTS REGARDING MOTOR FUEL METERING DEVICES. (a) The department shall receive complaints regarding motor fuel metering devices.

(b) After receiving a complaint regarding a motor fuel metering device, the department shall determine the date the device was last inspected under Section 13.1015 and the number of complaints received by the department in the previous 12 months regarding motor fuel metering devices at the premises where the device subject to the complaint is located.

(c) The department shall notify the person who last registered the motor fuel metering device and take no further action on the complaint if:

(1) the motor fuel metering device was last inspected not more than 18 months before the date the complaint is received; and

(2) the department received not more than two complaints in the previous 12 months regarding motor fuel metering devices at the premises where the device is located.

(d) The department shall notify the person who last registered the motor fuel metering device and require the device to be inspected by a license holder under Section 13.1015 not later than one month after the notification date if:

(1) the motor fuel metering device was last inspected more than 18 months before the date the complaint is received; or

(2) the department received at least three complaints in the previous 12 months regarding motor fuel metering devices at the premises where the device is located.

SECTION 6. Section 13.114, Agriculture Code, is amended to read as follows:

Sec. 13.114. TOLERANCES. The department shall establish specifications and tolerances for commercial weighing or measuring devices used in this state. The specifications and tolerances shall be similar to those recommended by the National Institute of Standards and Technology, except that the specifications and tolerances for motor fuel metering devices shall be the same as those recommended by the National Institute of Standards and Technology.

SECTION 7. Section 13.1151, Agriculture Code, is amended to read as follows:

Sec. 13.1151. FEES FOR REGISTRATION AND INSPECTION. (a) The department may charge the owner or operator of a weighing or measuring device a fee, as provided by department rule, to recover the costs of registration and inspection of a weighing or measuring device required to be registered or inspected under this chapter.

(b) Notwithstanding any other law, the department may not in a state fiscal biennium increase a fee under Subsection (a) for a motor fuel metering device by an amount that exceeds 10 percent of the amount of the fee at the end of the preceding state fiscal biennium.

SECTION 8. Section 17.072, Agriculture Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a) The department or a representative of the department may collect samples and conduct testing at any location where motor fuel is kept, transferred, sold, or offered for sale, to verify that the motor fuel complies with the minimum standards required by Section 17.071.

(a-1) The collection of samples and conducting of testing at a dealer's location must be performed by a license holder under Subchapter I, Chapter 13, under contract with the dealer. The license holder is considered a representative of the department for purposes of this section.

(b) On arriving at a facility to conduct testing under Subsection (a), a representative of the department shall notify the owner or manager of the facility of the representative's presence and purpose. The department representative shall follow the most recent applicable procedures specified by ASTM International Standard D4057, D4177, D5842, or D5854 for the collection, sampling, and handling of fuel to prepare for laboratory analysis.

SECTION 9. Section 17.073(a), Agriculture Code, is amended to read as follows:

(a) If the department has laboratory results to confirm ~~[reason to believe]~~ that motor fuel is in violation of this chapter or a rule adopted under this chapter, or that the motor fuel is being sold or offered for sale in a manner that violates this chapter or a rule adopted under this chapter, the department may:

- (1) issue and enforce a written order to stop the sale of the motor fuel;
- (2) place on a device used to dispense the motor fuel a tag or other mark with the words "Out of Order"; or
- (3) stop the sale of the motor fuel and mark a device used to dispense the motor fuel as out of order.

SECTION 10. This Act takes effect September 1, 2017.

HB 3107 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 3107, A bill to be entitled An Act relating to the production of public information under the public information law.

Representative Ashby moved to concur in the senate amendments to **HB 3107**.

The motion to concur in the senate amendments to **HB 3107** prevailed by (Record 1827): 144 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales;

González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Faircloth; Rodriguez, E.

Senate Committee Substitute

CSHB 3107, A bill to be entitled An Act relating to the production of public information under the public information law.

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

SECTION 1. Section 552.221, Government Code, is amended by adding Subsection (e) to read as follows:

(e) A request is considered to have been withdrawn if the requestor fails to inspect or duplicate the public information in the offices of the governmental body on or before the 60th day after the date the information is made available or fails to pay the postage and any other applicable charges accrued under Subchapter F on or before the 60th day after the date the requestor is informed of the charges.

SECTION 2. Section 552.261, Government Code, is amended by adding Subsection (e) to read as follows:

(e) Except as otherwise provided by this subsection, all requests received in one calendar day from an individual may be treated as a single request for purposes of calculating costs under this chapter. A governmental body may not combine multiple requests under this subsection from separate individuals who submit requests on behalf of an organization.

SECTION 3. Section 552.275, Government Code, is amended by amending Subsections (a), (b), (d), (e), (g), (h), and (j) and adding Subsections (a-1), (e-1), and (m) to read as follows:

(a) A governmental body may establish [✱] reasonable monthly and yearly limits ~~[limit]~~ on the amount of time that personnel of the governmental body are required to spend producing public information for inspection or duplication by a requestor, or providing copies of public information to a requestor, without recovering its costs attributable to that personnel time.

(a-1) For purposes of this section, all county officials who have designated the same officer for public information may calculate the amount of time that personnel are required to spend collectively for purposes of the monthly or yearly limit.

(b) A yearly time limit established under Subsection (a) may not be less than 36 hours for a requestor during the 12-month period that corresponds to the fiscal year of the governmental body. A monthly time limit established under Subsection (a) may not be less than 15 hours for a requestor for a one-month period.

(d) If a governmental body establishes a time limit under Subsection (a), each time the governmental body complies with a request for public information, the governmental body shall provide the requestor with a written statement of the amount of personnel time spent complying with that request and the cumulative amount of time spent complying with requests for public information from that requestor during the applicable monthly or yearly ~~[12-month]~~ period. The amount of time spent preparing the written statement may not be included in the amount of time included in the statement provided to the requestor under this subsection.

(e) Subject to Subsection (e-1), if [H] in connection with a request for public information, the cumulative amount of personnel time spent complying with requests for public information from the same requestor equals or exceeds the limit established by the governmental body under Subsection (a), the governmental body shall provide the requestor with a written estimate of the total cost, including materials, personnel time, and overhead expenses, necessary to comply with the request. The written estimate must be provided to the requestor on or before the 10th day after the date on which the public information was requested. The amount of this charge relating to the cost of locating, compiling, and producing the public information shall be established by rules prescribed by the attorney general under Sections 552.262(a) and (b).

(e-1) This subsection applies only to a request made by a requestor who has made a previous request to a governmental body that has not been withdrawn, for which the governmental body has located and compiled documents in response, and for which the governmental body has issued a statement under Subsection (e) that remains unpaid on the date the requestor submits the new request. A governmental body is not required to locate, compile, produce, or provide copies of documents or prepare a statement under Subsection (e) in response to a new request described by this subsection until the date the requestor pays each unpaid statement issued under Subsection (e) in connection with a previous request or withdraws the previous request to which the statement applies.

(g) If a governmental body provides a requestor with the written statement under Subsection (e) and the time limits prescribed by Subsection (a) regarding the requestor have been exceeded, the governmental body is not required to produce public information for inspection or duplication or to provide copies of public information in response to the requestor's request unless on or before the 10th day after the date the governmental body provided the written statement under that subsection, the requestor submits payment of ~~[a statement in writing to the governmental body in which the requestor commits to pay the lesser of:~~

~~[(1) the actual costs incurred in complying with the requestor's request, including the cost of materials and personnel time and overhead; or~~

~~[(2)] the amount stated in the written statement provided under Subsection (e).~~

(h) If the requestor fails or refuses to submit payment ~~[the written statement]~~ under Subsection (g), the requestor is considered to have withdrawn the requestor's pending request for public information.

(j) This section does not apply if the requestor is an individual who, for a substantial portion of the individual's livelihood or for substantial financial gain, gathers, compiles, prepares, collects, photographs, records, writes, edits, reports, investigates, processes, or publishes news or information for and is seeking the information for:

(1) dissemination by a news medium or communication service provider, including:

(A) an individual who supervises or assists in gathering, preparing, and disseminating the news or information; or

(B) an individual who is or was a journalist, scholar, or researcher employed by an institution of higher education at the time the person made the request for information; or

(2) creation or maintenance of an abstract plant as described by Section 2501.004, Insurance Code [a radio or television broadcast station that holds a broadcast license for an assigned frequency issued by the Federal Communications Commission;

~~[(2) a newspaper that is qualified under Section 2051.044 to publish legal notices or is a free newspaper of general circulation and that is published at least once a week and available and of interest to the general public in connection with the dissemination of news;~~

~~[(3) a newspaper of general circulation that is published on the Internet by a news medium engaged in the business of disseminating news or information to the general public; or~~

~~[(4) a magazine that is published at least once a week or on the Internet by a news medium engaged in the business of disseminating news or information to the general public].~~

(m) In this section:

(1) "Communication service provider" has the meaning assigned by Section 22.021, Civil Practice and Remedies Code.

(2) "News medium" means a newspaper, magazine or periodical, a book publisher, a news agency, a wire service, an FCC-licensed radio or television station or a network of such stations, a cable, satellite, or other transmission system or carrier or channel, or a channel or programming service for a station, network, system, or carrier, or an audio or audiovisual production company or Internet company or provider, or the parent, subsidiary, division, or affiliate of that entity, that disseminates news or information to the public by any means, including:

(A) print;

(B) television;

(C) radio;

(D) photographic;

(E) mechanical;

(F) electronic; and

(G) other means, known or unknown, that are accessible to the public.

SECTION 4. Section 552.3215(i), Government Code, is amended to read as follows:

(i) If the district or county attorney determines not to bring an action under this section, the complainant is entitled to file the complaint with the attorney general before the 31st day after the date the complaint is returned to the complainant. A complainant is entitled to file a complaint with the attorney general on or after the 90th day after the date the complainant files the complaint with a district or county attorney if the district or county attorney has not brought an action under this section. On receipt of the written complaint, the attorney general shall comply with each requirement in Subsections (g) and (h) in the time required by those subsections. If the attorney general decides to bring an action under this section against a governmental body located only in one county in response to the complaint, the attorney general must comply with Subsection (c).

SECTION 5. The changes in law made by this Act apply only to a request for information that is received by a governmental body or an officer for public information on or after the effective date of this Act. A request for information that was received before the effective date of this Act is governed by the law in effect on the date the request was received, and the former law is continued in effect for that purpose.

SECTION 6. This Act takes effect September 1, 2017.

HB 4029 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 4029, A bill to be entitled An Act relating to the use of municipal hotel occupancy tax revenue by certain municipalities.

Representative Oliveira moved to concur in the senate amendments to **HB 4029**.

The motion to concur in the senate amendments to **HB 4029** prevailed by (Record 1828): 128 Yeas, 12 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Clardy; Coleman; Collier; Cook; Cortez; Cospere; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King,

K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schofield; Schubert; Sheffield; Shine; Simmons; Smithee; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; White; Workman; Wray; Wu; Zerwas.

Nays — Biedermann; Cain; Krause; Lang; Rinaldi; Schaefer; Shaheen; Stickland; Swanson; Tinderholt; Wilson; Zedler.

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

Absent, Excused — Minjarez; Walle.

Absent — Capriglione; Deshotel; Dukes; Morrison; Springer; Vo.

STATEMENT OF VOTE

When Record No. 1828 was taken, I was in the house but away from my desk. I would have voted yes.

Morrison

Senate Committee Substitute

CSHB 4029, A bill to be entitled An Act relating to the use of municipal hotel occupancy tax revenue by certain municipalities.

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

SECTION 1. The heading to Section 351.1054, Tax Code, is amended to read as follows:

Sec. 351.1054. ALLOCATION OF REVENUE: ELIGIBLE BARRIER ISLAND COASTAL MUNICIPALITY ~~[FOR ECOLOGICAL TOURISM AND SPACECRAFT AND SPACEPORT ACTIVITIES BY CERTAIN MUNICIPALITIES]~~.

SECTION 2. Sections 351.1054(b) and (c), Tax Code, are amended to read as follows:

(b) Notwithstanding any other provision of this chapter, an eligible barrier island coastal municipality may use revenue from the municipal hotel occupancy tax for:

(1) promotional and event expenses for an ecological tourism event, including an event for which the primary attraction is traveling to an area of natural or ecological interest for the purpose of observing and learning about wildlife and the area's natural environment, if:

(A) a majority of the event's participants are tourists; and

(B) the event substantially increases economic activity at hotels and motels within or in the vicinity of the municipality; ~~and~~

(2) expenses directly related to:

(A) the acquisition of sites to observe spacecraft and spaceport activities; and

(B) the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of facilities utilized by hotel guests to observe and learn about spacecraft and spaceport operations; and

(3) expenses directly related to the construction, improvement, equipping, repairing, operation, and maintenance of coastal sports facilities owned by the municipality, including boat docks, boat ramps, and fishing piers used by hotel guests, if:

(A) the coastal sports facilities have been used in the preceding calendar year a combined total of more than five times for district, state, regional, or national sports tournaments or events; and

(B) the majority of the events at the coastal sports facilities are directly related to a sports tournament or event in which the majority of participants are tourists who substantially increase economic activity at hotels within or in the vicinity of the municipality.

(c) A municipality may use for the purposes provided by Subsections (b)(1), ~~and~~ (2), and (3) not more than the greater of:

(1) 15 percent of the hotel occupancy tax revenue collected by the municipality; or

(2) the amount of tax received by the municipality at the rate of one percent of the cost of a room.

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, 2017.

HB 1556 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 1556, A bill to be entitled An Act relating to the appointment of foster parents and other qualified persons to serve as educational decision-makers for certain children in the conservatorship of the Department of Family and Protective Services.

Representative González moved to concur in the senate amendments to **HB 1556**.

The motion to concur in the senate amendments to **HB 1556** prevailed by (Record 1829): 142 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Biedermann; Blanco; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal;

Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Bernal; Bohac; Cook; Vo.

Senate Committee Substitute

CSHB 1556, A bill to be entitled An Act relating to the appointment of foster parents and other qualified persons to serve as educational decision-makers for certain children in the conservatorship of the Department of Family and Protective Services.

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

SECTION 1. Section 29.015, Education Code, is amended to read as follows:

Sec. 29.015. SPECIAL EDUCATION DECISION-MAKING FOR CHILDREN IN FOSTER CARE [~~FOSTER PARENTS~~]. (a) [~~The school district shall give preferential consideration to a foster parent of a child with a disability when assigning a surrogate parent for the child.~~

~~(b)~~ A foster parent may act as a parent of a child with a disability, as authorized under 20 U.S.C. Section 1415(b) and its subsequent amendments, if:

(1) the Department of Family and Protective [~~and Regulatory~~] Services is appointed as the temporary or permanent managing conservator of the child;

(2) the rights and duties of the department to make decisions regarding education provided to the child under Section 153.371, Family Code, have not been limited by court order [~~the child has been placed with the foster parent for at least 60 days~~]; and

(3) the foster parent agrees to:

(A) participate in making special education [~~educational~~] decisions on the child's behalf; and

(B) complete a training program [~~for surrogate parents~~] that complies with minimum standards established by agency rule [~~]; and~~

~~[(4) the foster parent has no interest that conflicts with the child's interests].~~

(b) A foster parent who will act as a parent of a child with a disability as provided by Subsection (a) must complete a training program before the next scheduled admission, review, and dismissal committee meeting for the child but not later than the 90th day after the date the foster parent begins acting as the parent for the purpose of making special education decisions.

(b-1) A school district may not require a foster parent to retake a training program to continue serving as a child's parent or to serve as the surrogate parent for another child if the foster parent has completed a training program to act as a parent of a child with a disability provided by:

(1) the Department of Family and Protective Services;

(2) a school district;

(3) an education service center; or

(4) any other entity that receives federal funds to provide special education training to parents.

(c) A foster parent who is denied the right to act as a ~~surrogate parent or a~~ parent under this section by a school district may file a complaint with the agency in accordance with federal law and regulations.

(d) Not later than the fifth day after the date a child with a disability is enrolled in a school, the Department of Family and Protective Services must inform the appropriate school district if the child's foster parent is unwilling or unable to serve as a parent for the purposes of this subchapter.

SECTION 2. Subchapter A, Chapter 29, Education Code, is amended by adding Section 29.0151 to read as follows:

Sec. 29.0151. APPOINTMENT OF SURROGATE PARENT FOR CERTAIN CHILDREN. (a) This section applies to a child with a disability for whom:

(1) the Department of Family and Protective Services is appointed as the temporary or permanent managing conservator of the child; and

(2) the rights and duties of the department to make decisions regarding the child's education under Section 153.371, Family Code, have not been limited by court order.

(b) Except as provided by Section 263.0025, Family Code, a school district must appoint an individual to serve as the surrogate parent for a child if:

(1) the district is unable to identify or locate a parent for a child with a disability; or

(2) the foster parent of a child is unwilling or unable to serve as a parent for the purposes of this subchapter.

(c) A surrogate parent appointed by a school district may not:

(1) be an employee of the state, the school district, or any other agency involved in the education or care of the child; or

(2) have any interest that conflicts with the interests of the child.

(d) A surrogate parent appointed by a district must:

(1) be willing to serve in that capacity;

(2) exercise independent judgment in pursuing the child's interests;

(3) ensure that the child's due process rights under applicable state and federal laws are not violated;

(4) complete a training program that complies with minimum standards established by agency rule within the time specified in Section 29.015(b);

(5) visit the child and the school where the child is enrolled;

(6) review the child's educational records;

(7) consult with any person involved in the child's education, including the child's:

(A) teachers;

(B) caseworkers;

(C) court-appointed volunteers;

(D) guardian ad litem;

(E) attorney ad litem;

(F) foster parent; and

(G) caregiver; and

(8) attend meetings of the child's admission, review, and dismissal committee.

(e) The district may appoint a person who has been appointed to serve as a child's guardian ad litem or as a court-certified volunteer advocate, as provided under Section 107.031(c), Family Code, as the child's surrogate parent.

(f) If a court appoints a surrogate parent for a child with a disability under Section 263.0025, Family Code, and the school district determines that the surrogate parent is failing to perform or is not properly performing the duties listed under Subsection (d), the district shall consult with the Department of Family and Protective Services and appoint another person to serve as the surrogate parent for the child.

(g) On receiving notice from a school district under Subsection (f), the Department of Family and Protective Services must promptly notify the court of the failure of the appointed surrogate parent to properly perform the duties required under this section.

SECTION 3. Section 107.031(c), Family Code, is amended to read as follows:

(c) A court-certified volunteer advocate appointed under this section may be assigned to act as a surrogate parent for the child, as provided by 20 U.S.C. Section 1415(b), if:

(1) the child is in the conservatorship of the Department of Family and Protective Services;

(2) the volunteer advocate is serving as guardian ad litem for the child; ~~and~~

(3) a foster parent of the child is not acting as the child's parent under Section 29.015, Education Code; and

(4) the volunteer advocate completes a training program for surrogate parents that complies with minimum standards established by rule by the Texas Education Agency within the time specified by Section 29.015(b), Education Code.

SECTION 4. Section 263.0025, Family Code, is amended to read as follows:

Sec. 263.0025. SPECIAL EDUCATION DECISION-MAKING FOR CHILDREN IN FOSTER CARE ~~[APPOINTMENT OF SURROGATE PARENT]~~. (a) In this section, "child" means a child in the temporary or permanent managing conservatorship of the department who is eligible under Section 29.003, Education Code, to participate in a school district's special education program. [If a child in the temporary or permanent conservatorship of the department is eligible under Section 29.003, Education Code, to participate in a school district's special education program, the court may, when necessary to ensure that the educational rights of the child are protected, appoint a surrogate parent who:

(1) is willing to serve in that capacity; and

(2) meets the requirements of 20 U.S.C. Section 1415(b) and Section 29.001(10), Education Code.]

(a-1) A foster parent for a child may act as a parent for the child, as authorized under 20 U.S.C. Section 1415(b), if:

(1) the rights and duties of the department to make decisions regarding the child's education under Section 153.371 have not been limited by court order; and

(2) the foster parent agrees to the requirements of Sections 29.015(a)(3) and (b), Education Code.

(a-2) Sections 29.015(b-1), (c), and (d), Education Code, apply to a foster parent who acts or desires to act as a parent for a child for the purpose of making special education decisions.

(b) To ensure the educational rights of a child are protected in the special education process, the court may appoint a surrogate parent for the child if:

(1) the child's school district is unable to identify or locate a parent for the child; or

(2) the foster parent of the child is unwilling or unable to serve as a parent for the purposes of this subchapter [In appointing a surrogate parent for a child, the court shall give preferential consideration to a foster parent of the child as required under Section 29.015, Education Code].

(c) Except as provided by Subsection (d), the court may appoint a person to serve as a child's surrogate parent if the person:

(1) is willing to serve in that capacity; and

(2) meets the requirements of 20 U.S.C. Section 1415(b) [If the court does not appoint a child's foster parent to serve as the child's surrogate parent, the court shall give consideration to:

(1) a relative or other designated caregiver as defined by Section 264.751; or

(2) a court appointed volunteer advocate who has been appointed to serve as the child's guardian ad litem, as provided by Section 107.031(e)].

(d) The following persons may not be appointed as a surrogate parent for the child:

(1) an employee of the department;

(2) an employee of the Texas Education Agency;

(3) an employee of a school or school district; or

(4) an employee of any other agency that is involved in the education or care of the child.

(e) The court may appoint a child's guardian ad litem or court-certified volunteer advocate, as provided by Section 107.031(c), as the child's surrogate parent.

(f) In appointing a person to serve as the surrogate parent for a child, the court may consider the person's ability to meet the qualifications listed under Sections 29.0151(d)(2)-(8), Education Code.

(g) If the court prescribes training for a person who is appointed as the surrogate parent for a child, the training program must comply with the minimum standards for training established by rule by the Texas Education Agency.

SECTION 5. This Act takes effect September 1, 2017.

HB 1036 - HOUSE REFUSES TO CONCUR IN SENATE AMENDMENTS CONFERENCE COMMITTEE APPOINTED

Representative S. Thompson called up with senate amendments for consideration at this time,

HB 1036, A bill to be entitled An Act relating to coverage for certain breast cancer screening procedures under certain health benefit plans.

Representative S. Thompson moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 1036**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 1036**: S. Thompson, chair; Sheffield, Collier, S. Davis, and Hernandez.

HB 2062 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 2062, A bill to be entitled An Act relating to the creation and operations of health care provider participation programs in certain counties.

Representative Phillips moved to concur in the senate amendments to **HB 2062**.

The motion to concur in the senate amendments to **HB 2062** prevailed by (Record 1830): 130 Yeas, 12 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra;

Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zerwas.

Nays — Biedermann; Bonnen, D.; Cain; Keough; Krause; Lang; Rinaldi; Schaefer; Stickland; Swanson; Tinderholt; Zedler.

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

Absent, Excused — Minjarez; Walle.

Absent — Deshotel; Dukes; Pickett; Schofield.

Senate Committee Substitute

CSHB 2062, A bill to be entitled An Act relating to the creation and operations of health care provider participation programs in certain counties.

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

SECTION 1. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 292A to read as follows:

CHAPTER 292A. COUNTY HEALTH CARE PROVIDER PARTICIPATION
PROGRAM IN CERTAIN COUNTIES BORDERING RED RIVER
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 292A.001. DEFINITIONS. In this chapter:

(1) "Institutional health care provider" means a nonpublic hospital that provides inpatient hospital services.

(2) "Paying hospital" means an institutional health care provider required to make a mandatory payment under this chapter.

(3) "Program" means the county health care provider participation program authorized by this chapter.

Sec. 292A.002. APPLICABILITY. This chapter applies only to a county that:

(1) is not served by a hospital district or a public hospital;

(2) has a population of more than 100,000;

(3) contains at least two municipalities, each of which has a population of more than 15,000; and

(4) borders the Red River.

Sec. 292A.003. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM; PARTICIPATION IN PROGRAM. (a) A county health care provider participation program authorizes a county to collect a mandatory payment from each institutional health care provider located in the county to be deposited in a local provider participation fund established by the

county. Money in the fund may be used by the county to fund certain intergovernmental transfers and indigent care programs as provided by this chapter.

(b) The commissioners court may adopt an order authorizing a county to participate in the program, subject to the limitations provided by this chapter.

SUBCHAPTER B. POWERS AND DUTIES OF COMMISSIONERS COURT

Sec. 292A.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY PAYMENT. The commissioners court of a county may require a mandatory payment authorized under this chapter by an institutional health care provider in the county only in the manner provided by this chapter.

Sec. 292A.052. MAJORITY VOTE REQUIRED. The commissioners court of a county may not authorize the county to collect a mandatory payment authorized under this chapter without an affirmative vote of a majority of the members of the commissioners court.

Sec. 292A.053. RULES AND PROCEDURES. After the commissioners court has voted to require a mandatory payment authorized under this chapter, the commissioners court may adopt rules relating to the administration of the mandatory payment.

Sec. 292A.054. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING; INSPECTION OF RECORDS. (a) The commissioners court of a county that collects a mandatory payment authorized under this chapter shall require each institutional health care provider to submit to the county a copy of any financial and utilization data required by and reported to the Department of State Health Services under Sections 311.032 and 311.033 and any rules adopted by the executive commissioner of the Health and Human Services Commission to implement those sections.

(b) The commissioners court of a county that collects a mandatory payment authorized under this chapter may inspect the records of an institutional health care provider to the extent necessary to ensure compliance with the requirements of Subsection (a).

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 292A.101. HEARING. (a) Each year, the commissioners court of a county that collects a mandatory payment authorized under this chapter shall hold a public hearing on the amounts of any mandatory payments that the commissioners court intends to require during the year.

(b) Not later than the fifth day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county.

(c) A representative of a paying hospital is entitled to appear at the time and place designated in the public notice and to be heard regarding any matter related to the mandatory payments authorized under this chapter.

Sec. 292A.102. DEPOSITORY. (a) The commissioners court of each county that collects a mandatory payment authorized under this chapter by resolution shall designate one or more banks located in the county as the depository for mandatory payments received by the county.

(b) All income received by a county under this chapter, including the revenue from mandatory payments remaining after discounts and fees for assessing and collecting the payments are deducted, shall be deposited with the county depository in the county's local provider participation fund and may be withdrawn only as provided by this chapter.

(c) All funds under this chapter shall be secured in the manner provided for securing county funds.

Sec. 292A.103. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) Each county that collects a mandatory payment authorized under this chapter shall create a local provider participation fund.

(b) The local provider participation fund of a county consists of:

(1) all revenue received by the county attributable to mandatory payments authorized under this chapter, including any penalties and interest attributable to delinquent payments;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer from the county to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to the local provider participation fund may be used only to:

(1) fund intergovernmental transfers from the county to the state to provide:

(A) the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor waiver program authorizing similar Medicaid supplemental payment programs;
or

(B) payments to Medicaid managed care organizations that are dedicated for payment to hospitals;

(2) subsidize indigent programs;

(3) pay the administrative expenses of the county solely for activities under this chapter;

(4) refund a portion of a mandatory payment collected in error from a paying hospital; and

(5) refund to paying hospitals the proportionate share of money received by the county that is not used to fund the nonfederal share of Medicaid supplemental payment program payments.

(d) Money in the local provider participation fund may not be commingled with other county funds.

(e) An intergovernmental transfer of funds described by Subsection (c)(1) and any funds received by the county as a result of an intergovernmental transfer described by that subsection may not be used by the county or any other entity to

expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

SUBCHAPTER D. MANDATORY PAYMENTS

Sec. 292A.151. MANDATORY PAYMENTS BASED ON PAYING HOSPITAL NET PATIENT REVENUE. (a) Except as provided by Subsection (e), the commissioners court of a county that collects a mandatory payment authorized under this chapter may require an annual mandatory payment to be assessed on the net patient revenue of each institutional health care provider located in the county. The commissioners court may provide for the mandatory payment to be assessed quarterly. In the first year in which the mandatory payment is required, the mandatory payment is assessed on the net patient revenue of an institutional health care provider as determined by the data reported to the Department of State Health Services under Sections 311.032 and 311.033 in the fiscal year ending in 2015 or, if the institutional health care provider did not report any data under those sections in that fiscal year, as determined by the institutional health care provider's Medicare cost report submitted for the 2015 fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report. The county shall update the amount of the mandatory payment on an annual basis.

(b) The amount of a mandatory payment authorized under this chapter must be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the county. A mandatory payment authorized under this chapter may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

(c) The commissioners court of a county that collects a mandatory payment authorized under this chapter shall set the amount of the mandatory payment. The amount of the mandatory payment required of each paying hospital may not exceed six percent of the paying hospital's net patient revenue.

(d) Subject to the maximum amount prescribed by Subsection (c), the commissioners court of a county that collects a mandatory payment authorized under this chapter shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the county for activities under this chapter, to fund an intergovernmental transfer described by Section 292A.103(c)(1), and to pay for indigent programs, except that the amount of revenue from mandatory payments used for administrative expenses of the county for activities under this chapter in a year may not exceed the lesser of four percent of the total revenue generated from the mandatory payment or \$20,000.

(e) A paying hospital may not add a mandatory payment required under this section as a surcharge to a patient.

Sec. 292A.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter.

Sec. 292A.153. INTEREST, PENALTIES, AND DISCOUNTS. Interest, penalties, and discounts on mandatory payments required under this chapter are governed by the law applicable to county ad valorem taxes.

Sec. 292A.154. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE. (a) The purpose of this chapter is to generate revenue by collecting from institutional health care providers a mandatory payment to be used to provide the nonfederal share of a Medicaid supplemental payment program.

(b) To the extent any provision or procedure under this chapter causes a mandatory payment authorized under this chapter to be ineligible for federal matching funds, the county may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services.

SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

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, 2017.

HB 2523 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative S. Davis called up with senate amendments for consideration at this time,

HB 2523, A bill to be entitled An Act relating to the investigation of fraud, waste, and abuse in certain public benefits programs by the office of inspector general for the Health and Human Services Commission.

Representative S. Davis moved to concur in the senate amendments to **HB 2523**.

The motion to concur in the senate amendments to **HB 2523** prevailed by (Record 1831): 141 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira;

Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Blanco; Frank; Hernandez; Schofield; Villalba.

STATEMENT OF VOTE

When Record No. 1831 was taken, I was temporarily out of the house chamber. I would have voted yes.

Schofield

Senate Committee Substitute

CSHB 2523, A bill to be entitled An Act relating to the investigation of fraud, waste, and abuse in certain public benefits programs by the office of inspector general for the Health and Human Services Commission.

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

SECTION 1. Section 531.102(t), Government Code, is amended to read as follows:

(t) At each quarterly meeting of any advisory council responsible for advising the executive commissioner on the operation of the commission, the inspector general shall submit a report to the executive commissioner, the governor, and the legislature on:

- (1) the office's activities;
- (2) the office's performance with respect to performance measures established by the executive commissioner for the office;
- (3) fraud trends identified by the office; ~~and~~
- (4) any recommendations for changes in policy to prevent or address fraud, waste, and abuse in the delivery of health and human services in this state; and
- (5) the amount of money recovered during the preceding quarter as a result of investigations involving peace officers employed and commissioned by the office for each program for which the office has investigative authority.

SECTION 2. Subchapter B, Chapter 31, Human Resources Code, is amended by adding Section 31.045 to read as follows:

Sec. 31.045. PEACE OFFICERS. The commission's office of inspector general may employ and commission peace officers for the purpose of assisting the office in the investigation of fraud, waste, or abuse in the financial assistance program. A peace officer employed and commissioned by the office is a peace officer for purposes of Article 2.12, Code of Criminal Procedure.

SECTION 3. Subchapter A, Chapter 33, Human Resources Code, is amended by adding Section 33.032 to read as follows:

Sec. 33.032. PEACE OFFICERS. The commission's office of inspector general may employ and commission peace officers for the purpose of assisting the office in the investigation of fraud, waste, or abuse in the supplemental nutrition assistance program. A peace officer employed and commissioned by the office is a peace officer for purposes of Article 2.12, Code of Criminal Procedure.

SECTION 4. This Act does not authorize the Health and Human Services Commission's office of inspector general to commission additional peace officers.

SECTION 5. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 6. 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, 2017.

**HB 5 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

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

HB 5, A bill to be entitled An Act relating to the powers and duties of the Department of Family and Protective Services and the transfer of certain powers and duties from the Health and Human Services Commission.

Representative Frank moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 5**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 5**: Frank, chair; Raymond, Clardy, Geren, and Smithee.

**HB 867 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

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

HB 867, A bill to be entitled An Act relating to school marshals for private schools.

Representative Villalba moved to concur in the senate amendments to **HB 867**.

The motion to concur in the senate amendments to **HB 867** prevailed by (Record 1832): 133 Yeas, 10 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospes; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Holland; Huberty; Hunter; Isaac; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Koop; Krause; Kuempel; Lambert; Landgraf; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Turner; VanDeaver; Villalba; Vo; White; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Biedermann; Cain; Hinojosa; Howard; Israel; Lang; Rinaldi; Tinderholt; Uresti; Wilson.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Geren; Klick.

STATEMENTS OF VOTE

When Record No. 1832 was taken, I was shown voting no. I intended to vote yes.

Lang

When Record No. 1832 was taken, I was shown voting no. I intended to vote yes.

Rinaldi

When Record No. 1832 was taken, I was shown voting yes. I intended to vote no.

Schaefer

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

Amend **HB 867** (house engrossed version) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS of the bill appropriately:

SECTION _____. Sections 37.0811(a) and (d), Education Code, are amended to read as follows:

(a) The board of trustees of a school district or the governing body of an open-enrollment charter school may appoint not more than the greater of:

(1) one school marshal per 200 [400] students in average daily attendance per campus; or

(2) for each campus, one school marshal per building of the campus at which students regularly receive classroom instruction.

(d) Any written regulations adopted for purposes of Subsection (c) must provide that a school marshal may carry a concealed handgun as described by Subsection (c), except that if the primary duty of the school marshal involves regular, direct contact with students, the marshal may not carry a concealed handgun but may possess a handgun on the physical premises of a school in a locked and secured safe within the marshal's immediate reach when conducting the marshal's primary duty. The written regulations must also require that a handgun carried by or within access of a school marshal may be loaded only with frangible duty ammunition approved for that purpose by the Texas Commission on Law Enforcement [~~designed to disintegrate on impact for maximum safety and minimal danger to others~~].

SECTION _____. Section 51.220(e), Education Code, is amended to read as follows:

(e) Any written regulations adopted for purposes of Subsection (d) must provide that a school marshal may carry a concealed handgun as described by Subsection (d), except that if the primary duty of the school marshal involves regular, direct contact with students, the marshal may not carry a concealed handgun but may possess a handgun on the physical premises of a public junior college campus in a locked and secured safe within the marshal's immediate reach when conducting the marshal's primary duty. The written regulations must also require that a handgun carried by or within access of a school marshal may be loaded only with frangible duty ammunition approved for that purpose by the Texas Commission on Law Enforcement [~~designed to disintegrate on impact for maximum safety and minimal danger to others~~].

**HB 1003 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

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

HB 1003, A bill to be entitled An Act relating to investment of public funds.

Representative Capriglione moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 1003**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 1003**: Capriglione, chair; Simmons, Springer, Parker, and Longoria.

**HB 3690 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

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

HB 3690, A bill to be entitled An Act relating to the Texas Crime Stoppers Council.

Representative Metcalf moved to concur in the senate amendments to **HB 3690**.

The motion to concur in the senate amendments to **HB 3690** prevailed by (Record 1833): 144 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospser; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Fairecloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Wilson.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes.

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

Amend **HB 3690** (senate committee printing) as follows:

(1) In SECTION 2 of the bill, in amended Section 414.012, Government Code (page 1, line 32), between "a" and "statewide", insert "free".

(2) In SECTION 3 of the bill, in amended Article 102.013(a), Code of Criminal Procedure (page 1, line 49), between "the" and "statewide", insert "free".

**HB 1407 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

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

HB 1407, A bill to be entitled An Act relating to the establishment of the emergency medical services assistance program.

Representative Sheffield moved to concur in the senate amendments to **HB 1407**.

The motion to concur in the senate amendments to **HB 1407** prevailed by (Record 1834): 130 Yeas, 14 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schofield; Schubert; Sheffield; Shine; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Workman; Wray; Wu; Zerwas.

Nays — Bonnen, D.; Capriglione; Hefner; Krause; Lang; Rinaldi; Schaefer; Shaheen; Simmons; Stickland; Swanson; Tinderholt; Wilson; Zedler.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Hernandez.

Senate Committee Substitute

CSHB 1407, A bill to be entitled An Act relating to the establishment of the emergency medical services assistance program.

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

SECTION 1. Chapter 773, Health and Safety Code, is amended by adding Subchapter I to read as follows:

SUBCHAPTER I. EMERGENCY MEDICAL SERVICES ASSISTANCE
PROGRAM

Sec. 773.251. DEFINITIONS. In this subchapter:

(1) "Educational curriculum" means a distance-learning emergency medical services curriculum that provides remote courses of instruction and training to emergency medical services personnel who serve a rural area.

(2) "General academic teaching institution" and "public technical institute" have the meanings assigned by Section 61.003, Education Code.

(3) "Program" means the emergency medical services assistance program established under this subchapter.

Sec. 773.252. ESTABLISHMENT OF PROGRAM. (a) The department shall establish the emergency medical services assistance program to provide financial and educational assistance to eligible emergency medical services providers.

(b) The program includes grants to eligible emergency medical services providers and an educational curriculum to provide training to rural emergency medical services personnel.

Sec. 773.253. RULES. (a) The executive commissioner shall adopt rules necessary to implement this subchapter, including rules for:

(1) determining eligibility under the program;

(2) establishing requirements for the educational curriculum; and

(3) establishing requirements for a general academic teaching institution or public technical institute that develops and offers the educational curriculum.

(b) The rules must require that:

(1) an emergency medical services provider demonstrate financial need to be eligible for assistance under the program;

(2) a general academic teaching institution or public technical institute applying to offer the educational curriculum demonstrate the qualifications necessary to develop and offer the educational curriculum; and

(3) the educational curriculum provide to rural emergency medical services personnel the remote instructional courses and training necessary for the personnel to achieve department certification under Subchapter C.

Sec. 773.254. APPLICATION BY EMERGENCY MEDICAL SERVICES PROVIDER. (a) An emergency medical services provider may apply to the department in the form and manner provided by department rule to receive assistance under the program.

(b) If the department determines an applicant is eligible for assistance under the program, the department may provide a grant under Section 773.257 to the applicant.

Sec. 773.255. EDUCATIONAL CURRICULUM. (a) A general academic teaching institution or public technical institute may apply to the department in the form and manner provided by department rule to develop and offer the educational curriculum under this subchapter.

(b) The department may contract with not more than three qualified general academic teaching institutions or public technical institutes to develop and offer the educational curriculum under this subchapter.

Sec. 773.256. ADMINISTRATIVE SUPPORT. The department may provide administrative support to the program.

Sec. 773.257. GRANTS. (a) The commissioner may use money from the permanent fund for emergency medical services and trauma care established under Section 403.106, Government Code, to provide grants, in addition to funding available from other sources, to emergency medical services providers applying for assistance under the program or to provide funding to a general academic teaching institution or public technical institute offering the educational curriculum under this subchapter.

(b) The commissioner shall ensure that at least 60 percent of the grants provided under this section are provided to emergency medical services providers that serve a rural area.

(c) The executive commissioner by rule shall establish a procedure for the Governor's EMS and Trauma Advisory Council to establish priorities for issuance of grants under this section.

(d) The department shall distribute grants under this section in accordance with the requirements of Subsection (b) and the grant priorities established under Subsection (c).

SECTION 2. Notwithstanding another provision of this Act, the Department of State Health Services is required to implement this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Department of State Health Services may, but is not required to, implement this Act using other appropriations available for that purpose.

SECTION 3. This Act takes effect September 1, 2017.

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

Amend **CSHB 1407** (senate committee report) as follows:

(1) In SECTION 1 of the bill, strike added Section 773.251(2), Health and Safety Code (page 1, lines 32-34), and substitute the following:

(2) "General academic teaching institution," "medical and dental unit," "other agency of higher education," and "public technical institute" have the meanings assigned by Section 61.003, Education Code.

(2) In SECTION 1 of the bill, in added Section 773.253(a)(3), Health and Safety Code (page 1, line 51), between "institution" and "or", insert ", medical and dental unit, other agency of higher education,".

(3) In SECTION 1 of the bill, in added Section 773.253(b)(2), Health and Safety Code (page 1, line 57), between "institution" and "or", insert ", medical and dental unit, other agency of higher education,".

(4) In SECTION 1 of the bill, in added Section 773.255(a), Health and Safety Code (page 2, line 13), between "institution" and "or", insert ", medical and dental unit, other agency of higher education,".

(5) In SECTION 1 of the bill, in added Section 773.255(b), Health and Safety Code (page 2, line 18), between "institutions" and "or", insert ", medical and dental units, other agencies of higher education,".

(6) In SECTION 1 of the bill, in added Section 773.257(a), Health and Safety Code (page 2, line 29), between "institution" and "or", insert ", medical and dental unit, other agency of higher education,".

**HB 1549 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

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

HB 1549, A bill to be entitled An Act relating to the provision of services by the Department of Family and Protective Services, including child protective services and prevention and early intervention services.

Representative Burkett moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 1549**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 1549**: Burkett, chair; Raymond, Dale, Rose, and Simmons.

**HB 1507 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

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

HB 1507, A bill to be entitled An Act relating to the rights of certain defendants who successfully complete a term of community supervision.

Representative Giddings moved to concur in the senate amendments to **HB 1507**.

The motion to concur in the senate amendments to **HB 1507** prevailed by (Record 1835): 113 Yeas, 28 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Burkett; Burns; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cortez; Cospers; Craddick; Dale; Darby; Davis, S.; Davis, Y.; Deshotel; Dutton; Elkins; Faircloth; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; King, K.; King, P.; King, T.; Koop; Lambert; Landgraf; Larson; Laubenberg; Longoria; Lozano; Martinez; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Neave; Nevárez; Oliveira; Oliverson; Ortega; Parker; Perez; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schaefer; Schubert; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zerwas.

Nays — Bonnen, D.; Bonnen, G.; Burrows; Cain; Cook; Cyrier; Dean; Fallon; Goldman; Hefner; Keough; Krause; Lang; Leach; Metcalf; Murr; Paul; Phelan; Phillips; Rinaldi; Sanford; Schofield; Shaheen; Stickland; Swanson; Thompson, E.; Tinderholt; Zedler.

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

Absent, Excused — Minjarez; Walle.

Absent — Biedermann; Dukes; Klick; Kuempel; Paddie.

STATEMENTS OF VOTE

When Record No. 1835 was taken, I was shown voting no. I intended to vote yes.

Cook

When Record No. 1835 was taken, I was shown voting yes. I intended to vote no.

Faircloth

When Record No. 1835 was taken, I was shown voting yes. I intended to vote no.

Parker

When Record No. 1835 was taken, I was shown voting yes. I intended to vote no.

Simmons

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

Amend **HB 1507** (senate committee report) in SECTION 1 of the bill as follows:

(1) Strike the recital (page 1, lines 22 and 23), and substitute the following: Article 26.13, Code of Criminal Procedure, is amended by amending Subsection (a) and adding Subsection (h-1) to read as follows:

(2) Following amended Article 26.13(a), Code of Criminal Procedure (page 1, between lines 58 and 59), insert the following:

(h-1) The court must substantially comply with Subsection (a)(6). The failure of the court to comply with Subsection (a)(6) is not a ground for the defendant to set aside the conviction, sentence, or plea.

HB 3066 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 3066, A bill to be entitled An Act relating to certain benefits and protections for service members of the Texas military forces ordered to state active duty or to state training and other duty.

Representative Guillen moved to concur in the senate amendments to **HB 3066**.

The motion to concur in the senate amendments to **HB 3066** prevailed by (Record 1836): 140 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Swanson.

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

Absent, Excused — Minjarez; Walle.

Absent — Button; Dukes; Gooden; Paddie; Vo.

STATEMENTS OF VOTE

When Record No. 1836 was taken, I was in the house but away from my desk. I would have voted yes.

Button

When Record No. 1836 was taken, I was in the house but away from my desk. I would have voted yes.

Gooden

When Record No. 1836 was taken, I was shown voting no. I intended to vote yes.

Swanson

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

Amend **HB 3066** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Title 12, Business & Commerce Code, is amended by adding Chapter 606 to read as follows:

CHAPTER 606. SUSPENSION, TERMINATION, OR REINSTATEMENT OF
CERTAIN SERVICES FOR ACTIVE DUTY MILITARY SERVICE
MEMBERS

Sec. 606.001. DEFINITIONS. In this chapter:

(1) "Active duty military service" means:

(A) service as a member of the armed forces of the United States;

(B) with respect to a member of the Texas National Guard or the National Guard of another state or a member of a reserve component of the armed forces of the United States, active duty under an order of the president of the United States; or

(C) state active duty as a member of the Texas military forces.

(2) "Cable service," "cable service provider," "video service," and "video service provider" have the meanings assigned by Section 66.002, Utilities Code.

(3) "Health spa" has the meaning assigned by Section 702.003, Occupations Code.

(4) "Health spa services" has the meaning assigned to the term "services" by Section 702.003, Occupations Code.

(5) "Health spa services provider" means a person providing health spa services.

(6) "Internet service provider" has the meaning assigned by Section 324.055.

(7) "Military service member" means:

(A) a member of the armed forces of the United States;

(B) a member of the Texas National Guard or the National Guard of another state serving on active duty under an order of the president of the United States;

(C) a member of a reserve component of the armed forces of the United States who is on active duty under an order of the president of the United States; or

(D) a member of the Texas military forces serving on state active duty.

(8) "Service provider" means a cable service provider, a health spa services provider, an Internet service provider, a telecommunications provider, or a video service provider.

(9) "State active duty" and "Texas military forces" have the meanings assigned by Section 437.001, Government Code.

(10) "Telecommunications provider" has the meaning assigned by Section 51.002, Utilities Code.

Sec. 606.002. SUSPENSION OR TERMINATION OF CERTAIN SERVICES FOR ACTIVE DUTY MILITARY SERVICE MEMBERS. (a) This section applies only to the following services:

(1) cable service;

(2) health spa services;

(3) services providing connectivity to the Internet or another wide area network;

(4) telecommunications services; and

(5) video service.

(b) Except as provided by Subsection (i), a military service member who receives any of the services described by Subsection (a) from a service provider and who is called to active duty military service may suspend or terminate the provision of the services by providing a written notice of suspension or termination to the service provider and the documentation required by Subsection (c).

(c) A military service member who provides to a service provider a written notice of suspension or termination of a service described by Subsection (a) shall also provide to the service provider proof of the service member's official orders calling the service member to active duty military service:

(1) at the time the service member provides the written notice; or

(2) not later than the 90th day after the date on which the service member provides the written notice, if military necessity or circumstances make the provision of proof at the time written notice is provided unreasonable or impossible.

(d) A service provider shall suspend or terminate the service provided by the service provider to a military service member on:

(1) the same business day the service provider receives a written notice of suspension or termination under this section; or

(2) the next business day after the date the service provider receives a written notice of suspension or termination under this section, if the notice is received on the weekend or a holiday.

(e) The suspension or termination of the service is effective on the applicable suspension or termination date prescribed by Subsection (d). Except as provided by Subsection (f), a military service member is not liable for the payment of any service suspended or terminated under this section after the effective date of the suspension or termination unless and until the service member reinstates the service as provided by Section 606.003.

(f) If a service provider does not receive the proof of the official orders as required by Subsection (c), the service provider may reinstate the suspended or terminated service. The military service member who requested the suspension or termination is liable for the payment of that service from the original effective date of the suspension or termination until the date the service member provides the required proof to the service provider. The effective date of a suspension or termination of a reinstated service as provided by this subsection becomes the date on which the service provider receives the required proof.

(g) Except as provided by this section, a service provider may not charge a penalty, fee, loss of deposit, or any other additional cost due to a suspension or termination of a service under this section.

(h) A military service member may reinstate a service that is suspended or terminated under this section in the manner provided by Section 606.003.

(i) A military service member may terminate a contract for cellular telephone service or telephone exchange service in the manner provided by 50 U.S.C. Section 3956, if applicable.

Sec. 606.003. REINSTATEMENT OF CERTAIN SERVICES FOR ACTIVE DUTY MILITARY SERVICE MEMBERS. (a) A military service member who suspends or terminates a service under Section 606.002 and whose period of active duty military service has ended may reinstate the service by providing:

(1) a written notice of reinstatement to the service provider of the suspended or terminated service; and

(2) a document evidencing proof of the date the active duty military service ends not later than the 90th day after the date on which the service member's active duty military service ended.

(b) A service provider that receives a written notice of reinstatement of a service and the documentation required by Subsection (a)(2) shall:

(1) resume providing the same services the service provider provided to the military service member on the same terms and conditions agreed to by the service member and the service provider before the suspension or termination of those services took effect; or

(2) if the same services are no longer available, provide services that are substantially similar to the services that were suspended or terminated.

(c) A service provider shall reinstate a service as provided by Subsection (b) within a reasonable time, but not later than the 30th day after the date the service provider receives a written notice of reinstatement.

(d) A service provider may not charge a penalty, fee, loss of deposit, or other additional cost due to a reinstatement of services under this section.

SECTION ____. Chapter 606, Business & Commerce Code, as added by this Act, applies only to a contract for services entered into or renewed on or after the effective date of this Act.

HB 61 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 61, A bill to be entitled An Act relating to consideration under the public school accountability system of performance on assessment instruments by certain students formerly receiving special education services.

Representative Guillen moved to concur in the senate amendments to **HB 61**.

The motion to concur in the senate amendments to **HB 61** prevailed by (Record 1837): 143 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa;

Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Bernal; Dukes; Ortega.

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

Amend **HB 61** (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 29.022, Education Code, is amended by amending Subsections (a), (b), (c), (d), (e), (i), and (j) and adding Subsections (a-1), (a-2), (a-3), (c-1), (e-1), (i-1), (l), (m), (n), (o), (p), (q), (r), (s), (t), and (u) to read as follows:

(a) In order to promote student safety, on receipt of a written request authorized under Subsection (a-1) ~~[by a parent, trustee, or staff member]~~, a school district or open-enrollment charter school shall provide equipment, including a video camera, to the [each] school or schools in the district or the [each] charter school campus or campuses specified in the request ~~[in which a student who receives special education services in a self-contained classroom or other special education setting is enrolled]~~. A ~~[Each]~~ school or campus that receives equipment as provided by this subsection shall place, operate, and maintain one or more video cameras in ~~[each]~~ self-contained classrooms and ~~[classroom or]~~ other special education settings ~~[setting]~~ in which a majority of the students in regular attendance are~~[-~~

~~[(1)]~~ provided special education and related services~~[-]~~ and are

~~[(2)]~~ assigned to one or more [a] self-contained classrooms ~~[classroom]~~ or other special education settings ~~[setting]~~ for at least 50 percent of the instructional day, provided that:

(1) a school or campus that receives equipment as a result of the request by a parent or staff member is required to place equipment only in classrooms or settings in which the parent's child is in regular attendance or to which the staff member is assigned, as applicable; and

(2) a school or campus that receives equipment as a result of the request by a board of trustees, governing body, principal, or assistant principal is required to place equipment only in classrooms or settings identified by the requestor, if the requestor limits the request to specific classrooms or settings subject to this subsection.

(a-1) For purposes of Subsection (a):

(1) a parent of a child who receives special education services in one or more self-contained classrooms or other special education settings may request in writing that equipment be provided to the school or campus at which the child receives those services;

(2) a board of trustees or governing body may request in writing that equipment be provided to one or more specified schools or campuses at which one or more children receive special education services in self-contained classrooms or other special education settings;

(3) the principal or assistant principal of a school or campus at which one or more children receive special education services in self-contained classrooms or other special education settings may request in writing that equipment be provided to the principal's or assistant principal's school or campus; and

(4) a staff member assigned to work with one or more children receiving special education services in self-contained classrooms or other special education settings may request in writing that equipment be provided to the school or campus at which the staff member works.

(a-2) Each school district or open-enrollment charter school shall designate an administrator at the primary administrative office of the district or school with responsibility for coordinating the provision of equipment to schools and campuses in compliance with this section.

(a-3) A written request must be submitted and acted on as follows:

(1) a parent, staff member, or assistant principal must submit a request to the principal or the principal's designee of the school or campus addressed in the request, and the principal or designee must provide a copy of the request to the administrator designated under Subsection (a-2);

(2) a principal must submit a request by the principal to the administrator designated under Subsection (a-2); and

(3) a board of trustees or governing body must submit a request to the administrator designated under Subsection (a-2), and the administrator must provide a copy of the request to the principal or the principal's designee of the school or campus addressed in the request.

(b) A school or campus that places a video camera in a classroom or other special education setting in accordance with Subsection (a) shall operate and maintain the video camera in the classroom or setting, as long as the classroom or setting continues to satisfy the requirements under Subsection (a), for the remainder of the school year in which the school or campus received the request, unless the requestor withdraws the request in writing. If for any reason a school or campus will discontinue operation of a video camera during a school year, not later than the fifth school day before the date the operation of the video camera

will be discontinued, the school or campus must notify the parents of each student in regular attendance in the classroom or setting that operation of the video camera will not continue unless requested by a person eligible to make a request under Subsection (a-1). Not later than the 10th school day before the end of each school year, the school or campus must notify the parents of each student in regular attendance in the classroom or setting that operation of the video camera will not continue during the following school year unless a person eligible to make a request for the next school year under Subsection (a-1) submits a new request.

(c) Except as provided by Subsection (c-1), video ~~[Video]~~ cameras placed under this section must be capable of:

(1) covering all areas of the classroom or other special education setting, including a room attached to the classroom or setting used for time-out ~~[except that the inside of a bathroom or any area in the classroom or setting in which a student's clothes are changed may not be visually monitored]~~; and

(2) recording audio from all areas of the classroom or other special education setting, including a room attached to the classroom or setting used for time-out.

(c-1) The inside of a bathroom or any area in the classroom or other special education setting in which a student's clothes are changed may not be visually monitored, except for incidental coverage of a minor portion of a bathroom or changing area because of the layout of the classroom or setting.

(d) Before a school or campus activates ~~[places]~~ a video camera in a classroom or other special education setting under this section, the school or campus shall provide written notice of the placement to all school or campus staff and to the parents of each ~~[a]~~ student attending class or engaging in school activities ~~[receiving special education services]~~ in the classroom or setting.

(e) Except as provided by Subsection (e-1), a ~~[A]~~ school district or open-enrollment charter school shall retain video recorded from a video camera placed under this section for at least three ~~[six]~~ months after the date the video was recorded.

(e-1) If a person described by Subsection (i) requests to view a video recording from a video camera placed under this section, a school district or open-enrollment charter school must retain the recording from the date of receipt of the request until the person has viewed the recording and a determination has been made as to whether the recording documents an alleged incident. If the recording documents an alleged incident, the district or school shall retain the recording until the alleged incident has been resolved, including the exhaustion of all appeals.

(i) A video recording of a student made according to this section is confidential and may not be released or viewed except as provided by this subsection or Subsection (i-1) or (j). A school district or open-enrollment charter school shall release a recording for viewing by:

(1) an [a school district] employee [or a parent or guardian of a student] who is involved in an alleged incident that is documented by the recording and [for which a complaint] has been reported to the district or school, on request of the employee [parent, or guardian, respectively];

(2) a parent of a student who is involved in an alleged incident that is documented by the recording and has been reported to the district or school, on request of the parent;

(3) appropriate Department of Family and Protective Services personnel as part of an investigation under Section 261.406, Family Code;

(4) ~~(3)~~ a peace officer, a school nurse, a district or school administrator trained in de-escalation and restraint techniques as provided by commissioner rule, or a human resources staff member designated by the board of trustees of the school district or the governing body of the open-enrollment charter school in response to a report of an alleged incident [complaint] or an investigation of district or school personnel or a report [complaint] of alleged abuse committed by a student; or

(5) ~~(4)~~ appropriate agency or State Board for Educator Certification personnel or agents as part of an investigation.

(i-1) A contractor or employee performing job duties relating to the installation, operation, or maintenance of video equipment or the retention of video recordings who incidentally views a video recording is not in violation of Subsection (i).

(j) If a person described by Subsection (i)(4) [del(i)(3)] or (5) [del(4)] who views the video recording believes that the recording documents a possible violation under Subchapter E, Chapter 261, Family Code, the person shall notify the Department of Family and Protective Services for investigation in accordance with Section 261.406, Family Code. If any person described by Subsection (i)(3) [del(i)(2)], [del(3), or] (4), or (5) who views the recording believes that the recording documents a possible violation of district or school policy, the person may allow access to the recording to appropriate legal and human resources personnel. A recording believed to document a possible violation of district or school policy relating to the neglect or abuse of a student may be used as part of a disciplinary action against district or school personnel and shall be released at the request of the student's parent [or guardian] in a legal proceeding. This subsection does not limit the access of a student's parent to a record regarding the student under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g) or other law.

(l) A school district or open-enrollment charter school policy relating to the placement, operation, or maintenance of video cameras under this section must:

(1) include information on how a person may appeal an action by the district or school that the person believes to be in violation of this section or a policy adopted in accordance with this section, including the appeals process under Section 7.057;

(2) require that the district or school provide a response to a request made under this section not later than the seventh school business day after receipt of the request by the person to whom it must be submitted under Subsection (a-3) that authorizes the request or states the reason for denying the request;

(3) except as provided by Subdivision (5), require that a school or a campus begin operation of a video camera in compliance with this section not later than the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the request is authorized unless the agency grants an extension of time;

(4) permit the parent of a student whose admission, review, and dismissal committee has determined that the student's placement for the following school year will be in a classroom or other special education setting in which a video camera may be placed under this section to make a request for the video camera by the later of:

(A) the date on which the current school year ends; or

(B) the 10th school business day after the date of the placement determination by the admission, review, and dismissal committee; and

(5) if a request is made by a parent in compliance with Subdivision (4), unless the agency grants an extension of time, require that a school or campus begin operation of a video camera in compliance with this section not later than the later of:

(A) the 10th school day of the fall semester; or

(B) the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the date the request is made.

(m) A school district, parent, staff member, or administrator may request an expedited review by the agency of the district's:

(1) denial of a request made under this section;

(2) request for an extension of time to begin operation of a video camera under Subsection (1)(3) or (5); or

(3) determination to not release a video recording to a person described by Subsection (i).

(n) If a school district, parent, staff member, or administrator requests an expedited review under Subsection (m), the agency shall notify all other interested parties of the request.

(o) If an expedited review has been requested under Subsection (m), the agency shall issue a preliminary judgment as to whether the district is likely to prevail on the issue under a full review by the agency. If the agency determines that the district is not likely to prevail, the district must fully comply with this section notwithstanding an appeal of the agency's decision. The agency shall notify the requestor and the district, if the district is not the requestor, of the agency's determination.

(p) The commissioner:

(1) shall adopt rules relating to the expedited review process under Subsections (m), (n), and (o), including standards for making a determination under Subsection (o); and

(2) may adopt rules relating to an expedited review process under Subsections (m), (n), and (o) for an open-enrollment charter school.

(q) The agency shall collect data relating to requests made under this section and actions taken by a school district or open-enrollment charter school in response to a request, including the number of requests made, authorized, and denied.

(r) A video recording under this section is a governmental record only for purposes of Section 37.10, Penal Code.

(s) This section applies to the placement, operation, and maintenance of a video camera in a self-contained classroom or other special education setting during the regular school year and extended school year services.

(t) A video camera placed under this section is not required to be in operation for the time during which students are not present in the classroom or other special education setting.

(u) In this section:

(1) "Parent" includes a guardian or other person standing in parental relation to a student.

(2) "School business day" means a day that campus or school district administrative offices are open.

(3) "Self-contained classroom" does not include a classroom that is a resource room instructional arrangement under Section 42.151.

(4) "Staff member" means a teacher, related service provider, paraprofessional, counselor, or educational aide assigned to work in a self-contained classroom or other special education setting.

(5) "Time-out" has the meaning assigned by Section 37.0021.

HB 2319 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 2319, A bill to be entitled An Act relating to weight limitations for natural gas motor vehicles.

Representative Paddie moved to concur in the senate amendments to **HB 2319**.

The motion to concur in the senate amendments to **HB 2319** prevailed by (Record 1838): 143 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales;

González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Ortega; Uresti.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes.

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

Amend **HB 2319** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 623, Transportation Code, is amended by adding Section 623.0172 to read as follows:

Sec. 623.0172. PERMIT FOR INTERMODAL SHIPPING CONTAINER.

(a) In this section, "intermodal shipping container" means an enclosed, standardized, reusable container that:

(1) is used to pack, ship, move, or transport cargo;

(2) is designed to be carried on a semitrailer and loaded onto or unloaded from:

(A) a ship or vessel for international transportation; or

(B) a rail system for international transportation; and

(3) when combined with vehicles transporting the container, has a gross weight or axle weight that exceeds the limits allowed by law to be transported over a state highway or county or municipal road.

(b) The department shall issue an annual permit for the international transportation of an intermodal shipping container moving by a truck-tractor and semitrailer combination that has six total axles and is equipped with a roll stability support safety system and truck blind spot systems only if:

(1) the gross weight of the combination does not exceed 93,000 pounds;

(2) the distance between the front axle of the truck-tractor and the last axle of the semitrailer, measured longitudinally, is approximately 647 inches;

(3) the truck-tractor is configured as follows:

(A) one single axle that does not exceed 13,000 pounds;

(B) one two-axle group that does not exceed 37,000 pounds, in which no axle in the group exceeds 18,500 pounds; and

(C) the distance between the individual axles on the two-axle group of the truck-tractor, measured longitudinally, is not less than 51 inches and not more than 52 inches; and

(4) the semitrailer is configured as follows:

(A) one three-axle group that does not exceed 49,195 pounds, in which no axle in the group exceeds 16,400 pounds; and

(B) the distance between the individual axles in the three-axle group of the semitrailer, measured longitudinally, is 60 inches.

(c) The department shall restrict vehicles operating under a permit issued under this section to routes that are:

(1) located in a county with a population of more than 90,000;

(2) on highways in the state highway system; and

(3) not more than five miles from the border between this state and Arkansas.

(d) An intermodal shipping container being moved under a permit issued under this section must be continuously sealed from the point of origin to the point of destination with a seal that is required by:

(1) the United States Customs and Border Protection;

(2) the United States Food and Drug Administration; or

(3) federal law or regulation.

(e) A permit issued under this section does not authorize the operation of a vehicle combination described by Subsection (b) on:

(1) load-restricted roads or bridges, including a road or bridge for which a maximum weight and load limit has been established and posted by the Texas Department of Transportation under Section 621.102; or

(2) routes for which the Texas Department of Transportation has not authorized the operation of a vehicle combination described by Subsection (b).

(f) A permit issued under this subchapter does not authorize the transportation of a material designated as of January 1, 2017, as a hazardous material by the United States secretary of transportation under 49 U.S.C. Section 5103(a).

(g) An applicant for a permit under this section must designate each Texas Department of Transportation district in which the permit will be used.

(h) The department shall initially set the fee for a permit issued under this section in an amount not to exceed \$2,000. Beginning in 2022, on September 1 of each even-numbered year the department shall set the fee for a permit issued under this section in an amount based on a reasonable estimate of the costs associated with the operation of vehicles issued a permit under this section over routes described by Subsection (c), including any increase in the costs necessary to maintain or repair those highways. The estimate shall be based on the results of the study conducted under Subsection (l).

(i) Of the fee collected under this section for a permit:

(1) 90 percent shall be deposited to the credit of the state highway fund;

(2) 5 percent shall be deposited to the credit of the Texas Department of Motor Vehicles fund; and

(3) 5 percent shall be deposited to the appropriate county road and bridge fund.

(j) A fee deposited under Subsection (i)(1) may only be used for transportation projects in the Texas Department of Transportation district designated in the permit application for which the fee was assessed.

(k) The department may suspend a permit issued under this section if the department receives notice from the Federal Highway Administration that the operation of a vehicle under a permit authorized by this section would result in the loss of federal highway funding.

(l) Beginning in 2022, not later than September 1 of each even-numbered year, the Texas Department of Transportation shall conduct a study concerning vehicles operating under a permit issued under this section and publish the results of the study. In conducting the study, the Texas Department of Transportation shall collect and examine the following information:

(1) the weight and configuration of vehicles operating under a permit under this section that are involved in a motor vehicle accident;

(2) the types of vehicles operating under a permit issued under this section;

(3) traffic volumes and variations of vehicles operating under a permit issued under this section;

(4) weigh-in-motion data for highways located in and around the area described by Subsection (c);

(5) impacts to state and local bridges, including long-term bridge performance, for bridges located in and around the area described by Subsection (c); and

(6) impacts to state and local roads, including changes in pavement design standards, construction specification details, maintenance frequency and types, and properties of pavement and underlying soils resulting from or necessitated by vehicles operating under a permit issued under this section.

HB 3158 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 3158, A bill to be entitled An Act relating to the retirement systems for and the provision of other benefits to police and fire fighters in certain municipalities; creating a criminal offense.

Representative Flynn moved to concur in the senate amendments to **HB 3158**.

The motion to concur in the senate amendments to **HB 3158** prevailed by (Record 1839): 142 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker; Johnson, E.; Lucio(C).

Absent, Excused — Minjarez; Walle.

Absent — Anchia; Burkett; Dukes.

STATEMENT OF VOTE

When Record No. 1839 was taken, my vote failed to register. I would have voted yes.

Burkett

REASON FOR VOTE

I chose to abstain from participating in the vote on **HB 3158**, relating to the Dallas police and fire pension system, due to the fact that Andrews Kurth Kenyon, where I am of counsel, represents the City of Dallas on several issues. Although I have no personal bias in the matter, I believe that it is in the best interest of my constituents and the integrity of the legislature to avoid any appearance of a conflict of interest. However, I fully support Dallas police officers and fire fighters as well as the City of Dallas and wish for the best possible outcome for all parties involved.

E. Johnson

Senate Committee Substitute

CSHB 3158, A bill to be entitled An Act relating to the retirement systems for and the provision of other benefits to police and fire fighters in certain municipalities; creating a criminal offense.

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

ARTICLE 1. CONTINGENT PROVISIONS:
EFFECTIVE SEPTEMBER 1, 2017

SECTION 1.01. Section 1.01, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 1.01. AMENDMENT, RESTATEMENT, AND CONSOLIDATION.

(a) The purpose of this article is to restate and amend the provisions of a former law governing the pension funds for police officers and fire fighters in certain municipalities (Chapter 4, Acts of the 43rd Legislature, 1st Called Session, 1933, also known as Article 6243a) having previously been amended and restated to permit the consolidation of the terms of certain pension plans created under Sections 1, 11A, and 11B of that Act for the purpose of simply and accurately reflecting the joint administration of the plans.

(b) ~~[The provisions of this article are entirely consistent with all terms and conditions relating to benefits and benefit entitlement previously contained in the plans.]~~ This article does not ~~[intend to]~~ take away or reduce any accrued benefit contained in the plans created under former Article 6243a or under this article as it existed on or before August 31, 2017.

SECTION 1.02. Section 2.01, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 2.01. DEFINITIONS. In this article:

(1) "415 compensation" means a member's wages, salary, and other amounts received for personal services rendered in the course of employment with the city during a limitation year and permitted to be treated as compensation for purposes of Section 415(c) of the code, including differential wage payments described in Section 414(u)(12) of the code. The term does not include amounts picked up under Section 4.03(i) of this article.

(2) "Active service" means any period that a member receives compensation as a police officer or fire fighter from either department for services rendered.

(3) ~~(2)~~ "Actuarial equivalent" means a form of benefit differing in time, duration, or manner of payment from a standard benefit payable under this article but having the same value when computed using the assumptions set forth in this article.

~~(3) "Administrator" means the person designated by the board to supervise the affairs of the pension system.]~~

(4) "Alternate payee" has the meaning given the term by Section 414(p) ~~[414]~~ of the code or any successor provision.

(5) "Alternative investment" means an investment in an asset other than a traditional asset. The term includes an investment in private equity funds, private real estate transactions, hedge funds, and infrastructure.

(6) ~~(5)~~ "Annual additions" means the sum of the following amounts credited to a member's account under any defined contribution plan maintained by the city for the limitation year:

(A) city contributions;

(B) member contributions, other than rollover contributions from a plan maintained by any employer other than the city;

(C) forfeitures; and

(D) amounts allocated after March 31, 1984, to an individual medical benefit account, as defined in Section 415(l)(2) [~~415(1)(2)~~] of the code, that is part of a pension or annuity plan maintained by the city.

~~[The term does not include amounts described in Paragraph (D) of this subdivision for the purpose of computing the percentage limitation described in Section 415(e)(1)(B) of the code.]~~ For any limitation year beginning before January 1, 1987, only that portion of member contributions equal to the lesser of member contributions in excess of six percent of 415 compensation or one-half of member contributions to the combined pension plan or any qualified defined contribution plan maintained by the city is treated as annual additions.

(7) [~~6~~] "Annual benefit" means the aggregate benefit attributable to city and member contributions payable annually under the combined pension plan, or any plan maintained by the city, exclusive of any benefit not required to be considered for purposes of applying the limitations of Section 415 of the code to the combined pension plan, payable in the form of a straight life annuity beginning at age 62 with no ancillary benefits. Solely for purposes of computing the limitations under the combined pension plan, benefits actually payable to a pensioner are adjusted to the actuarial equivalent of a straight life annuity pursuant to Section 415(b) [~~8.01~~] of the code [~~this article~~] even though no member may actually receive a benefit in the form of a straight life annuity.

(8) [~~7~~] "Article 6243a" means Chapter 4, Acts of the 43rd Legislature, 1st Called Session, 1933 (former Article 6243a, Vernon's Texas Civil Statutes), pertaining to a pension system for police officers, fire fighters, and fire alarm operators in certain cities.

(9) [~~8~~] "Assignment pay" means monthly pay, in addition to salary, granted to a Group B member and authorized by the city council for the performance of certain enumerated duty assignments.

(10) [~~9~~] "Base pay" means the maximum monthly civil service pay from time to time established by the city for a person who holds the rank of "police officer" in the city's police department or the rank of "fire and rescue officer" in the city's fire department [~~a police officer or fire fighter~~], exclusive of any other form of compensation. The term does not include compensation paid by the city to a person for prior periods of service or compensation that otherwise constitutes back pay unless the compensation is eligible back pay. The board may adopt rules and procedures necessary to include eligible back pay as base pay for purposes of this definition, including rules regarding how increases in benefits will be determined and administered.

(11) [~~10~~] "Base pension" means the amount of retirement, death, or disability benefits as determined [~~computed under this article~~] at the earliest of the time a Group B member and, solely for the purposes of Section 6.12 of this article, a Group A member:

(A) begins participation in DROP;

(B) leaves or left active service;

(C) [~~leaves active service,~~] dies; [;] or

(D) becomes entitled to a disability pension under the combined pension plan ~~[disabled]~~.

Solely for purposes of this definition, when a member becomes entitled to a disability pension, the base pension shall be determined as of the date on which the disability pension begins.

(12) [(11)] "Board" means the board of trustees created under Section 3.01 of this article for the purpose of administering the pension system.

(13) [(12)] "Child" means a [an unmarried] person [under the age of 19] whose [natural or adoptive] parent, as recognized under the laws of this state, is a primary party.

(14) [(13)] "City" means each municipality having a population of more than 1.18 million and located predominantly in a county that has a total area of less than 1,000 square miles.

(15) "City attorney" means the chief legal officer of a city.

(16) [(14)] "City council" means the governing body of the city.

(17) "City manager" means the city manager of a city or the city manager's designee and includes, to the extent of any designation, an interim or acting city manager, chief financial officer, budget director, or assistant city manager. If a city does not have an individual serving in a position otherwise described by this subdivision, "city manager" means the mayor of that city.

(18) [(15)] "City service incentive pay" means annual incentive pay, adjusted by the city from time to time, in addition to the salary of a member granted to the member under the authority of the city charter and received by the member during active service.

(19) [(16)] "Code" means the United States Internal Revenue Code of 1986, as amended.

(20) [(17)] "Combined pension plan" means any pension plan created pursuant to this article before September 1, 2017.

(21) [(18)] "Computation pay" shall be used in determining the amount of the city's contribution under Section 4.02(d) of this article and a Group B member's contribution under Section 4.03(d) of this article and in determining the base pension [of any benefits] to be paid to a Group B member or the benefits to be paid to the member's qualified survivors and means the sum of the following:

(A) the biweekly [monthly] rate of pay of a [Group B] member for the highest civil service rank the person holds, from time to time, as a result of a competitive examination; plus

(B) the [monthly rate of pay of a Group B member as] educational incentive pay of a member, computed on a biweekly basis; plus

(C) the longevity [monthly rate of] pay of a [Group B] member [as longevity pay], as authorized by the legislature, computed on a biweekly basis; plus

(D) the city service incentive pay, computed on a biweekly [monthly] basis, of a [Group B] member.

The term includes only amounts actually paid in salary or payments made instead of salary to the member and member contributions picked up by the city, and does not include any imputed pay. Furthermore, any [Any] compensation

received by a ~~[Group B]~~ member, other than that noted in Paragraphs (A)-(D) of this subdivision (for example, compensation for overtime work, certification pay, and the ~~[monthly rate of]~~ pay a member would receive from the city in the form of assignment pay), will not be considered in determining the computation pay of a ~~[Group B]~~ member. Any lump-sum payments for compensatory time, unused sick leave, unused vacation time, or city service incentive pay payable after a ~~[Group B]~~ member leaves active service, dies [death], becomes disabled [disability], or resigns [resignation], or after any other type of termination may not be considered in determining the computation pay of any ~~[Group B]~~ member. Computation pay for a ~~[Group B]~~ member for any given period [month] is determined on the biweekly [monthly] rates of pay due the ~~[Group B]~~ member for the entire period [month]. The term does not include compensation paid by the city to a person for prior periods of service or compensation that otherwise constitutes back pay unless the compensation is eligible back pay. The board may adopt rules and procedures necessary to include eligible back pay as computation pay for purposes of this definition, including rules regarding how increases in benefits will be determined and administered. [If a Group B member works less than the member's assigned schedule for any given month, the computation pay for the Group B member shall be prorated for the portion of the month that the Group B member worked.]

~~(19) "Educational incentive pay" means incentive pay designed to reward completion of certain hours of college credit, adjusted by the city from time to time, that is paid to a member in addition to the member's salary.]~~

(22) [(20)] "Department" means either the police department of the city, the fire department of the city, or both the police and fire departments of the city together.

(23) [(21)] "Dependent parent" means a natural parent or parent who adopted a primary party and who immediately before the death of a primary party received over half of the parent's financial support from the primary party.

(24) [(22)] "Disability retirement" means any period that a pensioner receives periodic disability compensation or a disability pension.

(25) "DROP" means the deferred retirement option plan established in accordance with Section 6.14 of this article.

(26) "Educational incentive pay" means incentive pay designed to reward completion of certain hours of college credit, adjusted by the city from time to time, that is paid to a member in addition to the member's salary.

(27) "Eligible back pay," except as otherwise provided by this definition, means additional compensation paid by the city to a member or pensioner:

(A) that constitutes back pay to the member's or pensioner's prior period of service and is otherwise considered taxable wages paid by the city to the member or pensioner for federal income tax purposes; and

(B) for which the pension system receives:

(i) an amount equal to the aggregate member and city contributions that the pension system would have collected with respect to the compensation for all time periods relating to the back pay compensation; and

(ii) interest, calculated using the pension system's actuarial rate of return assumptions in effect for the periods relating to the back pay, compounded annually, on the contribution amounts for the period from the date that the contributions would have been received if the back pay compensation had been paid during the relevant periods of prior service through the date the amount relating to the contributions for back pay is actually received by the pension system.

The term does not include any additional compensation paid by the city to a member or pensioner wholly or partly or directly or indirectly as the result of litigation instituted to recover back pay.

The pension system is not obligated to collect the additional contributions or interest described in Paragraph (B) of this subdivision from the member, pensioner, or city. The pension system may not recognize back pay as eligible back pay until the contributions and interest described in Paragraph (B) of this subdivision have been received.

(28) "Executive director" means the person designated by the board to supervise the operation of the pension system.

~~(29) [(23) "415 compensation" means a member's wages, salary, and other amounts received for personal services rendered in the course of employment with the city during a limitation year, but does not include:~~

~~[(A) contributions made by the city to a plan of deferred compensation, or a simplified employee pension plan, to the extent such contributions are excludable from the member's gross income;~~

~~[(B) any distributions from a plan of deferred compensation, or a simplified employee pension plan, to the extent the distributions are excludable from the member's gross income;~~

~~[(C) other amounts that received special tax benefits, such as premiums for group term life insurance, to the extent that the premiums are not includable in the gross income of the member, or contributions made by the city, including contributions toward the purchase of an annuity described by Section 403(b) of the code, whether or not contributed pursuant to a salary reduction agreement and whether or not the amounts are actually excludable from the gross income of the member; and~~

~~[(D) for any limitation year beginning after December 31, 1988, compensation in excess of \$200,000, adjusted in a manner permitted under Section 415(d) of the code.~~

[(24)] "Fund" means all funds and property held to provide benefits to [for the benefit of] all persons who are or who may become entitled to any benefits under any plan within the pension system, together with all income, profits, or other increments.

(30) [(25)] "Group A member" means any police officer or fire fighter included in Group A membership under [described by] Section 5.01(a)(1) of this article.

(31) [(26)] "Group B member" means any police officer or fire fighter included in Group B membership under [described by] Section 5.01(a)(2) of this article.

(32) [~~(27)~~] "Health director" means any qualified physician designated from time to time by the board.

(33) [~~(28)~~] "Limitation year" means the plan year of the combined pension plan and any defined benefit plan or defined contribution plan of the city in which a member participates.

(34) [~~(29)~~] "Longevity pay" means pay in addition to the salary of a member granted under Section 141.032, Local Government Code, for each year of active service completed by a member in either department.

(35) [~~(30)~~] "Member" means both Group A and Group B members.

(36) [~~(31)~~] "Member's account" means an account established and maintained for a member with respect to the member's total interest in one or more defined contribution plans under this article or maintained by the city resulting in annual additions.

(37) "Nominations committee" means the nominations committee established under Section 3.011 of this article.

(38) [~~(32)~~] "Old plan" means any pension plan created pursuant to Section 1 of Article 6243a.

(39) [~~(33)~~] "Pensioner," "Group A pensioner," or "Group B pensioner" means a former member of the pension system who is on either a service or disability retirement.

(40) [~~(34)~~] "Pension service" means the time, in years, and prorated for fractional years, that a member has contributed to the fund under the terms of the combined pension plan or any plan within the pension system, reduced to reflect refunds that have been received and not fully repaid.

(41) [~~(35)~~] "Pension system" means the fund and any plans created pursuant to this article or Article 6243a and that are intended to be qualified under Section 401(a) of the code.

(42) [~~(36)~~] "Plan A" means any plan created pursuant to Section 11A of Article 6243a.

(43) [~~(37)~~] "Plan B" means any plan created pursuant to Section 11B of Article 6243a.

(44) [~~(38)~~] "Police officer" or "fire fighter" means, as appropriate, a police officer, fire fighter, fire and rescue officer, fire alarm operator, fire inspector, apprentice police officer, apprentice fire fighter, or similar employee of either department as defined in the classifications of the human resources [~~personnel~~] department of the city.

(45) [~~(39)~~] "Primary party," "Group B primary party," or "Group A primary party" means a member [~~former member~~] or pensioner.

(46) [~~(40)~~] "Qualified actuary" means either:

(A) an individual who is a Fellow of the Society of Actuaries, a Fellow of the Conference of Consulting Actuaries [~~in Public Practice~~], or a member of the American Academy of Actuaries; or

(B) a firm that employs one or more persons who are Fellows of the Society of Actuaries, Fellows of the Conference of Consulting Actuaries [~~in Public Practice~~], or members of the American Academy of Actuaries and are providing services to the pension system.

(47) [~~(41)~~] "Qualified domestic relations order" has the meaning provided by Section 414(p) [~~414~~] of the code.

(48) [~~(42)~~] "Qualified survivor" means a person who is eligible to receive death [~~survivor~~] benefits after the death of a primary party and includes only:

(A) a surviving spouse, if the spouse was continuously married to the primary party from [~~both at~~] the date when the primary party either voluntarily or involuntarily left active service as a member through [~~and at~~] the date of the primary party's death;

(B) all surviving, unmarried, [~~legitimate, and legally adopted~~] children who are either under 19 years of age or have a disability, as determined by the board under Section 6.06(o-2) of this article, and who were:

(i) born or adopted before the primary party [~~as a member~~] either voluntarily or involuntarily left active service; or

(ii) [~~who were~~] born after the primary party [~~a member~~] left active service if the mother was pregnant with the child before the primary party [~~member~~] left active service; and

(C) a surviving dependent parent of a primary party if the primary party is not survived by a spouse or child eligible for benefits.

(49) [~~(43)~~] "Service retirement" means any period that a pensioner receives a retirement pension but does not include any period of disability retirement.

(50) [(44)] "Spouse" means the person to whom [~~husband or wife of~~] a primary party is legally married [~~recognized~~] under the laws of this state or any other state.

(51) "Traditional asset" includes stocks, bonds, and cash [~~(45) "Total wages and salaries" means all pay received by a member of any plan within the pension system from the city, excluding any lump sum payments for unused sick time or unused vacation time accrued by any member and payable as the result of the member's death, disability, resignation, or any other reason for leaving active service~~].

(52) [(46)] "Trustee" means a member of the board.

SECTION 1.03. Sections 2.02(a) and (b), Article 6243a-1, Revised Statutes, are amended to read as follows:

(a) If the amount of any benefit or contribution is to be determined on the basis of actuarial assumptions that are not otherwise specifically set forth for that purpose in this article, the actuarial assumptions to be used are those earnings and mortality assumptions being used on the date of the determination by the pension system's qualified actuary and approved by the board.

(b) The actuarial assumptions being used at any particular time shall be attached by the executive director [~~administrator~~] as an addendum to this article and treated for all purposes as a part of any plan created by this article. The executive director shall promptly update any addendum to conform to any changed actuarial assumptions approved by the board.

SECTION 1.04. Part 2, Article 6243a-1, Revised Statutes, is amended by adding Sections 2.025 and 2.03 to read as follows:

Sec. 2.025. INDEPENDENT ACTUARIAL ANALYSIS AND LEGISLATIVE RECOMMENDATIONS. (a) Before July 1, 2024, the State Pension Review Board shall select an independent actuary who the board shall hire to perform an actuarial analysis of the most recently completed actuarial valuation of the pension system. The independent actuary shall submit the analysis to the State Pension Review Board and the board not later than October 1, 2024. The analysis must include the independent actuary's:

(1) conclusion regarding whether the pension system is actuarially sound, as defined by rule by the State Pension Review Board; and

(2) recommendations regarding changes to benefits or to member or city contribution rates.

(b) Subject to Subsection (d) of this section, the board may by rule adopt the independent actuary's recommendations under Subsection (a)(2) of this section.

(c) Not later than December 1, 2024, the State Pension Review Board shall submit a report to the legislature regarding actions taken under this section. The report required under this section must include a copy of the analysis prepared under Subsection (a) of this section and a summary of rules adopted by the board under Subsection (b) of this section.

(d) Notwithstanding any other provision of this article, a rule adopted by the board under Subsection (b) of this section that conflicts with a provision of this article remains in effect until August 31, 2025, unless a law is enacted by the 89th Legislature that authorizes the content of the rule. If a law is enacted that authorizes the content of the rule, the rule continues in effect until amended in accordance with this article.

(e) This section expires September 1, 2025.

Sec. 2.03. REFERENCES TO CERTAIN LAW. A reference to a statute made in this article includes a reference to any regulation, rule, order, or notice made by a governmental entity with the authority under law to adopt the regulation, rule, order, or notice, and on which the governmental entity intends persons to rely, as appropriate.

SECTION 1.05. Section 3.01, Article 6243a-1, Revised Statutes, is amended by amending Subsections (a), (b), (d), (e), (f), (h), (i), (j), (n), and (o) and adding Subsections (b-1), (b-2), (b-3), (b-4), (j-1), (j-2), (j-3), (j-4), (j-5), (j-6), (j-7), (j-8), (j-9), (j-10), (o-1), (p), (q), (r), and (s) to read as follows:

(a) The pension system shall be administered by the board. The board shall execute its fiduciary duty to hold and administer the assets of the fund for the exclusive benefit of members and their beneficiaries under Section 802.203, Government Code, Section 67(f), Article XVI, Texas Constitution, and any other applicable law, in a manner that ensures the sustainability of the pension system for purposes of providing current and future benefits to members and their beneficiaries.

(b) Subject to Subsections (b-1) and (b-2) of this section, the ~~The~~ board consists of ~~11~~ ~~seven~~ trustees who shall be selected and shall serve as follows:

(1) six trustees appointed by the mayor;

(2) three trustees appointed by the nominations committee;

(3) subject to Subsection (b-3) of this section, one trustee who is a current or former police officer of the city nominated and elected by members of the pension system under rules adopted by the board; and

(4) subject to Subsection (b-3) of this section, one trustee who is a current or former fire fighter of the city nominated and elected by members of the pension system under rules adopted by the board.

(b-1) To be appointed or elected a trustee under this section, a person:

(1) must have demonstrated financial, accounting, business, investment, budgeting, real estate, or actuarial expertise; and

(2) may not be an elected official of the city.

(b-2) To be appointed a trustee under Subsection (b)(1) or (2) of this section a person may not be an active member or pensioner.

(b-3) If the board determines that it is not possible to nominate or elect a trustee under Subsection (b)(3) or (4) of this section who meets the requirements of Subsection (b-1) of this section, the board shall notify the nominations committee and the nominations committee shall appoint a trustee who meets the requirements of Subsection (b-1) of this section to represent the interests of police officers or fire fighters, as appropriate, of the city on the board. An appointment under this subsection may be made without regard to whether the trustee is qualified under Subsection (b)(3) or (4), as applicable, of this section.

(b-4) A trustee is not required to reside in a particular city or county of this state. [The city council shall name from among its members three council members who shall serve as trustees of the board. The council member trustees shall be named as soon as possible after the first Monday in May of each odd-numbered year and shall serve for the term of office to which they were elected as council members. If there is a vacancy in any of the council member trustees' seats on the board, the city council shall name another council member to serve out the remainder of the unexpired term.]

~~[(2) The police and fire department members of the pension plans within the pension system shall separately, by department and not by plan, elect from among their respective memberships two active police officer and two active fire fighter members. On their election, each of the trustees under this subdivision shall execute a written affirmation of the person's undertaking to faithfully perform duties to the pension system. The police and fire department trustees shall serve terms of four years each, the terms being staggered so that one term, but not both from the same department, shall expire on June 1 of each odd numbered year. If a vacancy occurs among the police and fire department trustees, the vacancy shall be filled in accordance with the provisions of Subsection (d) of this section. The police and fire department trustees will continue to serve beyond the expiration of their terms, if their successors have not been elected and affirmed in writing their undertaking to faithfully perform their duties to the pension system, until their successors are elected and have affirmed in writing their undertaking to faithfully perform their duties to the pension system.]~~

(d) ~~A [If a] vacancy on the board in a trustee position under Subsection (b)(1) or (2) of this section shall be filled in the same manner as the original appointment. The board by rule shall determine the manner by which a vacancy in a trustee position under Subsection (b)(3) or (4) of this section is filled [occurs among the police or fire department alternate trustees, for reasons other than the failure to elect a successor alternate trustee or the occurrence of a vacancy among the regular trustees of either department, the board shall appoint a new alternate trustee representing the department from which the vacancy occurs to serve as the alternate trustee for the remainder of the alternate trustee's term]. [A candidate is not eligible for election to an alternate trustee position and to a regular trustee position during the same election.]~~

(e) ~~The mayor shall determine whether all trustees appointed under Subsection (b)(1) of this section hold office for staggered two-year terms or staggered three-year terms. The nominations committee shall determine whether all trustees appointed or elected under Subsection (b)(2), (3), or (4) of this section hold office for staggered two-year terms or staggered three-year terms. An appointed trustee may not serve for more than six consecutive years on the board [If a vacancy occurs among the police or fire department regular trustees, the alternate trustee representing the department from which the vacancy occurs shall serve as the regular trustee for the remainder of the unexpired regular trustee's term]. [Thereafter, the board shall appoint a new alternate trustee from the same department to serve for a period ending on the earlier of the expiration of the regular trustee's term or the original alternate trustee's term. If the original alternate trustee's term has not expired after serving in place of the regular trustee, then that person shall serve out the remainder of the unexpired term. After a new regular trustee has been elected, the original alternate trustee shall return to serve as an alternate trustee until the regular trustee's term has expired. However, if the original alternate trustee, while an alternate trustee, is elected to a full term as a regular trustee before the expiration of the term as an alternate trustee, the term of the new alternate trustee extends until the expiration of the original alternate trustee's term.]~~

(f) ~~The nomination and election of the trustees under Subsection (b)(3) or (4) of this section [representing the police and fire departments] shall be held under the supervision of the board, and the board shall adopt such rules [and regulations] governing the election procedure as it considers appropriate, as long as the rules [and regulations] are consistent with generally accepted principles of secret ballot and majority rule. The rules [and regulations] adopted by the board shall be recorded in the minutes of the board and made available to the members of any pension plan within the pension system.~~

(h) ~~The executive director [administrator], or in the executive director's [administrator's] absence a member of the administrative staff designated by the board, shall serve as the secretary of the board.~~

(i) ~~The board shall serve without separate compensation from the fund, but a trustee is entitled to reimbursement for travel expenses and, if applicable, [with entitlement] to any appropriate compensation from the city as if the trustee [board~~

members] were performing the trustee's [their] regular functions for the police or fire department or for the city. The board shall meet not less than once each month and may meet at any time on the call of its chairman.

(j) The board has full power to make rules [and regulations] pertaining to the conduct of its meetings and to the operation of the pension system as long as its rules are not, subject to Subsections (j-1) and (j-2) of this section, inconsistent with the terms of this article, any pension plan within the pension system, or the laws of this state or the United States to the extent applicable. A board meeting may be held by telephone conference call or by videoconference call in accordance with Sections 551.125 and 551.127, Government Code, except that Section 551.125(b), Government Code, does not apply.

(j-1) Subject to Subsection (o)(2) of this section, the board may adopt a rule that conflicts with this article:

(1) to ensure compliance with the code, including Section 415 of the code, and other applicable federal law;

(2) subject to Subsections (j-5) through (j-8) of this section, to amortize the unfunded actuarial accrued liability of the pension system within a period that does not exceed 35 years, if the board determines the rule is appropriate based on the evaluations required under Subsection (j-5) of this section; or

(3) subject to Subsections (j-6) and (j-7) of this section and notwithstanding any other law, to increase the benefits provided under this article in any manner the board determines appropriate if the increase will not cause the amortization period of the unfunded actuarial accrued liability of the pension system to exceed 25 years, after taking into account the impact of the increase.

(j-2) Except as provided by Subsection (j-1) of this section or Section 4.02(b) of this article, a provision of any plan provided by the pension system may only be amended if approved by the board. An amendment described by this subsection:

(1) may not cause the amortization period of the unfunded actuarial accrued liability of the pension system to exceed 35 years, after taking into account the impact of the amendment, as determined by the board and reviewed by the State Pension Review Board; and

(2) is not required to be ratified by the legislature.

(j-3) The board may correct any defect, supply any omission, and reconcile any inconsistency that may appear in this article in a manner and to the extent that the board believes would:

(1) be expedient for the administration of the pension system;

(2) be for the greatest benefit of all members, pensioners, and qualified survivors; and

(3) not adversely affect the benefits of a member, pensioner, or qualified survivor.

(j-4) The board has full discretion and authority to construe and interpret the combined pension plan and to do all acts necessary to carry out the purpose of the combined pension plan. A decision of the board is final and binding on all affected parties.

(j-5) Not later than January 1, 2018, the board shall conduct an evaluation of:

(1) how benefits are computed under this article to identify potential means of abusing the computation of benefits to inflate pension benefits received by pensioners; and

(2) the impact, including the impact on the combined pension plan, of establishing one or more alternative benefit plans, including a defined contribution plan or a hybrid retirement plan that combines elements of both a defined benefit plan and a defined contribution plan, for newly hired employees of the city and for members who voluntarily elect to transfer to an alternative benefit plan.

(j-6) The board may not adopt a rule under Subsection (j-1)(2) or (3) of this section unless the rule has first been reviewed by the State Pension Review Board and the State Pension Review Board finds that implementation of a rule under:

(1) Subsection (j-1)(2) of this section complies with the amortization period prescribed by that subdivision and Subsection (j-8) of this section; or

(2) Subsection (j-1)(3) of this section complies with the amortization period prescribed by that subdivision.

(j-7) The board shall provide the State Pension Review Board with a copy of a proposed rule for purposes of Subsection (j-6) of this section at least 90 days before the date the board intends to implement the rule.

(j-8) The board may not adopt a rule under Subsection (j-1)(2) of this section based on an evaluation under Subsection (j-5)(2) of this section if the board determines implementation of the rule would cause the amortization period of the unfunded actuarial accrued liability of the combined pension plan or any plan established under this article by the pension system to exceed 35 years, after taking into account implementation of the rule.

(j-9) At least twice each year, the board shall have a meeting to receive public input regarding the pension system and to inform the public about the health and performance of the pension system. The State Pension Review Board is entitled to all documents and other information provided to the public or that are the basis for information provided to the public, as determined by the State Pension Review Board, for purposes of this subsection and shall independently review the information to ensure its validity.

(j-10) An employee or other agent acting on behalf of the pension system commits an offense if the person knowingly provides false information to the State Pension Review Board under Subsection (j-9) of this section. An offense under this subsection is a Class B misdemeanor.

(n) Six ~~Four~~ trustees of the board constitute a quorum at any ~~called~~ meeting~~[-, except that a trustee from the police department and a trustee from the fire department must be present to conduct business].~~

(o) No action may be taken by the board except at a meeting. Except as otherwise specifically provided by this article or other law:

(1) ~~[-, and]~~ no action shall be taken during a board meeting without the approval of a majority of the trustees of the board; and

(2) no action otherwise authorized by this article or other law may be taken that establishes an alternative benefit plan, reduces the city contribution rate, increases the member contribution rate, or reduces benefits, including accrued benefits, without the approval of two-thirds of the trustees of the board [present].

(o-1) Only actions of the board taken or approved of during a meeting are binding on the board, and no other written or oral statement or representation made by any person is binding on the board or the pension system.

(p) The board may file suit on behalf of the pension system in a court of competent jurisdiction regardless of the court's location. The board has sole authority to litigate matters on behalf of the pension system. Notwithstanding Chapter 15, Civil Practice and Remedies Code, or any other law, an action against the pension system or the board shall be brought in a court of competent jurisdiction located in the city or county in which the pension system is located.

(q) The board may purchase from one or more insurers one or more insurance policies that provide for the reimbursement of a trustee or employee of the pension system for liability imposed as damages caused by, and for costs and expenses incurred by the individual in defense of, an alleged act, error, or omission committed by the individual in the individual's capacity as a fiduciary or employee of the pension system. The board may not purchase an insurance policy that provides for the reimbursement of a trustee or employee of the pension system due to the trustee's or employee's dishonesty, fraudulent breach of trust, lack of good faith, intentional fraud or deception, or intentional failure to act prudently.

(r) The board shall adopt a code or codes of ethics consistent with Section 825.212, Government Code. In adopting or amending a code or codes of ethics, the board may consider comments on the policy from the city attorney of the city. The board shall:

(1) review the code or codes of ethics on an annual basis and amend the code or codes as the board considers necessary;

(2) file a copy of the code or codes of ethics adopted or amended in accordance with this subsection with the State Pension Review Board; and

(3) provide a copy of the code or codes of ethics adopted or amended in accordance with this subsection to the city attorney.

(s) The board shall develop an Internet website designed to give active members and pensioners access to the information concerning the pension system and the individual's participation in the pension system required by Section 802.106, Government Code, as well as information concerning the financial health of the pension system.

SECTION 1.06. Part 3, Article 6243a-1, Revised Statutes, is amended by adding Sections 3.011, 3.012, and 3.013 to read as follows:

Sec. 3.011. NOMINATIONS COMMITTEE. (a) Subject to Subsection (b) of this section, the nominations committee consists of:

(1) the executive director, who is a nonvoting member; and

(2) the president, chair, or other executive head of the following organizations or their successor organizations, or that person's designee:

- (A) the Dallas Black Firefighters Association;
- (B) the Black Police Association of Greater Dallas;
- (C) the National Latino Law Enforcement Organization;
- (D) the Dallas Fraternal Order Police Lodge 588;
- (E) the Dallas Police Association;
- (F) the Dallas Fire Fighters Association, International Association of Fire Fighters Local No. 58;
- (G) the Dallas Hispanic Firefighters Association, Inc.;
- (H) the Dallas Police Retired Officers Association;
- (I) the Dallas Retired Firefighters Association;
- (J) the Retired Black Firefighters Association of Dallas; and
- (K) the Dallas Hispanic Retired Fire Fighters Association.

(b) If an organization described by Subsection (a)(2) of this section elects not to participate on the nominations committee, is prohibited from participating on the nominations committee under Subsection (g) of this section, or ceases to exist, the nominations committee members appointed under that subsection consist only of representatives of the remaining organizations, if any.

(c) The executive director shall serve as presiding officer of the nominations committee.

(d) The nominations committee shall meet at the call of the presiding officer.

(e) The nominations committee shall appoint trustees to the board in accordance with Sections 3.01(b)(2) and (b-3) of this article.

(f) A person serving on the nominations committee under Subsection (a)(2) of this section serves without compensation and may not be reimbursed for travel or other expenses incurred while conducting the business of the nominations committee. The executive director may not receive additional compensation for service on the nominations committee.

(g) An organization described by Subsection (a)(2) of this section may not participate on the nominations committee unless the organization is in good standing with the secretary of state, if applicable.

(h) Chapter 2110, Government Code, does not apply to the nominations committee.

(i) The nominations committee may establish policies and procedures governing its operations.

Sec. 3.012. REMOVAL OF TRUSTEES. (a) In accordance with procedures adopted by board rule, a trustee:

(1) appointed under Section 3.01(b)(1) of this article may be removed by the mayor for cause; and

(2) appointed or elected under Section 3.01(b)(2), (3), or (4) of this article may be removed by the nominations committee for cause.

(b) It is a cause for removal of a trustee from the board that the trustee:

(1) does not have at the time of taking office the qualifications required by Section 3.01(b) or (b-1)(1) of this article, subject to Subsection (b-3) of that section;

(2) does not maintain during service on the board the qualifications required by Section 3.01(b) or (b-1)(1) of this article, subject to Subsection (b-3) of that section;

(3) is ineligible for membership under Section 3.01(b-1)(2) or (b-2) of this article; or

(4) is absent from more than 40 percent of the meetings that the trustee is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(c) The validity of an action of the board is not affected by the fact that it is taken when a cause for removal of a trustee exists.

(d) If the executive director has knowledge that a potential cause for removal exists, the executive director shall notify the chairman of the board of the potential cause. The chairman shall then notify the appointing or nominating official or body, as appropriate, that a potential cause for removal exists. If the potential cause for removal involves the chairman, the executive director shall notify the vice chairman or next highest ranking officer of the board, who shall then notify the appointing or nominating official or body, as appropriate, that a potential cause for removal exists.

Sec. 3.013. TRUSTEE TRAINING. (a) A person who is appointed or elected to the board and qualifies for office as a trustee shall complete a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) the law governing the pension system's operations;

(2) the programs, functions, rules, and budget of the pension system;

(3) the scope of and limitations on the rulemaking authority of the board;

(4) the results of the most recent formal audit of the pension system;

(5) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and

(B) other laws applicable to a trustee in performing the trustee's duties, including the board's fiduciary duties described under Section 3.01(a) of this article;

(6) the code or codes of ethics adopted under Section 3.01(r) of this article and any applicable ethics policies adopted by the Texas Ethics Commission; and

(7) financial training regarding the risks of investing in alternative investments.

(c) The executive director shall create a training manual that includes the information required by Subsection (b) of this section. The executive director shall distribute a copy of the training manual annually to each trustee. On receipt of the training manual, each trustee shall sign and submit to the executive director a statement acknowledging receipt of the training manual.

SECTION 1.07. Section 3.02, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 3.02. PROFESSIONAL CONSULTANTS. In addition to the authority of the board to employ the services of certain consultants set forth in this article, the board has the authority to employ the services of any professional consultant recommended by the executive director, including investment advisors and investment managers, whenever the services of the consultants ~~[consultant]~~ are considered necessary or desirable and in the best interests of the pension system, as determined by the board in consultation with the executive director. A professional consultant shall receive such compensation as may be determined by the board in accordance with Section 4.01 of this article.

SECTION 1.08. Part 3, Article 6243a-1, Revised Statutes, is amended by adding Section 3.025 to read as follows:

Sec. 3.025. CHIEF INVESTMENT OFFICER. The executive director may hire a chief investment officer, subject to confirmation by the board, to assist the pension system regarding the investment of assets of the fund. Compensation for a chief investment officer hired under this section shall be made in accordance with Section 4.01 of this article.

SECTION 1.09. Section 3.03, Article 6243a-1, Revised Statutes, is amended by amending Subsections (b) and (c) and adding Subsection (b-1) to read as follows:

(b) Subject to Subsection (b-1) of this section, the ~~[The]~~ city attorney or an assistant city attorney may ~~[shall]~~ attend board ~~[all]~~ meetings ~~[of the board]~~ and may advise the board on any matter on which the pension system ~~[board]~~ requests a legal opinion from the city attorney.

(b-1) The city attorney or an assistant city attorney is not required to provide an opinion under Subsection (b) of this section unless the opinion is requested by the city council on behalf of the pension system. The city attorney or assistant city attorney may decline to provide the opinion if the subject matter of the request is too dependent on disputed facts to permit a generalized opinion, as determined by the city attorney or assistant city attorney.

(c) The board may retain other attorneys to serve as legal advisors to ~~[represent]~~ the board ~~[or to give advice]~~. The executive director may hire a chief legal officer, subject to confirmation by the board, or other attorneys if necessary to carry out the business of the pension system. Compensation for a chief legal officer or other attorneys hired under this subsection shall be made in accordance with Section 4.01 of this article.

SECTION 1.10. Section 3.04, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 3.04. APPOINTMENT OF EXECUTIVE DIRECTOR ~~[ADMINISTRATOR]~~. (a) The board has the authority to appoint an executive director ~~[administrator]~~ to assist ~~[carry out the business of]~~ the board with administering the pension system and ensure that records are kept ~~[to keep a record]~~ of the proceedings of the board. Subject to Subsection (a-1) of this section, a person appointed executive director under this section:

(1) must have, to the extent possible, relevant experience in managing a similarly situated business entity; and

(2) may not be a current or former trustee [The administrator, in carrying out the business of the board within the scope of the administrator's responsibility, may not be considered a fiduciary with respect to the pension system].

(a-1) During any period in which the most recent actuarial valuation of the pension system indicates that the period needed to amortize the unfunded actuarial accrued liability of the pension system exceeds 35 years, the board shall, to the extent lapsed investments are a significant portion of the pension system's assets, ensure that the executive director appointed under Subsection (a) of this section has, or hires staff that has, appropriate experience in managing a business entity with lapsed investments in a manner that resulted in the improved liquidity or profitability of the business entity.

(b) Subject to Subsections (b-1) and (b-3) of this section [the approval of the board], the executive director [administrator] may select any number of persons the executive director determines appropriate to assist the executive director in carrying out the executive director's duties under this section. Subject to Section 4.01 of this article, the titles and salaries of persons selected to assist the executive director shall be determined by the executive director.

(b-1) The executive director may not select a person to assist the executive director who is an active, former, or retired police officer or fire fighter of the city [administrator].

(b-2) The executive director shall establish the organizational structure of pension system employees to optimize administration of the pension system.

(b-3) A former or retired employee of the city may not before the third anniversary of the first day of the month following the date the person terminated employment with the city serve the pension system in any capacity other than as a trustee. Except as specifically provided by this article or other law, an employee of the city may not serve the pension system in any capacity other than as a trustee.

(c) The executive director [Both the administrator] and those persons selected to assist the executive director [administrator] may be considered employees of the city. Unless otherwise delegated to the executive director [administrator], the board shall have the ultimate authority to retain, discipline, or terminate the engagement of the executive director.

(d) The executive director owes a fiduciary duty to the pension system and shall ensure the sustainability of the pension system for the purpose of providing current and future benefits to members of the pension system and their beneficiaries [any persons selected under this subsection].

SECTION 1.11. Sections 4.01(a), (c), and (d), Article 6243a-1, Revised Statutes, are amended to read as follows:

(a) The board shall pay for all costs of administration out of the income from the fund when in the judgment of the board the costs are necessary, including the cost of:

(1) salaries and benefits for the executive director [of the administrator, assistant administrator,] and administrative staff;

(2) [5] office expenses;

(3) expenses associated with securing[;] adequate office space and associated utilities;

(4) compensation for [~~;~~and] professional consultants, professional investment managers, or other persons providing professional services; and

(5) any other expenses approved by the board[; out of income from the fund when it is actuarially determined that the payments will not have an adverse effect on the payment of benefits from any of the plans within the pension system and when in the judgment of the board the costs are necessary]. [~~The city shall provide for costs of administration if the board determines that payment of the costs by the fund will have an adverse effect on the payment of benefits from any plan within the pension system.]~~

(c) No expenditure for the costs of administration, including the ~~[or]~~ payment of any fee for professional consultants, professional investment management services, or any other person providing professional services, may be made from the fund without the approval of the board.

(d) After the board has developed an annual budget for the pension system, the budget shall be presented to the city manager [~~city's budget office~~] for comment. The city manager [~~city's budget office~~] may request the board to reconsider the appropriation for any expenditure at a board meeting, but the board shall make the final determination concerning any appropriation.

SECTION 1.12. Sections 4.02(b), (d), and (e), Article 6243a-1, Revised Statutes, are amended to read as follows:

(b) Funds contributed by the city as its share of the amount required to finance the payment of benefits under the pension system may be used for no other purpose. The city is not responsible for the payment of any administrative or professional service fees of the pension system. Any change to the [~~The~~] contributions required to be made to the pension system by the city [~~shall be annually appropriated by the city council and periodically paid on the basis of a percentage of the total wages and salaries of the members of the police and fire departments who are members of each of the plans within the pension system. The amount of this percentage and any change in it] may [~~be determined~~] only be made:~~

(1) by the legislature; [~~or~~]

(2) by a majority vote of the voters of the city; or

(3) in accordance with a written agreement entered into between the pension system, by a two-thirds vote of all trustees of the board, and the city, provided that a change made in accordance with this subdivision may not increase the period required to amortize the unfunded actuarial accrued liability of the fund.

(d) Subject to Section 4.025 of this article, the city shall make contributions to the pension system biweekly in an amount equal to the sum of:

(1) the greater of:

(A) 34.5 percent of the aggregate computation pay paid to members during the period for which the contribution is made; or

(B) except as provided by Section 4.021(b)(1) of this article, the applicable amount set forth below:

(i) \$5,173,000 for the biweekly pay periods beginning with the first biweekly pay period that begins after September 1, 2017, and ends on the last day of the first biweekly pay period that ends after December 31, 2017;

(ii) \$5,344,000 for the 26 biweekly pay periods immediately following the last biweekly pay period described by Subparagraph (i) of this paragraph;

(iii) \$5,571,000 for the 26 biweekly pay periods immediately following the last biweekly pay period described by Subparagraph (ii) of this paragraph;

(iv) \$5,724,203 for the 26 biweekly pay periods immediately following the last biweekly pay period described by Subparagraph (iii) of this paragraph;

(v) \$5,882,000 for the 26 biweekly pay periods immediately following the last biweekly pay period described by Subparagraph (iv) of this paragraph;

(vi) \$6,043,000 for the 26 biweekly pay periods immediately following the last biweekly pay period described by Subparagraph (v) of this paragraph;

(vii) \$5,812,000 for the 26 biweekly pay periods immediately following the last biweekly pay period described by Subparagraph (vi) of this paragraph;

(viii) \$6,024,000 for the 26 biweekly pay periods immediately following the last biweekly pay period described by Subparagraph (vii) of this paragraph through the biweekly pay period that ends after December 31, 2024; and

(ix) \$0 for each subsequent biweekly pay period beginning with the first biweekly pay period following the last biweekly pay period described by Subparagraph (viii) of this paragraph; and

(2) except as provided by Subsection (e) of this section or Section 4.021(b)(2) of this article, an amount equal to 1/26th of \$11 million. ~~The percentage of required contributions from the city shall be in accordance with the following schedule and any increase or decrease in city contributions shall occur automatically on any increases or decreases in the members' contribution percentage:~~

<u>City Contributions</u>	<u>Member Contributions</u>
28 1/2%	9%
27 1/2%	8 1/2%
26%	8%
24 1/2%	7 1/2%
23%	7%
21 1/2%	6 1/2%

(e) The city is required to pay the contribution amount described by Subsection (d)(2) of this section only through the last biweekly pay period that ends after December 31, 2024 ~~[may elect to contribute more than that required in the schedule provided by Subsection (d) of this section, except that the city's contribution percentage may not exceed 28 1/2 percent unless approved as~~

~~provided by Subsection (b) of this section. Further, in no event may the city's contribution be less than 21 1/2 percent unless approved as provided by Subsection (b)].~~

SECTION 1.13. Part 4, Article 6243a-1, Revised Statutes, is amended by adding Sections 4.021 and 4.025 to read as follows:

Sec. 4.021. ALTERNATIVE CONTRIBUTION ON PASSAGE AND IMPLEMENTATION OF CERTAIN LEGISLATION. (a) This section applies only if:

(1) **SB 2** or similar legislation of the 85th Legislature, Regular Session, 2017, that has the effect of lowering the rollback tax rate of the city as calculated under Chapter 26, Tax Code, is enacted and becomes law; and

(2) for the applicable tax year, the city:

(A) adopts an ad valorem tax rate for the purposes of funding the city's contribution under Section 4.02(d)(1) of this article that:

(i) exceeds the city's rollback tax rate as calculated under Chapter 26, Tax Code; but

(ii) does not exceed the city's rollback tax rate as that rate would have been calculated under that chapter as it existed immediately before the effective date of the legislation described by Subdivision (1) of this subsection; and

(B) is required to hold an election for either of the following purposes:

(i) to determine whether to reduce the tax rate adopted for the applicable tax year to the rollback tax rate calculated as provided by Chapter 26, Tax Code; or

(ii) to determine whether to approve the tax rate adopted for the applicable tax year.

(b) For purposes of Section 4.02 of this article, if a majority of the votes cast at an election described by Subsection (a)(2)(B)(i) of this section favor reducing the tax rate adopted for the applicable tax year to the rollback tax rate calculated as provided by Chapter 26, Tax Code, or a majority of the votes cast at an election described by Subsection (a)(2)(B)(ii) of this section do not favor the approval of the tax rate adopted for the applicable tax year, as applicable:

(1) the amounts prescribed by Section 4.02(d)(1)(B) of this article do not apply, and the applicable amounts under that paragraph for the 26 biweekly pay periods that begin after the date the official election result is determined are instead as set forth below:

(A) \$4,936,000 for each biweekly pay period that begins in the 2017 calendar year;

(B) \$4,830,000 for each biweekly pay period that begins in the 2018 calendar year;

(C) \$5,082,000 for each biweekly pay period that begins in the 2019 calendar year;

(D) \$5,255,000 for each biweekly pay period that begins in the 2020 calendar year;

(E) \$5,414,000 for each biweekly pay period that begins in the 2021 calendar year;

(F) \$5,600,000 for each biweekly pay period that begins in the 2022 calendar year;

(G) \$5,812,000 for each biweekly pay period that begins in the 2023 calendar year;

(H) \$6,024,000 for each biweekly pay period that begins in the 2024 calendar year; and

(I) \$0 for each subsequent biweekly pay period beginning with the biweekly pay period that begins in the 2025 calendar year; and

(2) the amount prescribed by Section 4.02(d)(2) of this article is, except as provided by Section 4.02(e) of this article, \$5 million instead of \$11 million.

(c) After making contributions for 26 biweekly pay periods using the amounts prescribed by Subsection (b) of this section, the city shall make contributions using the amounts prescribed by Section 4.02(d) of this article unless Subsection (b) of this section again applies.

Sec. 4.025. CITY OR MEMBER CONTRIBUTIONS IF NO UNFUNDED ACTUARIAL LIABILITIES. Notwithstanding Section 4.02 or 4.03 of this article, if the pension system has no unfunded actuarial liability according to the most recent actuarial valuation, the annual normal costs must be equally divided between the city and the members unless equally dividing the costs would increase the member contribution rates beyond the rates prescribed by Section 4.03 of this article. The board shall adjust the city contribution rates under Section 4.02 of this article and the member contribution rates under Section 4.03 of this article accordingly, and certify the adjusted rates. After the completion of a subsequent actuarial valuation showing unfunded actuarial liabilities, the contribution rates applicable under Sections 4.02 and 4.03 of this article apply.

SECTION 1.14. Section 4.03, Article 6243a-1, Revised Statutes, is amended by amending Subsections (a), (b), (c), (d), and (g) and adding Subsections (a-1), (d-1), (d-2), and (i) to read as follows:

(a) Subject to Subsection (a-1) of this section and except as provided by Section 4.025 of this article, each ~~Each~~ Group A member of the combined pension plan shall have 13.5 ~~[6.5]~~ percent of base pay deducted from the member's wages on a biweekly basis ~~[each month]~~, and the contributions shall be promptly remitted to the fund by the city.

(a-1) If a Group A member is assigned, for any period, to a job-sharing program or any similar work schedule that is considered by the member's department to be less than a full-time work schedule, the member's contributions are determined by multiplying the applicable contribution rate by a fraction, the numerator of which is the number of hours the member actually worked during the period and the denominator of which is the number of hours the member would have worked during the period if the member had been working a full-time work schedule.

(b) Each member shall ~~[continue to]~~ contribute to the fund under the applicable terms of this article ~~[section]~~ until the member leaves active service with either department. If a member leaves active service with a department, [or until the beginning of the member's 33rd year of pension service, at which time] the member shall cease making contributions.

(c) Each Group B member shall authorize the city to deduct from the member's salary a percentage of the member's computation pay. The authorization shall be in writing and filed with the executive director ~~[administrator].~~

(d) Subject to Subsection (d-1) of this section and except as provided by Section 4.025 of this article, for pay periods starting on or after September 1, 2017, each [Each] Group B member shall have 13.5 [8.5] percent of the member's computation pay deducted from the member's wages on a biweekly basis [each month], and the contributions shall be promptly remitted to the fund by the city.

(d-1) If a Group B member is assigned, for any period, to a job-sharing program or any similar work schedule that is considered by the member's department to be less than a full-time work schedule, the member's contributions are determined by multiplying the applicable contribution rate by a fraction, the numerator of which is the number of hours the member actually worked during the period and the denominator of which is the number of hours the member would have worked during the period if the member had been working a full-time work schedule.

(d-2) For purposes of Subsection (d) of this section, "computation pay" includes computation pay paid to a Group B member during any period the member is receiving workers' compensation.

(g) The percentage of base pay contributed by Group A members or computation pay contributed by Group B members may not be altered except by an adjustment under Section 4.025 ~~[amendment pursuant to the terms of Section 4.02]~~ of this article.

(i) Member contributions under this article or any payments a member is entitled to make under this article to receive additional pension service may be picked up by the city under the terms of an appropriate resolution of the city council.

SECTION 1.15. Section 4.04, Article 6243a-1, Revised Statutes, is amended by amending Subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) and adding Subsections (f-1) and (h-1) to read as follows:

(a) Except as provided by Subsection (d) or (e) of this section, a [~~A~~] Group B member who, either voluntarily or involuntarily, leaves active service is entitled to a refund from the fund of the total amount of the member's Plan B and Group B contributions, without interest, that were paid beginning with the effective date of the member's Group B membership or membership in Plan B. A refund under this subsection results in a total cancellation of pension service credit and the member and any person who would otherwise take by, through, or under the member is not entitled to any benefits from the pension system [~~an appropriate reduction of pension service~~].

(c) A ~~[former]~~ Group B member who desires [desiring] a refund of the Plan B or Group B contributions under Subsection (a) of this section ~~[the person made to the fund]~~ must make written application for the refund with the executive director [administrator]. In no case may any refund be made to a ~~[any former]~~ Group B member before the expiration of 30 days after the date the person leaves active service.

(d) Subject to Subsection (k) of this section, if a Group B member with less than five years of pension service either voluntarily or involuntarily leaves active service and fails to make written application for a refund of contributions within three years after the date of the notice described by Subsection (j) of this section ~~[is]~~ made by the board, the person forfeits the right to withdraw any portion of the contribution, and the total amount of Plan B and Group B contributions the person made will remain in the fund. If the Group B member described by this subsection dies after leaving active service, the ~~[person's heirs or, if there are no heirs, the]~~ deceased member's designee [estate] may apply for the refund of the person's contributions, resulting in an appropriate loss of pension service if the application is filed with the executive director [administrator] within three years after the date of the notice described by Subsection (j) of this section ~~[is]~~ made by the board. Subject to Subsection (k) of this section, if a Group B member's designee [heirs or estate] fails to apply for a refund of the Group B member's contributions within the three-year period described by this subsection, the designee forfeits [heirs and the estate forfeit] any right to the contributions, and the total amount of the Plan B and Group B contributions made by the Group B member will remain in the fund.

(e) Subject to Subsection (k) of this section, if a Group B member with five or more years of pension service either voluntarily or involuntarily leaves active service and fails to make written application for a refund of the person's Plan B and Group B contributions within three years after the date of the notice described by Subsection (j) of this section ~~[is]~~ made by the board, the person forfeits the right to withdraw any portion of the contributions, and the total amount of the contributions will remain in the fund. A Group B member described by this subsection may, however, apply for a Group B retirement pension [benefits] under Section 6.02 of this article or, if the Group B member dies before the member is eligible to apply for a Group B retirement pension, the member's qualified survivors [benefits, the person's heirs or, if there are no heirs, the deceased member's estate] may apply for Group B death benefits under Sections 6.06, 6.061, 6.062, and 6.063 of this article. If the Group B member dies before the member is eligible to apply for a Group B retirement pension and the member has no qualified survivors, the Group B member's designee [in accordance with the provisions of this article, or the heirs or the estate] may apply for a refund of the Group B member's Plan B and Group B contributions, resulting in a total cancellation ~~[an appropriate loss]~~ of pension service. Subject to Subsection (k) of this section, if a Group B member's designee [heirs or estate] fails to apply for a refund of the Group B and Plan B member's contributions within the three-year period described by this subsection, the designee forfeits

~~[heirs and the estate forfeit]~~ any right to the contributions, and the total amount of the Plan B and Group B contributions made by the Group B member will remain in the fund.

(f) Subject to Subsections (g) and (h) of this section, [H] a Group B member, other than a Group B member who elects or has elected to receive a Group A benefit or a benefit determined under the old plan or Plan A, who [with five or more years of pension service] either voluntarily or involuntarily leaves active service with five or more years of pension service [the person] is entitled to:

(1) subject to Subsection (f-1) of this section, have the total amount of the person's Plan B and Group B contributions to the fund refunded in accordance with Subsection (a) of this section, which results in a loss of all of the person's accrued pension service; or

(2) if the Group B member first entered active service before January 1, 1999, elect to take a refund of less than the total amount of the person's Plan B and Group B contributions while leaving a sufficient amount to retain pension service amounting to five or more years.

(f-1) A Group B member who elects to receive a refund under Subsection (f)(1) of this section and any person who would otherwise take by, through, or under the member is not entitled to any benefits from the pension system.

(g) If a Group B member elects a refund of a portion of the person's contributions under Subsection (f)(2) of this section, the amount of the refund shall equal the total amount of the person's Plan B and Group B annual contributions, without interest, for each full year of pension service canceled [cancelled], computed based on the earliest contributions made.

(h) A [former] Group B member who first entered active service on or after January 1, 1999, is entitled to have the total amount of the person's Group B contributions refunded under Subsection (a) of this section in accordance with Subsection (f)(1) of this section, but may not receive a refund of less than the total amount in accordance with Subsection (f)(2) of this section.

(h-1) A Group B member who leaves active service and later returns to active service is permitted to repay to the fund any previously withdrawn employee contributions and receive pension service in accordance with Section 5.07(d) of this article as a Group B member to the extent that [if] before again leaving active service, the Group B member repays [completely] to the fund the previously withdrawn contributions with interest, calculated at the interest rate from time to time used in the pension system's actuarial rate of return assumptions, compounded annually, on the previously withdrawn contributions [for the period from the date the contributions were withdrawn until the date the principal and accrued interest are repaid in full].

(j) On the 58th [50th] anniversary of the birth of a Group B member described by Subsection (d) or (e) of this section, or on the board's receipt of notice of the death of the Group B member, the board shall, by registered or certified mail, return receipt requested, attempt to notify the Group B member or designee [the member's heirs or estate], as applicable, of the status of the person's [their] entitlement to a refund of contributions from the fund.

(k) A Group B member or designee described by Subsection (d) or (e) of this section ~~[or the heirs or estate of the Group B member]~~ shall have the person's ~~[their]~~ right, title, interest, or claim to a refund of the Group B member's contributions reinstated only on the board's grant of their written request for a reinstatement and refund. The board's decision shall be based on a uniform and nondiscriminatory basis ~~[policy that it shall, from time to time, adopt].~~

SECTION 1.16. Section 4.06(c), Article 6243a-1, Revised Statutes, is amended to read as follows:

(c) The authority of the board to make a custody account or master trust agreement is supplementary to its authority to make an investment management contract. Allocation of assets to a custody account or master trust shall be coordinated by the executive director ~~[administrator]~~, as authorized by the board, and the bank designated as custodian or master trustee for the assets.

SECTION 1.17. Section 4.07, Article 6243a-1, Revised Statutes, is amended by amending Subsections (a), (d), and (g) and adding Subsection (h) to read as follows:

(a) Subject to Section 4.071 of this article, if ~~[if]~~ the board determines that there is in the fund a surplus exceeding a reasonably safe amount to take care of current demands on the pension system, the board may invest or direct the investment of the surplus for the sole benefit of the pension system.

(d) The board also has the authority to contract for professional investment management services. Any contract that the board makes with an investment manager shall set forth the board's investment policies and guidelines ~~[of the board for the use of standard rating services and shall include specific criteria for determining the quality of investments]~~. A professional investment management service shall receive such compensation as may be determined by the board in accordance with Section 4.01 of this article.

(g) A ~~[No investment manager, other than a]~~ bank or trust company that has custody and trustee powers and a contract with the board to provide assistance in making investments^[7] shall be the custodian or master trustee of any of the securities or other assets of the fund. Pursuant to Section 4.06 of this article, the board may designate a bank to serve as custodian or master trustee, or subcustodian or submaster trustee, to perform the customary duty of safekeeping as well as duties incident to the execution of transactions. As the demands of the pension system require, the board shall withdraw from the custodian or master trustee money previously considered surplus in excess of current cash and proceeds from the sale of investments. The money may without distinction be used for the payment of benefits pursuant to each of the plans within the pension system and for other uses authorized by this article and approved by the board.

(h) The board through policy shall establish an investment advisory committee composed of trustees and outside investment professionals to review investment related matters as prescribed by the board and make recommendations to the board. A majority of the members of the committee established under this subsection must be outside investment professionals.

SECTION 1.18. Part 4, Article 6243a-1, Revised Statutes, is amended by adding Section 4.071 to read as follows:

Sec. 4.071. BOARD APPROVAL OF CERTAIN ALTERNATIVE INVESTMENTS. (a) The executive director, an investment manager, a provider of professional investment management services or professional advisory services, or any other person delegated authority to invest or reinvest pension system assets under this article may not invest pension system assets in a single alternative investment unless the board votes to approve the investment by a two-thirds vote of all the trustees.

(b) The board may adopt rules necessary to implement this section.

SECTION 1.19. Section 4.08, Article 6243a-1, Revised Statutes, is amended by adding Subsection (c) to read as follows:

(c) On written request by the city, the executive director shall make available to the city's actuary or auditor the information and documents provided to or used by the pension system's actuary or auditor in conducting an actuarial valuation under this article or preparing any other document prepared under this article.

SECTION 1.20. Section 4.09, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 4.09. REWARDS, DONATIONS, AND CONTRIBUTIONS. Any reward, donation, or contribution given to any member as payment or gratuity for service performed in the line of duty shall be turned over to the chief of the member's department, who shall, in turn, forward the reward, donation, or contribution to the executive director ~~administrator~~ of the pension system for deposit in the fund.

SECTION 1.21. Section 5.01, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 5.01. MEMBERSHIP IN COMBINED PENSION PLAN. (a) Except as provided by Subsection (a-1) of this section, the ~~The~~ membership of the combined pension plan is composed of the following persons:

(1) Group A members:

(A) police officers or fire fighters who are on active service and who as of February 28, 1973, had filed a written statement with the pension system of their desire to participate in either the old plan or Plan A;

(B) police officers and fire fighters who are on active service and ~~and~~ who were employed and receiving compensation from the city as a police officer or a fire fighter before March 1, 1973, and who made contributions to either the old plan or Plan A attributable to any period of employment before March 1, 1973; and

(C) except as provided by Subsection (b) of this section, persons who elect to become Group A members under that subsection; and

(2) Group B members:

(A) police officers and fire fighters who are on active service and ~~and~~ who ~~who~~ were formerly members of either the old plan or Plan A~~[-]~~ and who, as of April 30, 1973, had filed a written statement with the pension system of their desire to participate in Plan B;

(B) police officers and fire fighters who are on active service and who on or after March 1, 1973, and before January 1, 1993, became members of Plan B;

(C) as a condition of employment, any police officer [~~office~~] or fire fighter who is initially employed as a police officer or a fire fighter by the city on or after January 1, 1993;

(D) as a condition of return to active service and except as provided by Subsection (b) of this section, former members of the old plan or Plan A who left active service before March 1, 1973;

(E) as a condition of return to active service and except as provided by Subsection (c) of this section, former Group B members who are no longer on active service, whether or not the persons were ever a member of the old plan, Plan A, or the combined pension plan;

(F) Group A members who are on active service and meet the requirements and make an election under Subsection (d) of this section; and

(G) persons who are on active service and make an election under Subsection (e) of this section.

(a-1) Group A or Group B members do not include any employee of the city who is required by ordinance or who elects, in accordance with an ordinance, to participate in an alternative benefit plan established under Section 3.01(j-1)(2) of this article based on an evaluation under Section 3.01(j-5)(2) of this article.

(b) A person who has received an old plan, Plan A, or combined pension plan retirement or disability pension on or after March 1, 1973, may, if the person returns to active service, elect to participate as a Group A or Group B member by filing a written application for membership with the executive director [~~administrator~~] not later than 60 days after the date of return to active service. [~~As a condition of either Group A or Group B membership, the board may require the person to undergo a physical examination and be certified by the health director as being capable of performing the duties to which the person will be assigned.~~] If the person described by this subsection does not elect to become a Group A or Group B member, the person shall on leaving active service receive a retirement pension in an amount that is unadjusted for the period of return to active service if the person meets all of the requirements of Group A membership.

(c) A Group B pensioner who was never a member of the old plan, Plan A, or the combined pension plan before January 1, 1993, may, if the person returns to active service, elect to become a Group B member by filing a written application for membership with the executive director [~~administrator~~] not later than 60 days after the date of return to active service. [~~As a condition of Group B membership, the board may require the pensioner to undergo a physical examination and be certified by the health director as being capable of performing the duties to which the person will be assigned.~~] If the person described by this subsection does not elect to again become a Group B member, on leaving active service, if the person meets all applicable requirements of this article, the person shall receive benefits in an amount equal to the amount the

person was receiving as of the day before the day the person returned to active service, and the person's base pension shall be the same as the base pension originally computed before the return to active service.

(d) A person who is on active service and is a Group A member may, before the person participates in DROP, irrevocably elect to become a Group B member by filing a written application with the executive director [administrator]. On and after the filing of the application, the Group A member shall make contributions to the fund at the rate applicable to Group B members. However, the contributions do not, by themselves, establish [constitute] Group B membership. Group B membership is contingent on the satisfaction of the following conditions:

(1) the [The] person must, before the person elects to participate in DROP, pay an amount to the fund equal to the difference between the contributions the person would have made to the fund had the person been a Group B member for the entire period the person could otherwise have been a Group B member before making application for membership and the contributions the person actually made during that period, plus interest calculated in accordance with procedures adopted by the board from time to time; and[-]

(2) the [The] payments described by this subsection must be completed before the earlier of the date on which the person begins participation in DROP or leaves active service in accordance with procedures adopted by the board from time to time.

(d-1) If the fund does not receive payment under Subsection (d)(1) of this section by the [that] date prescribed by Subsection (d)(2) of this section, all payments made under Subsection (d)(1) of this section [of this type], as well as those contribution amounts paid by the person after the person's application for Group B membership that are in excess of the Group A member contribution rate, shall be returned without accrued interest to the person, or in the event of the person's death to the person's designee [surviving spouse, children, or estate], as applicable.

(e) A person who is on active service and has never been a member of any plan within the pension system may elect to become a Group B member on a prospective basis by filing a written application for membership with the executive director [administrator].

SECTION 1.22. Sections 5.02(a), (d), (e), (h), and (i), Article 6243a-1, Revised Statutes, are amended to read as follows:

(a) The effective date of Group B membership for a person who becomes a Group B member under [persons described by] Section 5.01(a)(2)(A) or (B) of this article is the date the Group B member first became a member of Plan B [January 1, 1993].

(d) The effective date of Group B membership for a person [former Group B member] who again becomes a Group B member and is described by Section 5.01(a)(2)(E) of this article is the person's original effective date of Group B membership, adjusted for any period for which [that] the person was not on active service or [-if the person] has [not] withdrawn some, but not all, contributions to the fund pursuant to Section 4.04 of this article. If, however, the person

~~withdraws [former Group B member has withdrawn]~~ all contributions to the fund in accordance with Section 4.04 of this article, and the person does not replace the previously withdrawn contributions together with interest as provided by Section 4.04(h-1) ~~[4.04(h)]~~ of this article, the effective date of the person's membership is the date of return to active service.

(e) The effective date of membership for a person who becomes a Group B member pursuant to Section 5.01(b) of this article is the date on which written application for the membership is filed with the executive director ~~[administrator]~~. The effective date of membership for a person who becomes a Group A member pursuant to Section 5.01(b) of this article is the person's original effective date of membership in the old plan, Plan A, or the combined pension plan, whichever is applicable.

(h) A person described by Subsection (a), (c), (d), (e), (f), or (g) of this section shall be given full pension service for the time the person was a contributing member of the old plan, Plan A, the combined pension plan, and Plan B, and the pension service shall be counted as if it had been earned while a Group B member. Neither the length of time persons described by Subsection (a), (c), (d), (e), (f), or (g) of this section received a retirement or disability pension, whether under the old plan, Plan A, the combined pension plan or Plan B, nor the amount of any benefits paid to the person shall have any effect on the pension service earned by the person. No pension service may be earned while on service retirement or disability retirement, or when the person was not on active service. Except as provided by Sections 5.08 ~~[5.02]~~ and 5.09 of this article, a person described by Subsection (a), (c), ~~(d)~~, (e), (f), or (g) of this section may not be allowed to contribute to the fund in order to receive pension service for the time the person was not on active service, regardless of whether the person was actually receiving a pension.

(i) The effective date of Group B membership for a person who becomes a Group B member pursuant to Section 5.01(e) of this article is the date on which written application for Group B membership is filed with the executive director ~~[administrator]~~.

SECTION 1.23. Section 5.03, Article 6243a-1, Revised Statutes, is amended by amending Subsections (c) and (d) and adding Subsection (c-1) to read as follows:

(c) A Group B member who is on active service and ~~[or former Group B member who also]~~ was a former contributing member of either the old plan or Plan A may elect, when applying for either a retirement or disability pension if applicable, to terminate membership and receive a Group A retirement or disability pension under the applicable provisions of this article, if the Group B member's application for retirement or disability pension is granted by the board.

(c-1) A Group B member who is not on active service and was a former contributing member of either the old plan or Plan A may elect, when applying for a retirement pension, to terminate membership and receive a Group A retirement pension under the applicable provisions of this article, if the Group B member's application for retirement pension is granted by the board.

(d) If a Group B member [~~or former Group B member~~] described by Subsection (c) or (c-1) of this section has elected and been granted a Group A retirement or disability pension under the applicable provisions of this article, the person is entitled to a reimbursement from the fund. The reimbursement shall be equal to that portion of the person's contributions to the fund, without interest, from the person's effective date of Group B membership until the time the person left active service~~;~~ that is in excess of the total amount the person would have contributed as a Group A member or as a member of the old plan or Plan A for the same period. A Group B member [~~or former Group B member~~] desiring a refund of excess contributions must make written application for the refund with the executive director [~~administrator~~] within three years after the date the person's Group A retirement or disability pension, whichever is applicable, begins, otherwise, the person will [~~or~~] lose all right, title, interest, or claim to the refund until such time as the board grants the refund in response to the person's written request. The refund shall be made as soon as practicable after written application is filed with the executive director [~~administrator~~].

SECTION 1.24. Section 5.04, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 5.04. GROUP B MEMBERSHIP MAY BE DECLARED INACTIVE.

(a) Except as provided by Subsection (d)(1) of this section, if [~~H~~] a Group B member with less than five years of pension service either voluntarily or involuntarily leaves active service, the person's Group B membership remains active as long as the person has not withdrawn the person's contributions pursuant to Section 4.04 of this article.

(b) Except as provided by Subsection (d)(2) of this section, if [~~H~~] a Group B member with five or more years of pension service either voluntarily or involuntarily leaves active service, the person's Group B membership remains active as long as the person has not withdrawn the person's entire contributions pursuant to Section 4.04 of this article.

(c) Except as provided by Subsection (d)(3) of this section, if [~~H~~] the board receives valid information that a Group B primary party has died, [~~leaving one or more heirs,~~] the board shall, by registered or certified mail, return receipt requested, attempt to notify:

(1) the qualified survivors [~~heirs~~] of the primary party of the procedures for applying and qualifying for death [~~survivor~~] benefits under Section 6.06, 6.061, 6.062, or 6.063 of this article; or

(2) if the primary party does not have any qualified survivors, the primary party's designee of the procedures for applying for [~~or~~] a refund of the [~~Group B~~] primary party's contributions, if applicable, in accordance with Section 4.04 of this article.

(d)(1) Subject to the provisions of Subdivision (5)(A) of this subsection, the membership of a Group B member described by Subsection (a) of this section shall be declared inactive and all of the person's accrued pension service voided if the person does not return to active service within three years after the date of [~~receiving~~] the notice described by Subdivision (4) of this subsection.

(2) Subject to the provisions of Subdivision (5)(B) of this subsection, the membership of a Group B member described by Subsection (b) of this section shall be declared inactive and all of the person's accrued pension service voided if the person does not file an application for a Group B retirement pension with the board within three years after the date of [receiving] the notice described by Subdivision (4) of this subsection.

(3) Subject to the provisions of Subdivision (5)(C) of this subsection, a primary party described by Subsection (c) of this section:

(A) does not have any qualified survivors, the designee has [~~the heirs or estate of a deceased primary party described by Subsection (c) of this section have~~] no right, title, interest, or claim for [~~benefits or~~] a refund of the primary party's contributions to the fund[;] if the designee does not file an application for the primary party's contributions within three years after the date of the notice described in Subsection (c) of this section; or

(B) has qualified survivors, the qualified survivors have no right, title, interest, or claim to [~~heirs or the estate, whichever is applicable, fails to file an application for~~] the primary party's death benefits if the qualified survivor does not file an application for the benefits [~~or contributions~~] within three years after the date of [receiving] the notice described in Subsection (c) [~~by Subdivision (4)~~] of this section [~~subsection~~].

(4) On the 58th [~~50th~~] anniversary of the birth of a Group B member described by Subsection (a) or (b) of this section [~~or on the board's receipt of notice of the death of a primary party described by Subsection (c) of this section~~], the board shall, by registered or certified mail, return receipt requested, attempt to notify:

(A) the [Group B] member [~~or the heirs or estate of a primary party, whichever is applicable,~~] of the status of the member's [~~their~~] entitlement to benefits or contributions from the fund; or

(B) if the board receives valid information that the member has died, the qualified survivors of the deceased person or, if none exists, the designee of the deceased person.

(5)(A) A Group B member described by Subdivision (1) of this subsection shall have the person's Group B membership and pension service reinstated on the person's return to active service.

(B) A Group B member described by Subdivision (2) of this subsection shall have the person's Group B membership and pension service reinstated on the person's return to active service or on the grant of the person's written request to the board of the person's desire to apply for a Group B [~~service~~] retirement pension under Section 6.02 of this article [~~benefit~~].

(C) A primary party's qualified survivors or designee, as appropriate, [~~The heirs or estate of a primary party~~] described by Subdivision (3) of this subsection shall have their right, title, interest, or claim to the primary party's refund of the party's contributions reinstated on the board's grant of their written request [~~for the reinstatement and refund~~]. [~~The board's decision shall be based on a uniform and nondiscriminatory policy that it shall, from time to time, adopt.~~]

SECTION 1.25. Section 5.05, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 5.05. PENSION SERVICE. (a) Subject to Subsection (d) of this section and except as provided by Subsection (e) of this section, a [A] member shall receive pension service for the time, computed in years and fractional years for months and days, completed as a member of the combined pension plan, the old plan, Plan A, or Plan B.

(b) A member who elects to pay contributions for time spent on military leave, authorized non-uniformed leave of absence, or for an apprenticeship or probationary period, or for any other reason provided for by this article may ~~[not]~~ receive ~~[any]~~ pension service for ~~[any part of]~~ the time for which the member is contributing only to the extent provided under Section 5.07(d), 5.08, or 5.09 of this article [until the entire amount due the fund for the entire period involved has been paid as if the service were performed as a member].

(c) If a member, either voluntarily or involuntarily, leaves active service and later returns to active service, the person shall receive full pension service for the period of the person's original membership, if the person did not withdraw the person's contributions pursuant to Section 4.04 of this article. If, however, the member had withdrawn the person's contributions and did ~~[does]~~ not replace the previously withdrawn contributions ~~[with interest]~~ as required by Section 4.04 of this article, the member ~~[person]~~ forfeits any pension service attributable to any period of time for which the respective contributions were not repaid [accrued while a member before the date of the person's return to active service].

(d) If a member is assigned, for any period, to a job-sharing program or any similar work schedule that is considered by the member's department to be less than a full-time work schedule, the member's pension service is determined by multiplying the pension service that could have been earned for full-time work during the period by a fraction, the numerator of which is the number of hours the member actually worked during the period and the denominator of which is the number of hours the member would have worked during the period if the member had been working a full-time work schedule. This proration may not affect the computation of pension service for a member during any period the member is on leave:

(1) because of an illness or injury; or

(2) receiving periodic payments of workers' compensation.

(e) Notwithstanding any other provision in this section, a member may not receive pension service attributable to nonqualified service to the extent the pension service would result in either more than five years of permissive service attributable to nonqualified service being taken into account, or any permissive service being taken into account before the member has completed at least five years of active service. In this subsection, "permissive service" and "nonqualified service" have the meanings described by Section 415(n)(3) of the code.

SECTION 1.26. Sections 5.06, 5.07, 5.08, and 5.09, Article 6243a-1, Revised Statutes, are amended to read as follows:

Sec. 5.06. VESTED RIGHTS OF GROUP B MEMBERS. (a) If a Group B member accrues five years of pension service, whether the pension service is accrued while a Group B member or while a member of the old plan, Plan B, Plan A, the combined pension plan, or a combination of the plans, the Group B member has vested rights and is eligible to apply for a retirement pension in accordance with Section 6.02 of this article.

(b) If a Group B member has vested rights as determined under Subsection (a) of this section, and the Group B member either voluntarily or involuntarily leaves active service before becoming eligible to receive any benefits under Section 6.02 of this article, the person shall be provided with a letter approved by the board and signed by the executive director ~~[administrator]~~ that, barring unrepaid refunds, clerical error, miscalculation, or other error, is incontestable and shall state:

(1) the total amount of pension service the Group B member had accrued until the date the person left active service;

(2) the total amount of contributions the Group B member made under the terms of Plan B and the combined pension plan; and

(3) the monthly retirement pension due the Group B member at age 58 ~~[50]~~.

Sec. 5.07. PURCHASE OF PENSION SERVICE BY GROUP B MEMBERS. (a) A Group B member who is on active service and has previously elected not to become a contributing member of the old plan or ~~[and]~~ Plan A may purchase pension service from the fund for that period during which the member performed active service with either department until the effective date of the member's Group B membership. No pension service may be given to the Group B member except to the extent that ~~[until]~~ payment is made for the [entire period described by this subsection, and no] pension service in accordance with Subsection (d) of this section ~~[may be purchased for any period that is of greater or lesser length]~~.

(b) Payment for the purchase of pension service under Subsection (a) of this section shall be equal to the amount of contributions the Group B member would have made to the old plan and Plan A had the member been a contributing member of either of the plans during the period for which the pension service is being purchased ~~[described by Subsection (a) of this section]~~, plus interest calculated in accordance with procedures adopted by the board from time to time.

(c) Subject to Subsection (d) of this section, a ~~[A]~~ Group B member who is on active service may repay the fund all or a portion of the employee contributions withdrawn by an alternate payee pursuant to the terms of a qualified domestic relations order ~~[and receive pension service as a Group B member attributable to the contributions, if the Group B member repays completely to the fund the withdrawn contributions]~~ with interest, calculated at the interest rate from time to time used in the pension system's actuarial rate of return assumptions, compounded annually, on the contributions for the period from the date the contributions were withdrawn until the date the principal and accrued

interest are repaid, and receive pension service as a Group B member, in accordance with Subsection (d) of this section, for the period for which the contributions and interest were paid [in full].

(d) [No pension service may be given to a Group B member under Subsection (b) or (c) of this section until the entire amount described by Subsection (b) or (c) has been paid to the fund.] If payment of the entire amount of pension service a member is entitled to under Subsection (a) or (c) of this section or under Section 4.04(h-1) of this article is not completed by the earlier of the date the Group B member begins participation in DROP or the date the member [is not completed by the date the Group B member] leaves active service, pension service will be provided only for the number of full years of pension service that the contributions and interest paid under those provisions will purchase, computed based on the most recent years for which the member was entitled to purchase pension service. Except for pension service that is picked up by the city under the authority of Section 414(h)(2) of the code, a fractional year of pension service may be purchased only if less than a full year of pension service is available for purchase.

(e) The amounts paid but insufficient to purchase one or more whole years of pension service that remain available for purchase, including any interest paid by the Group B member, must be returned to the Group B member or, if the Group B member has died, to the Group B member's designee, without any accrued interest on the returned money.

(f) Notwithstanding any other provision of this section, any amounts that have been picked up and paid by the city may not be paid to a member or designee, and the member shall be given credit for all years, and fractions of years, of pension service that can be purchased with the picked-up contributions [all partial payments shall be returned to the Group B member or, if the Group B member has died, to the member's heirs or estate, whichever is applicable].

Sec. 5.08. MEMBERS IN UNIFORMED [ARMED] SERVICES. (a) In this section, "service in the uniformed services" has the meaning assigned by the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Section 4301 et seq.), as amended.

(a-1) A member who is reemployed by the city after an absence due to service in the uniformed services shall receive contributions, benefits, and pension service that are no less favorable than those required by Section 414(u) of the code in accordance with the procedure described by Subsection (c) of this section [may receive pension service for time spent away from either department while on active duty in any of the military services of the United States, including service in any state or National Guard or any reserve component of any military service in accordance with the military leave provided by this section].

(b) To the extent a provision of this section that was in effect before November 25, 1996, would provide a member who was on active service with the pension system before November 25, 1996, with greater rights, the prior provision of this section applies [Any member inducted into the armed forces as a draftee must reapply for reinstatement with the member's prior department within 90 days after the date of honorable discharge or separation from military service.

~~On such reinstatement, the member may elect to repay the member's contributions at any time under the procedure described by Subsection (h) of this section].~~

~~(c) Payment for credit for pension service under this section [Any member enlisting in the armed forces, other than as a reservist, whose military service between June 24, 1948, and August 1, 1961, did not exceed four years, or whose military service began after August 1, 1961, and did not exceed five years if the fifth year is at the request and convenience of the federal government, and who was honorably discharged or separated from service is guaranteed, under the provisions of coverage described by this subsection, the right to restore pension service under the procedure described by Subsection (h) of this section. The four- and five-year leaves permitted by this subsection apply to all of a member's employment with the city. An enlistment plus any number of reenlistments may not exceed the four- or five-year limitations stated above.~~

~~[(d) Any member ordered to an initial period of active duty for training in a reserve component of not less than 12 consecutive weeks is entitled to restore pension service for the period absent from the member's department, if the member returns to the member's department within 31 days after the date of honorable discharge or separation from duty in the reserve unit.~~

~~[(e) Any member serving in a reserve component, voluntarily or involuntarily, may remain on military leave for four years, which may be extended for periods when the President of the United States calls the reserve unit into active duty. The service extension for members joining a reserve unit voluntarily is available only when the additional service is at the request and for the convenience of the federal government. Any member returning to the member's department under this provision must report back to work within the time specified to the member by the department, giving due regard for travel time and hospitalization, if required. Any inquiry into the validity of orders extending terms of reservist active duty for training will be referred to the Department of Labor's Office of Veterans' Employment and Training.~~

~~[(f) Any member on military leave for short periods of authorized training, such as two-week encampments, are treated as on leave with pay for up to 15 working days in any one calendar year, during which time pension service automatically accrues. Leave in excess of 15 days will be treated as described by Subsection (e) of this section.~~

~~[(g) With the exception of those circumstances described by Subsection (f) of this section, the city is not required to match contributions made by members under the terms of this section.~~

~~[(h) Repayment] shall be made in accordance with Section 5.07 of this article and a [the procedure set forth in any] uniform and nondiscriminatory [military leave and payment] procedure adopted by the board [and in effect from time to time].~~

Sec. 5.09. NON-UNIFORMED [NONMILITARY] LEAVE OF ABSENCE. (a) An "authorized non-uniformed leave of absence" means any leave of absence that meets one of the following requirements [conditions]:

(1) the leave of absence was unpaid and granted by the member's department in accordance with the federal Family and Medical Leave Act of 1993 (29 U.S.C. Section 2601 et seq.); or

(2) the leave of absence was unpaid and was ~~[must be]~~ an official leave authorized and certified by the chief of the member's ~~[either]~~ department as being beneficial to~~;~~ and

~~[(2) the leave of absence must be for the purpose of benefitting] the department.~~

(b) Subject to the requirements of this section and any procedures adopted by the board, a ~~[A]~~ member may receive pension service for time spent away from the member's ~~[either]~~ department on an authorized non-uniformed ~~[nonmilitary]~~ leave of absence. To receive pension service under this section ~~[for a nonmilitary leave of absence, the following conditions must be met:~~

~~[(1) before the date the member's leave of absence is to begin], the member must file with the executive director ~~[administrator]~~ a written application to pay to the fund both:~~

(1) the member contributions the member would have made to the fund had the member remained on active service and had there been no change in the member's position or hours of work during the period of the authorized non-uniformed leave of absence; and

(2) the contributions the city would have made to the fund on the member's behalf ~~[any contributions that will accrue during the member's leave as set forth in Subdivisions (2) and (3) of this subsection;~~

~~[(2) the member must agree to pay into the fund the amount the member would have contributed had the member remained on active service, the amount to be based on the computation pay the member would have normally received had there been no change in the member's position during the period of leave;~~

~~[(3) the member must agree to pay into the fund an amount equal to the amount the city would have contributed computed on the basis of total wages and salary the member would normally have received] had the member remained on active service and had there been no change in the member's position or hours of work during the period of the authorized non-uniformed leave of absence.~~

(b-1) Contributions made under Subsection (b)(2) of this section may not be refunded to the member.

(b-2) The written application described by Subsection (b) of this section must be filed before the member's authorized non-uniformed leave of absence begins, unless the pension system determines that it would not be reasonable to expect the member to file the application before the authorized non-uniformed leave of absence begins, in which case the application must be filed as soon as circumstances permit, as determined by the pension system. ~~[leave, the payment to represent the total amount that would have been contributed by the city on the member's behalf had the member remained on active service and paid in addition to the amount the member must contribute as set forth in Subdivision (2) of this subsection;]~~

(b-3) To receive pension service under this section, the following additional conditions must also be met:

(1) ~~(4)~~ if the member's contribution rate, the city's contribution rate, or both the member's and city's contribution rates change before the end of the member's authorized non-uniformed leave of absence ~~[changes as provided by Section 4.02 of this article]~~, the percentage ~~[of total wages and salary]~~ required to be paid by the member also changes, so that the amount paid by the member in accordance with this section always equals the amount that would have been contributed by the member, and by the city on the member's behalf had the member remained on active service~~[- and in no event is the city required to pay into the fund any contributions that would have been made on behalf of a member had the member remained on active service during the period of an authorized leave of absence];~~

(2) ~~(5)~~ payment of contributions as set forth in Subsection (b) of this section ~~[Subdivisions (3) and (4) of this subsection]~~ shall begin coincident with the beginning of the applicable authorized non-uniformed leave of absence and shall be made monthly to the executive director ~~[administrator]~~ for deposit in the fund, unless the board authorizes the deferment of the payments, in which case the payments must include interest calculated in accordance with Subsection (b-4) of this section ~~[until the member has returned to active service];~~

(3) no pension service will be granted to the member until the member returns to active service, and if the member does not return to active service, the contributions paid, including any interest paid, will be returned to the member except as provided by Subsection (c) of this section;

(4) if the board authorizes the deferment of the payments under Subdivision (2) of this subsection, the payment must ~~may~~ be made either by authorizing the deduction of pro rata portions of the total amount due from the member's salary over a one-year period, or by cash payment made to the executive director ~~[administrator]~~ within one year after the date of the member's return to active service, except that the board may approve a longer period for making the payment if it finds that the one-year limit would work a financial hardship on the member;

(5) ~~(6)~~ the member must return to active service within 90 days after the date the member's authorized non-uniformed leave of absence expires, or if the member's authorized non-uniformed leave of absence does not have a fixed expiration date, within a reasonable time to be determined by the board, or the member forfeits the right to pay for the leave time; and

(6) ~~(7)~~ no member may ever be allowed to pay leave of absence contributions under this section for any time in excess of the time actually spent on an authorized non-uniformed leave of absence.

(b-4) For purposes of Subsection (b-3)(2) of this section, interest is calculated from the date the member's payment was first due, at the interest rate from time to time used in the pension system's actuarial rate of return assumptions, compounded annually until the date the principal and accrued interest are repaid in full.

(c)(1) If a member of the combined pension plan is disabled or dies while on an authorized non-uniformed leave of absence, the member or the member's designee is ~~[heirs are]~~ entitled to ~~[either]~~ a refund of contributions pursuant to Section 4.04 of this article or the member or the member's qualified survivors are entitled to benefits under the provisions of this article, to the extent applicable.

(2) A member who is disabled or dies while on an authorized non-uniformed leave of absence pursuant to this section may receive no pension service for any portion of the period of the leave,^[s] except that if the member had, before the member's disability or death, paid for contributions while on an authorized non-uniformed leave of absence in accordance with ~~[Subsection (a) of]~~ this section, the member shall receive pension service for the leave time actually paid for at the time of the member's disability or death. ~~The [but the]~~ member may receive no pension service for any portion of the period of leave for which contributions were ~~[have]~~ not ~~[been]~~ paid to the executive director ~~[administrator]~~ for deposit in the fund.

SECTION 1.27. Section 6.01, Article 6243a-1, Revised Statutes, is amended by amending Subsections (a), (b), (d), (e), (f), (g), and (h) and adding Subsections (a-1) and (a-2) to read as follows:

(a) A Group A member ~~[or former Group A member]~~ must have 20 years of pension service to be eligible for a Group A retirement pension under this section. A member's benefit election ~~[application]~~ under this section, once approved ~~[made]~~, is irrevocable.

(a-1) If a Group A pensioner returns to active service as a police officer or fire fighter with the city, the person's Group A retirement pension ceases until ~~[the time]~~ that ~~[the]~~ person again leaves active service with the city.

(a-2) If a Group A pensioner resumes employment with the city in a capacity other than as a police officer or fire fighter, the pensioner's Group A retirement pension continues during the period of employment, except the pensioner may not accrue additional credit for pension service during this period. Additional credit for pension service does not accrue during any period in which a Group A pensioner becomes employed by the city unless the additional credit is attributable to active service as a police officer or fire fighter with the city.

(b) At age 50 a Group A member ~~[or former Group A member]~~ is eligible to begin drawing a monthly Group A retirement pension. A monthly Group A retirement pension equals 50 percent of the base pay per month, plus 50 percent of any longevity pay the Group A member was receiving at the time the member left active service. Although the number of years used in the computation of longevity pay remains fixed at the earlier of the time a Group A member ~~[or former Group A member]~~ leaves active service or begins participation in DROP, the monthly rate of longevity pay used in this computation is subject to change in the event of an amendment to the state law governing longevity pay. The monthly Group A retirement pension benefits of Group A pensioners shall be adjusted from time to time in a like manner.

(d) The element of annual retirement pension computed under Subsection (c)(1) of this section is subject to the following limitations:

(1) it shall be prorated for the year in which the pensioner begins receiving a retirement pension;

(2) it shall be payable only to those Group A pensioners who, as [a] Group A members [~~member~~] on active service, received city service incentive pay and who receive a monthly Group A retirement pension as determined under Subsection (b) of this section on the last day of September of each year; and

(3) it shall be paid to Group A pensioners as long as the city continues to pay city service incentive pay to Group A members on active service.

(4) Notwithstanding Subsections (b) and (c) of this section, a Group A member with a minimum of 20 years of pension service may apply for an actuarially reduced retirement pension to begin no earlier than when the member attains age 45 but before the member attains age 50. The Group A member [~~or a former Group A member~~] who has made an application may receive a retirement pension calculated under Subsections (b) and (c) of this section reduced by two-thirds of one percent per month for each whole calendar month the benefit is payable before the month in which the Group A member [~~or former Group A member~~] attains age 50.

(e) At age 55 a Group A member [~~or former Group A member~~] is eligible to begin drawing a monthly retirement pension computed as follows:

(1)(A) at the rate of three percent of base pay for each year, prorated for fractional years, of pension service, with a maximum of 32 years of pension service, or 96 percent of base pay; or

(B) if the Group A member [~~or former Group A member~~] had 34 or more years of pension service as of April 30, 1990, then the member's retirement pension is calculated at the rate calculated under the terms of the combined pension plan in effect on April 30, 1990, if the resulting amount would be greater than the amount calculated under Paragraph (A) of this subdivision; plus

(2) one-half of the longevity pay the Group A member [~~or former Group A member~~] was receiving at the time the person left active service; plus

(3) 1/24th, without subsequent adjustment, of the annualized amount of the city service incentive pay the Group A member [~~or former Group A member~~] received at the time the person left active service.

(f) [~~Notwithstanding Subsection (e) of this section, Group A pensioners payments under Subsection (e)(3) of this section are contingent on the city's continuing payment of city service incentive pay to Group A members on active service.~~] For purposes of Subsection (e) of this section, base pay and longevity pay are the amounts in effect on the earlier of the date the member begins participation in DROP or the date benefits are to begin, without subsequent adjustment.

(g) Notwithstanding Subsection (e) of this section, a Group A member [~~or former Group A member~~] with 20 or more years of pension service may apply for an actuarially reduced Group A retirement pension beginning on or after the date the Group A member [~~or former Group A member~~] attains age 50 but before the person attains age 55. The Group A member [~~or former Group A member~~] may receive a retirement pension calculated under Subsection (e) of this section

reduced by two-thirds of one percent per month for each whole calendar month the benefit is payable before the month in which the Group A member [~~or former Group A member~~] attains age 55.

(h) Entitlement to the Group A retirement pension described by this section is subject to the following conditions:

(1) a written application must be filed with the executive director [~~administrator~~];

(2) the grant of a Group A retirement pension by the board must be made at a meeting of the board held during the month the [~~Group A~~] retirement pension is to become effective, or as soon after that as administratively possible; and

(3) the Group A member must no longer be on active service.

SECTION 1.28. Section 6.02, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 6.02. GROUP B RETIREMENT PENSION. (a) If a [A] Group B member [~~or former Group B member who~~] has accrued five or more years of pension service, is no longer on active service with the department, has not withdrawn the member's contributions, and otherwise meets the age and pension service requirements under the applicable provision of this section, the member may apply [~~may make application~~] for a Group B retirement pension under this section. A member's benefit election application under a provision of this section, once approved, is irrevocable.

(a-1) If a Group B pensioner returns to active service as a police officer or fire fighter with the city, the person's [~~on reaching 50 years of age, or for an actuarially reduced~~] Group B retirement pension ceases until that person again leaves active service with the city.

(a-2) If a Group B pensioner resumes employment with the city in a capacity other than as a police officer or fire fighter, the pensioner's Group B retirement pension continues during the period of employment except the pensioner may not accrue additional credit for pension service during this period. Additional credit for pension service does not accrue during any period in which a Group B pensioner becomes employed by the city unless the additional credit is attributable to active service as a police officer or fire fighter with the city [~~on reaching 45 years of age~~].

(b) A [~~former~~] Group B member who began active service before March 1, 2011, and who has attained at least 50 years of age, or who began active service on or after March 1, 2011, and has attained at least 58 years of age, and who otherwise meets the requirements of Subsection (a) of this section may elect to receive a Group B retirement pension that shall be calculated as follows:

(1) for a member who began active service before March 1, 2011, the member's retirement pension shall be the sum of:

(A) the number of years of pension service before September 1, 2017, prorated for fractional years, times three percent of the average computation pay determined over the 36 consecutive months of pension service in which the Group B member received the highest computation pay; plus

(B) the number of years of pension service on or after September 1, 2017, prorated for fractional years, times the applicable percentage prescribed by Subsection (b-1) of this section of the average computation pay determined over the 60 consecutive months of pension service in which the Group B member received the highest computation pay; or

(2) for a member who began active service on or after March 1, 2011, the member's retirement pension shall be the number of years of pension service, prorated for fractional years, times 2.5 percent of the average computation pay determined over the 60 consecutive months of pension service in which the member received the highest computation pay.

(b-1) For purposes of Subsection (b)(1)(B) of this section, the applicable percentage is based on the age of the Group B member when the member's retirement pension begins as set forth below:

<u>Age of Member When Retirement Pension Begins</u>	<u>Percent</u>
<u>58 and older</u>	<u>2.5%</u>
<u>57</u>	<u>2.4%</u>
<u>56</u>	<u>2.3%</u>
<u>55</u>	<u>2.2%</u>
<u>54</u>	<u>2.1%</u>
<u>53 and younger</u>	<u>2.0%</u>

(b-2) Days during which the member earned no pension service due to a termination of active service or otherwise must be disregarded in determining the 36 or 60 consecutive months of highest computation pay under Subsection (b)(1) or (2) of this section, as appropriate. The pension benefit calculated under Subsection (b) of this section may not exceed the greater of:

(1) 90 percent of the member's average computation pay determined under the applicable subsection; or

(2) the vested and accrued benefit of a member as determined on August 31, 2017. [~~or Group B pensioner who withdrew any of the person's Plan B or Group B contributions and who on again becoming a Group B member does not replace such previously withdrawn contributions with interest thereon as provided by Section 4.04 of this article must earn at least five years of pension service after the time the person returns to active service to be eligible for a Group B retirement pension.]~~

(c) Except as provided by Subsection (c-2) of this section, [Entitlement to] a Group B member who has either attained at least 45 years of age on September 1, 2017, or who attains at least 53 years of age after September 1, 2017, and who otherwise meets the requirements of Subsection (a) of this section may elect to receive an actuarially reduced Group B retirement pension calculated in accordance with Subsection (c-1) of this section:

(1) not earlier than the member's 45th or 53rd birthday, as applicable;
and

(2) not later than the member's 50th or 58th birthday, as applicable.

(c-1) Except as provided by Subsection (c-2) of this section and subject to Section 6.021 of this article, a Group B member who applies for an actuarially reduced Group B retirement pension under Subsection (c) of this section shall

receive a pension calculated under Subsection (b) of this section, reduced by two-thirds of one percent per month, for each whole calendar month the benefit is payable before the month in which the member attains:

(1) for members who attained at least 45 years of age on September 1, 2017, 50 years of age; or

(2) for members not described by Subdivision (1) of this subsection who attain at least 53 years of age after September 1, 2017, 58 years of age.

(c-2) If, for purposes of Subsection (c-1) of this section, a Group B member's pension benefit calculated under Subsection (b) of this section is equal to 90 percent of the member's average computation pay, the member is entitled to a Group B retirement pension under Subsection (c) of this section at 45 or 53 years of age, as applicable, that is not actuarially reduced as provided under Subsection (c-1) of this section. ~~retirement pension as described by Subsection (a) or (b) of this section is subject to the following conditions:~~

~~[(1) written application must be filed with the administrator;~~

~~[(2) the grant of the Group B retirement pension by the board must be made at a meeting of the board held during the month the Group B retirement pension is to become effective, or as soon after that as possible; and~~

~~[(3) the Group B member may no longer be on active service].~~

(d) Except as provided by Subsection (d-2) of this section, a [A] Group B member who has accrued 20 or more years of pension service and has been on active service at any time on or after January 1, 1999, may elect to apply for a Group B retirement pension beginning at any time after the Group B member leaves active service, regardless of age. A Group B member may elect a Group B retirement pension under this subsection as follows:

(1) if the member accrued 20 or more years of pension service on or before September 1, 2017, the member may elect a pension under this subsection that is computed in the same manner as the Group B retirement pension under Subsection (b)(1) of this section except that the percentage set forth below must be used instead of the three percent multiplier prescribed by Subsection (b)(1)(A) of this section:

<u>Age of Member When Retirement Pension Begins</u>	<u>Percent</u>
<u>48 and 49</u>	<u>2.75%</u>
<u>47</u>	<u>2.5%</u>
<u>46</u>	<u>2.25%</u>
<u>45 and younger</u>	<u>2%; and</u>

(2) except as provided by Subsection (d-2) of this section and subject to Section 6.021 of this article, if the member accrued 20 or more years of pension service after September 1, 2017, the member may elect a pension under this subsection computed in the same manner as the Group B retirement pension under Subsection (b)(2) of this section except that the percentage set forth below must be used instead of the 2.5 percent multiplier prescribed by Subsection (b)(2) of this section:

<u>Age of Member When Retirement Pension Begins</u>	<u>Percent</u>
<u>57</u>	<u>2.4%</u>
<u>56</u>	<u>2.3%</u>
<u>55</u>	<u>2.2%</u>

542.1%53 and younger2.0%

(d-1) A member who elects a pension under Subsection (d) of this section is not entitled to:

(1) minimum benefits under either Section 6.10A or 6.11 of this article;

or

(2) benefits under Subsection (g) of this section.

(d-2) If, for purposes of Subsection (d) of this section, a Group B member's pension benefit calculated under Subsection (b) of this section is equal to 90 percent of the member's average computation pay, the member is entitled to a Group B retirement pension under Subsection (d) of this section that is not reduced as provided under Subsection (d)(1) or (2) of this section [retirement pension shall be computed at the rate of three percent of the average computation pay determined over the 60 consecutive months in which the Group B member received the highest computation pay, multiplied by the number of years, prorated for fractional years, of pension service to a maximum of 32 years of pension service or 96 percent of the computation pay as determined under this subsection].

(e) A [However, a] Group B member or former Group B member with 34 or more years of pension service as of April 30, 1990, is entitled to [shall] receive the greater of a Group B retirement pension calculated under the terms of Plan B as in effect on that date or a Group B retirement pension calculated pursuant to Subsection (b) [(d)] of this section.

[(f) A Group B member, or any former Group B member who was a Group B member as of any date after April 30, 1990, may apply for an actuarially reduced Group B retirement pension beginning no earlier than the person's 45th birthday but before the person's 50th birthday. A Group B member or former Group B member who applies for an actuarially reduced Group B retirement pension beginning on or after the person's 45th birthday shall receive a pension calculated under Subsection (d) of this section, reduced by two thirds of one percent per month for each whole calendar month the pension would be payable before the month in which the Group B member or former Group B member attains age 50.]

(g) In no event may any Group B member [or former Group B member] who was at any time a Group A member or a contributing member of the old plan or Plan A, and who satisfied the applicable age and length-of-service requirements of the applicable plan at the time the person left active service, receive a retirement pension in an amount less than the amount the person would be entitled to receive as a Group A member.

(h) Notwithstanding any other provision of this section, a [A former] Group B member who was not a Group B member on or after January 1, 1993 [May 1, 1990], shall receive a retirement pension calculated under the applicable provisions of Plan B [this plan] as that plan existed [in effect] on the date the member terminated [person left] active service.

(i) Entitlement to a Group B retirement pension under Subsection (b), (c), (d), or (e) of this section is subject to the following conditions:

(1) a written application must be filed with the executive director;

(2) the grant of the Group B retirement pension by the board must be made at a meeting of the board held during the month the retirement pension is to become effective, or as soon after as administratively possible; and

(3) the Group B member may no longer be on active service [A former Group B member who was not a Group B member after April 30, 1990, may request an actuarially reduced retirement pension beginning no earlier than the person's 45th birthday but before the person's 50th birthday]. [A former Group B member described by this subsection shall receive a retirement pension under the applicable provisions of Plan B as in effect on the date the person left active service, reduced by two thirds of one percent per month for each whole calendar month the pension would be payable before the month in which the former Group B member attains age 50.]

SECTION 1.29. Part 6, Article 6243a-1, Revised Statutes, is amended by adding Sections 6.021 and 6.022 to read as follows:

Sec. 6.021. AUTHORITY TO ADOPT ALTERNATIVE MULTIPLIERS FOR COMPUTATION OF CERTAIN GROUP B BENEFITS. (a) For purposes of Section 6.02(c-1) or (d)(2) of this article, the board by rule may adopt alternative multipliers, including an alternative table prescribing actuarially appropriate multipliers. In adopting rules under this subsection, the board shall designate the date on which the alternative multiplier shall take effect.

(b) Copies of any alternative multipliers adopted under this section must be maintained at the principal office of the pension system and published on the pension system's publicly available Internet website.

Sec. 6.022. AUTHORITY TO REDUCE RETIREMENT AGE. Notwithstanding any other law, the board may reduce the age at which a Group B member is eligible to begin receiving a retirement pension, including an actuarially reduced retirement pension, under Section 6.02 of this article if the board determines that the reduction will not cause the amortization period of the unfunded actuarial accrued liability of the pension system to exceed 25 years, after taking into account the impact of the reduction. A board action under this section may not take effect until the State Pension Review Board reviews the board's determination described by this section.

SECTION 1.30. Section 6.03, Article 6243a-1, Revised Statutes, is amended by amending Subsections (a), (d), (f), and (g) and adding Subsections (k) and (l) to read as follows:

(a) If a member who is on active service, other than a member participating in DROP, becomes disabled to the extent that the member cannot perform the member's duties with the member's department, the member may apply for a disability pension, subject to [in accordance with] any uniform and nondiscriminatory disability application procedure and recall and review procedure adopted by the board and in effect from time to time.

(d) No disability pension may be paid to a member for any disability if the disability was a result of an intentionally self-inflicted injury or a chronic illness resulting from an addiction by the member through a protracted course of [noncoerced] indulgence in alcohol, narcotics, or other substance abuse that was not coerced.

(f) No disability pension may be paid if the chief of the member's department is able to provide the member with duties that are within the member's physical or mental capabilities, ~~[as long as the board agrees that the duties are within the member's capabilities,]~~ even though the duties are different from the duties the member performed before the disability.

(g) Written application for a disability pension must be filed with the executive director not later than the 180th day after the date the member leaves active service ~~[administrator]~~. The application must be accompanied by a recommendation from the health director. This recommendation shall contain a statement indicating whether the member became disabled while the member was on duty or off duty and whether the disability was service-connected or ~~was not service-connected~~ ~~[nonservice-connected]~~.

(k) For purposes of Sections 6.04 and 6.05 of this article and this section:

(1) longevity pay and incentive pay are the amounts in effect on the date the benefits are to begin, without subsequent adjustment; and

(2) except as provided by Section 6.05(b-1) of this article, base pay is the amount in effect on the date benefits are to begin, without subsequent adjustment.

(l) Notwithstanding any other law, Subchapter B, Chapter 607, Government Code, applies to all members without regard to the employing department or job assignment.

SECTION 1.31. Part 6, Article 6243a-1, Revised Statutes, is amended by adding Section 6.035 to read as follows:

Sec. 6.035. DISABILITY BENEFITS FOR CERTAIN PERSONS IN UNIFORMED SERVICES. (a) In this section, "uniformed services" has the meaning assigned by the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Section 4301 et seq.).

(b) This section applies to a person who was released from the uniformed services after December 17, 2001, under conditions that would have made the person eligible for benefits under Section 414(u) of the code if the person could have returned to active service.

(c) If a person subject to this section was unable to return to active service by reason of disability incurred while on a leave of absence due to service in the uniformed services, that person is entitled to a regular disability pension in accordance with Section 6.03 of this article, calculated in accordance with Section 6.04 of this article.

(d) Notwithstanding Section 6.03(g) of this article, a written application for a disability pension must be filed not later than the 180th day after the date of the person's release from the uniformed services.

(e) A person subject to this section is entitled to receive pension service for the period of service with the uniformed services only to the extent that contributions are made for that period in accordance with this article.

SECTION 1.32. Section 6.04, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 6.04. CALCULATION OF REGULAR ~~[GROUP A]~~ DISABILITY BENEFITS ~~[PENSION]~~. (a) Subject to Subsection (g) of this section, if ~~[H]~~ a Group A member's application for a Group A disability pension has been approved by the board pursuant to Section 6.03 of this article, including any procedures adopted under that section, the Group A member may elect to receive a Group A disability pension calculated:

(1) in the same manner as the benefit under Sections 6.01(b) and (c) of this article; or

(2) under Subsection (c) ~~(b)~~ of this section.

(b) An election under Subsection (a) of this section, once approved by the board ~~[made]~~, is irrevocable.

~~[(b) When a Group A member elects to accept a Group A disability pension under this section, it shall be calculated as provided by Subsections (c), (d), and (e) of this section.]~~

(c) Subject to Subsection (g) of this section, ~~[H]~~ a Group A ~~[member's disability results during the performance of duties with either department, the]~~ member who elects to have benefits determined under this subsection is entitled to a monthly disability pension calculated as follows:

(1) at a rate of three percent of base pay for each year, prorated for fractional years, of pension service, with a ~~[minimum of 20 years of pension service being deemed credited and a]~~ maximum of 32 years of pension service being credited, or 96 percent of base pay ~~[or]~~, except that if the Group A member had 34 or more years of pension service as of April 30, 1990 ~~[May 1, 1990]~~, the member is entitled to ~~[shall]~~ receive the greater of a disability pension calculated under the terms of the combined pension plan in effect on that date or as calculated under this subdivision; plus

(2) one-half of the longevity pay the Group A member was receiving at the time the member left active service; plus

(3) subject to Subsection (d) of this section, 1/24th ~~[, without subsequent adjustment,]~~ of the annualized amount of city service incentive pay the Group A member received at the time the member left active service.

(c-1) The disability pension calculated under Subsection (c) of this section may not exceed the greater of:

(1) 90 percent of the member's average base pay determined under the applicable subsection; or

(2) the vested and accrued disability pension of the member as determined on August 31, 2017.

(d) Payments of the amounts described by ~~[Notwithstanding Subsection (c) of this section, the amount of a disability retirement benefit of a Group A pensioner who is on disability retirement under]~~ Subsection (c)(3) of this section are ~~[is]~~ contingent on the city's continuing payment of city service incentive pay to Group A members on active service. ~~[For purposes of this subsection, base pay and longevity pay are the amounts in effect on the date the benefits are to begin, without subsequent adjustment.]~~

(e) If a Group B ~~[A]~~ member's application for a Group B disability pension has been approved by the board under Section 6.03 of this article, including any procedures adopted under that section, the Group B member may elect to receive a Group B disability pension calculated in the manner described by Subsection (f) or (f-1) of this section, subject to Subsection (g) of this section ~~[disability does not result during the performance of the member's duties with either department, the member is entitled to a monthly disability pension calculated:~~

~~[(1) at a rate of three percent of base pay for each year, prorated for fractional years, of pension service, with a maximum of 32 years of pension service, or 96 percent of base pay, except that if the Group A member had 34 or more years of pension service as of April 30, 1990, the member shall receive the greater of a disability pension calculated under the combined pension plan in effect on that date or as calculated under this subdivision; plus~~

~~[(2) one half of the longevity pay the Group A member was receiving at the time the member left active service; plus~~

~~[(3) 1/24th of the annualized amount of city service incentive pay the Group A member received at the time the member left active service, without regard to any subsequent adjustment].~~

(f) Subject to Subsections (f-1), (f-3), and (g) of this section, the disability pension of a Group B member shall be calculated as follows:

(1) for a member who began active service before March 1, 2011, the member's disability pension shall be the sum of:

(A) the member's number of years of pension service earned before September 1, 2017, prorated for fractional years, times three percent of the average computation pay determined over the 36 consecutive months of pension service in which the member received the highest computation pay; plus

(B) the number of years of pension service, including pension service credit imputed under Section 6.05(c) of this article, earned on or after September 1, 2017, prorated for fractional years, times the applicable percentage prescribed by Section 6.02(b-1) of this article of the average computation pay determined over the 60 consecutive months of pension service in which the member received the highest computation pay; or

(2) for a member who began active service on or after March 1, 2011, the member's disability pension shall be the number of years of pension service, including pension service credit imputed under Section 6.05(c) of this article, prorated for fractional years, times 2.5 percent of the average computation pay determined over the 60 consecutive months of pension service in which the member received the highest computation pay.

(f-1) Notwithstanding Subsection (f) of this section, for a Group B member who had 34 or more years of pension service as of April 30, 1990, the member is entitled to receive the greater of a disability pension calculated under the terms of Plan B in effect on April 30, 1990, or calculated under Subsection (f) of this section.

(f-2) For purposes of Subsections (f) and (f-1) of this section:

(1) any partial year of pension service for a Group B member's first 20 years of pension service is counted as a full year of pension service, if the member was considered by the member's department to have worked a normal full-time schedule at the time of the disability;

(2) if the member has less than 36 or 60 consecutive months of pension service, as applicable, the member's average computation pay will be computed based on the member's entire pension service; and

(3) days during which the member earned no pension service due to a termination of active service or otherwise must be disregarded in determining the 36 or 60 consecutive months of highest computation pay.

(f-3) The disability pension calculated under Subsection (f) or (f-1) of this section may not exceed the greater of:

(1) 90 percent of the member's average computation pay determined under the applicable subsection; or

(2) the vested and accrued disability pension of the member as determined on August 31, 2017 [~~Payments of the amounts described by Subsection (e)(3) of this section are contingent on the city's continuing payment of city service incentive pay to Group A members on active service~~].

(g) The disability pension calculated in accordance with this section, including both a Group A benefit described by Subsection (a) of this section and a Group B benefit described by Subsection (f) of this section, shall be reduced dollar-for-dollar by any monthly disability compensation benefit received under Section 6.05 of this article. If the monthly disability compensation benefit provided to a member under Section 6.05 of this article equals or exceeds any benefit the member is entitled to under this section or Section 6.01(b) or (c) of this article, the member may not receive the benefit under this section [~~For purposes of Subsection (e)(3) of this section, base pay and longevity pay are the amounts in effect on the date the benefits are to begin, without subsequent adjustment~~].

SECTION 1.33. The heading to Section 6.05, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 6.05. COMPENSATION BENEFITS FOR SERVICE-CONNECTED [CALCULATION OF GROUP B] DISABILITY [BENEFITS].

SECTION 1.34. Section 6.05, Article 6243a-1, Revised Statutes, is amended by amending Subsections (a), (b), and (c) and adding Subsection (b-1) to read as follows:

(a) If a member leaves active service at any time due to disability and the board determines that the member with the disability became unable to perform the member's duties with the member's department due to an injury or sickness incurred in the performance of the member's duties, the member is entitled to periodic disability compensation benefits in accordance with this section [~~Group B member's application for a Group B disability pension has been approved by the board pursuant to Section 6.03 of this article, including any procedures adopted under that section, the Group B member may, depending on the circumstances, elect to receive a Group B disability pension calculated in the manner described by Subsection (b) or (c) of this section~~].

(b) Subject to Subsection (b-1), ~~[H]~~ a Group A ~~[B]~~ member whose disability, as determined by the board, was caused by an injury or sickness incurred in the performance of the member's duty shall receive a monthly benefit equal to 60 percent of the member's base pay. For purposes of this subsection, "base pay" is the amount in effect on the date compensation benefits under this section are to begin, without subsequent adjustment.

(b-1) Instead of receiving a periodic disability compensation benefit under Subsection (b) of this section, a Group A member who is entitled to periodic disability compensation benefits under this section may elect, before the benefits begin, to receive those benefits as a monthly benefit equal to 50 percent of the member's base pay adjusted from time to time to reflect changes in base pay that occur after the member began receiving a monthly compensation benefit under this section ~~[becomes disabled during the performance of the member's duties with either department, the member is entitled to a monthly disability pension calculated at a rate of three percent of the average computation pay determined over the 60 consecutive months in which the Group B member received the member's highest computation pay multiplied by the number of years, prorated for fractional years, of the member's pension service with a minimum of 20 years of pension service being deemed credited, or 60 percent of average computation pay determined over the 60 consecutive months in which the Group B member received the member's highest computation pay, except that if the Group B member has less than five years of pension service, the Group B member's average computation pay will be computed based on the member's entire pension service. If a Group B member had 34 or more years of pension service as of April 30, 1990, the Group B member is entitled to receive the greater of a Group B disability pension calculated under the terms of Plan B in effect on that date or calculated pursuant to this subsection].~~

(c) A ~~[The Group B disability pension for any]~~ Group B member whose disability, as determined by the board, was caused by an injury or sickness incurred in the performance of the member's duty shall receive a monthly benefit equal to the disability pension under Sections 6.04(f), (f-1), (f-2), and (f-3) of this article except that if the member:

(1) does not have 20 years of pension service, the member is considered to have 20 years of pension service for the purposes of calculating the disability pension under that section; and

(2) has less than 36 or 60 consecutive months, as applicable, of employment with the department, the member's average computation pay will be computed based on all the member's computation pay, and days during which the member earned no pension service due to a termination of active service or otherwise must be disregarded in determining either the 36 or 60 consecutive months of highest computation pay ~~[does not result during the performance of the member's duties with either department shall be computed at a rate of three percent of the average computation pay determined over the 60 consecutive months in which the Group B member received the member's highest computation pay multiplied by the number of years, prorated for fractional years, of the member's pension service, except that any partial year of pension service~~

~~for the first 20 years of pension service shall be counted as a full year of pension service. If the Group B member has less than five years of pension service, the Group B member's average computation pay will be computed based on the member's entire pension service, and if a Group B member had 34 or more years of pension service as of April 30, 1990, the Group B member is entitled to receive the greater of a disability pension calculated under the terms of Plan B in effect on that date or calculated pursuant to this subsection].~~

SECTION 1.35. Section 6.05(d), Article 6243a-1, Revised Statutes, is redesignated as Section 6.055, Article 6243a-1, Revised Statutes, and amended to read as follows:

Sec. 6.055. REDUCTION IN DISABILITY OR COMPENSATION BENEFITS FOR CERTAIN PERSONS. (a) In this section, "earned income" means income earned by a Group B pensioner in the form of wages, salaries, commissions, fees, tips, unemployment benefits, and other amounts received by virtue of employment or self-employment but paid before any deduction for taxes or insurance. In addition, earned income also includes those amounts contributed on a before-tax basis to any retirement plan or employee health and welfare benefit plan.

(b) ~~(d)~~ The board shall require any Group B pensioner who became a member of Plan B or the combined pension plan on or after May 1, 1990, and who is receiving a Group B disability pension under Section 6.04 of this article or a periodic disability compensation under Section 6.05 of this article ~~in accordance with Subsection (b) or (e) of this section~~ to provide the board annually, on or before July 1 ~~[May 1]~~ of each year, with a true and complete copy of those portions of the person's federal and, if applicable, state tax return, including appropriate schedules, for the previous calendar year that indicate the person's occupations, if any, and earned income for the previous calendar year. If the pensioner did not file a tax return for the previous calendar year, the board may require other documentation reflecting the pensioner's occupation or earned income that the board determines appropriate.

(c) The pension system ~~[However, the board]~~ may waive the July 1 ~~[May 1]~~ date under Subsection (b) of this section in lieu of one later in the same calendar year if the Group B pensioner provides the board with a true and complete copy of a grant of an extension of time for the filing of the person's tax return from the appropriate governmental agency or a true and complete copy of an extension request that results in any automatic extension.

(d) If, after evaluating the information received under Subsection (b) of this section, the board finds the Group B pensioner is or has been receiving earned income from one or more employments, including self-employment, during the preceding year, the board shall reduce future disability retirement ~~[pension]~~ payments to the Group B pensioner in accordance with the following formula: \$1 for each \$1 that the sum of "a" + "b" is greater than "c," where "a" is the earned income of the Group B pensioner attributable to the previous calendar year from the person's employments, "b" is the total amount of Group B disability retirement payments ~~[pension]~~ received by the Group B pensioner the

previous calendar year, and "c" is the annualized amount of the average computation pay the Group B pensioner received as of the date the person left active service.

(e) For purposes of the ~~[this]~~ computation under Subsection (d) of this section, the average computation pay shall be deemed increased at a rate of 2.75 percent ~~[of four percent simple interest]~~, without compounding during the year, as of each January 1 that the Group B pensioner receives a Group B disability retirement payment ~~[pension]~~.

SECTION 1.36. Section 6.06, Article 6243a-1, Revised Statutes, is amended by amending Subsections (b), (e), (f), (g), (h), (j), (k), (l), (m), (n), (o), (p), (q), (r), and (t) and adding Subsections (e-1), (e-2), (j-1), (o-1), (o-2), (u), and (v) to read as follows:

(b) A written application for benefits must be filed with the executive director ~~[administrator]~~.

(e) If ~~[the qualified]~~ surviving children of a primary party are not qualified survivors entitled to death benefits, the ~~[qualified surviving]~~ spouse of the primary party who is a qualified survivor is entitled only to receive a share of the death benefits in the amount calculated under Section 6.07(a) ~~[or (b)]~~ or Section 6.08(b)(1), (c)(1), (d)(1), or (e)(1) of this article, whichever is applicable, and is not entitled to what otherwise would be the ~~[qualified]~~ surviving children's share.

(e-1) If a primary party had ~~[there is]~~ no ~~[qualifying]~~ surviving spouse, any ~~[qualified]~~ surviving child who is a qualified survivor ~~[children]~~ shall receive only the amount calculated under Section 6.07(a) ~~[or (b)]~~ or Section 6.08(b)(2), (c)(2), (d)(2), or (e)(2) of this article, whichever is applicable, and is ~~[are]~~ not entitled to what otherwise would be the ~~[qualified]~~ surviving spouse's share.

(e-2) If a primary party does not have a ~~[there is no qualified surviving]~~ spouse or ~~[qualified surviving]~~ children who are qualified survivors, any ~~[qualified]~~ dependent parent of the primary party who is a qualified survivor shall receive only the amount calculated under Section 6.07(c) or Section 6.08(b)(3), (d)(3), or (e)(3) of this article, whichever is applicable, and is not entitled to what otherwise would be the ~~[qualified]~~ surviving spouse's or ~~[qualified]~~ surviving children's share.

(f) The total monthly death benefits ~~[benefit]~~ received by the qualified survivors of a primary party under this article, including the primary party's ~~[surviving]~~ spouse, ~~[qualified surviving]~~ children, or ~~[qualified]~~ dependent parents, ~~[parent]~~ may not exceed the pension to which the deceased primary party was entitled per month.

(g) If there is no surviving spouse or legal guardian for the ~~[qualified]~~ surviving children of a primary party who are qualified survivors and if the board determines that the ~~[qualified]~~ surviving children lack the discretion to handle money, or in other appropriate circumstances, notwithstanding any other provision of this section, the board may request a court of competent jurisdiction to appoint a suitable person to receive and administer the ~~[qualified]~~ surviving children's money or in those circumstances described in Subsection (n) of this section, appoint a new trustee to administer the ~~[qualified]~~ surviving children's ~~[support]~~ trust.

(h) With the exception of a ~~[support]~~ trust described in Subsection (n) of this section, no death benefits awarded to ~~[qualified]~~ surviving children may be used for any purpose other than to benefit the ~~[qualified]~~ surviving children. ~~[The board may withhold payment of benefits if it has reason to believe the benefits are not being properly applied.]~~

(j) With the exception of those circumstances described in Subsection (n) of this section, death benefits payable ~~[paid]~~ to ~~[qualified]~~ surviving children ~~[living with a person other than the surviving spouse]~~ shall be delivered to the legal guardian of the estate of the surviving children if one has been appointed and the pension system has been provided proof of the appointment. If no legal guardian has been appointed, death benefits shall be delivered to one of the following persons, provided there is evidence that the person is [person with whom the qualified surviving children are living, if the board has designated the person as being] a suitable person to receive and administer the benefits:

(1) the surviving spouse with whom the child resides; or

(2) the adult head of the household with whom the child resides, if the child does not reside with the surviving spouse.

(j-1) In accordance with Subsection (h) of this section, the recipient of a surviving child's death benefits under Subsection (j) of this section must use the death benefits to benefit the child. The board may ~~[, however,]~~ withhold payment of benefits to anyone, if presented with evidence that the death benefits are not being used to benefit the surviving child ~~[but the legal guardian of the qualified surviving children and may require proof that a person has been appointed legal guardian of the qualified surviving children before authorizing any benefits to be delivered to that person].~~

(k) Dependent ~~[The qualified surviving dependent]~~ parents of a primary party ~~[member]~~ who are entitled to receive death ~~[any survivor]~~ benefits provided by this article may only receive the benefits for the remainder of the dependent parents' ~~[their]~~ lives.

(l) The pension system ~~[board]~~ may require all qualified survivors ~~[persons]~~ receiving death benefits ~~[, including qualified surviving spouses, qualified surviving children or their guardians, and qualified surviving dependent parents,]~~ to file ~~[with the administrator, at least once every two years,]~~ a sworn statement with the executive director concerning the qualified survivor's ~~[their]~~ eligibility to continue to receive death benefits at least once every two years, or at any other time the executive director considers a sworn statement to be appropriate to evidence the continued eligibility of the qualified survivor. ~~[The board may also require a sworn statement from any person receiving death benefits at any time.]~~ The board may withhold death benefits from any person who fails or refuses to file a statement when requested to do so.

(m) When the last qualified survivor of any primary party becomes ineligible to continue to receive death benefits, ~~[that survivor shall be paid in a lump sum]~~ an amount equal to the excess ~~[difference]~~, if any, of ~~[between]~~ the total amount of all contributions made to the fund by the primary party while a member over ~~[, and]~~ the sum of all benefits paid to the primary party and all of the primary party's ~~[his]~~ qualified survivors shall be paid in a lump sum to the last

person to receive benefits as a qualified survivor or, if none exists, to the member's designee. The total amount to be paid in benefits to the primary party and all qualified survivors shall never be less than the total amount of contributions the primary party made to the fund while a member.

(n) Notwithstanding any other provision of this section:

(1) ~~[7]~~ death benefits awarded to an unmarried child who is a qualified survivor ~~[surviving child of a primary party]~~ who is determined by the board to be disabled ~~[handicapped]~~ under the terms of Subsection (o-2) ~~[(e)]~~ of this section may be paid to the trustee of a management trust, supplemental needs or special needs trust, or comparable trust ~~[support trust]~~ established for the benefit of the child, if the trust meets the requirements set forth in a procedure adopted from time to time by the board ~~[qualified surviving child if:~~

~~[(1) an opinion of counsel of the trustee of the support trust is furnished to the board indicating that payments made to the support trust will not, under existing law, be considered a resource of the qualified surviving child under Title 42, Section 1396(a)(17), of the United States Code or any successor statute, as well as applicable state law or regulations governing the situation]; and~~

(2) as soon as practicable after the pension system has knowledge of an event listed in this subdivision, the pension system shall terminate payment of death benefits to a ~~[coincident with the furnishing of the opinion of counsel, the board is provided with an executed original of the support trust document for the records of the pension system;~~

~~[(3) the terms of the trust provide that the board will receive an annual accounting of the support trust from its trustee, although the board has no legal responsibility to oversee the support trust; and~~

~~[(4) the support] trust described by Subdivision (1) of this subsection effective [will terminate as soon as practicable] on the earlier occurrence of the following events:~~

(A) the date as of ~~[on]~~ which the ~~[qualified surviving]~~ child is determined by the board to no longer be disabled ~~[handicapped]~~ under the terms of this section;

(B) the date on which the ~~[qualified surviving]~~ child is lawfully married;

(C) the date on which the ~~[qualified surviving]~~ child is deceased;

(D) the date on which the pension system becomes aware that the assets of the [support] trust are deemed to be the resources of the child under applicable federal or state laws or regulations; or

(E) if ~~[unless otherwise excused by the board,]~~ the trustee of the child's ~~[support] trust fails to provide a court of competent jurisdiction [the board] with an annual accounting of the child's trust, the date occurring [within] six months after the date of the close of the [support] trust's fiscal year.~~

(o) When a child who, as a qualified survivor, ~~[surviving child who]~~ is entitled to receive death benefits under this article reaches the age of 19, the ~~[qualified surviving]~~ child may no longer participate in the division of the benefits, but the same undiminished ~~[qualified surviving]~~ child's share as

determined by this section shall be paid to any remaining ~~[qualified surviving]~~ children who are qualified survivors who remain eligible to continue to receive death benefits.

(o-1) If benefits are no longer payable to the trust described in Subsection (n)(1) of this section in accordance with Subsection (n)(2) of this section, the benefits are divisible and payable to any remaining children who are qualified survivors who remain eligible to receive death benefits.

(o-2) If an unmarried child ~~[under 19 years of age. However, a handicapped qualified surviving child may not be removed from participation in the division of benefits on reaching the age of 19 nor may the child be barred from original participation at any time after reaching the age of 19, and the payments shall continue for the duration of the handicap. If a qualified surviving child is not married and],~~ after cessation of entitlement to death benefits ~~[(~~because of attainment of age 19~~) but before age 23],~~ becomes disabled before age 23 ~~[handicapped],~~ the child is entitled to participate in the division of death benefits under this article. Notwithstanding the preceding, all death benefits granted under this subsection are conditioned on the board finding that:

(1) the ~~[qualified surviving]~~ child is so physically or mentally disabled ~~[handicapped],~~ either congenitally or through injury suffered or disease contracted, as to be unable to be self-supporting or to secure and hold gainful employment or pursue an occupation;

(2) the ~~[qualified surviving]~~ child is not married;

(3) the disability ~~[handicap]~~ was not the result of an occupational injury for which the ~~[qualified surviving]~~ child received compensation equal to or greater than that provided under this article;

(4) the disability ~~[handicap]~~ was not the result of an intentional self-inflicted injury or a chronic illness itself resulting from an addiction of the ~~[qualified surviving]~~ child through a protracted course of ~~[noncoerced]~~ indulgence in alcohol, narcotics, or other substance abuse that was not coerced; and

(5) the disability ~~[handicap]~~ did not occur as a result of the ~~[qualified surviving]~~ child's participation in the commission of a felony.

(p) If a ~~[handicapped qualified surviving]~~ child with a disability received or is receiving workers' compensation resulting from an occupational injury equal to an amount less than the death benefit to be provided under this section, the difference shall be paid out of the assets of the fund in the form otherwise payable as monthly benefits. For purposes of Subsections ~~[Subsection]~~ (o), (o-1), and (o-2) of this section, if a lump sum is awarded for an injury, the fund's actuary may compute a corresponding monthly equivalent. A finding relating to a ~~[qualified surviving]~~ child's disability ~~[handicap]~~ is subject to periodic review and modification by the board.

(q) On the death or marriage of a ~~[qualified surviving]~~ child granted death benefits under this article, the death benefits shall cease being paid to that child; however, the same undiminished ~~[qualified surviving]~~ child's share as determined by this section shall be uniformly distributed among any remaining unmarried ~~[qualified surviving]~~ children who are:

(1) under 19 years of age; or
 (2) disabled ~~[and any unmarried qualified surviving children who are handicapped]~~ as described by Subsection (o-2) ~~[(e)]~~ of this section and entitled to death benefits as qualified survivors.

(r) A spouse of a primary party who married the primary party [resulting from any marriage to a former member or pensioner] after the date the primary party terminated [member or pensioner leaves] active service is not a qualified survivor [surviving spouse] and is [not] entitled only to those death benefits, if applicable, provided under Section 6.063 of this article.

(t) A ~~[qualified]~~ surviving spouse who first remarried on or after April 21, 1988, is eligible to receive death benefits for the remainder of the ~~[qualified surviving]~~ spouse's life provided the surviving spouse is a qualified survivor. This subsection may not be applied retroactively.

(u) The eligibility of a surviving spouse who first remarried before April 21, 1988, is governed by Section 6.061 of this article.

(v) The qualified survivors of a member who dies while performing qualified military service are entitled to any additional benefits, other than benefits relating to the qualified military service, that qualified survivors would have received if the member had returned from qualified military service the day before death, resumed employment, and then died.

SECTION 1.37. Part 6, Article 6243a-1, Revised Statutes, is amended by adding Sections 6.061, 6.062, 6.063, and 6.064 to read as follows:

Sec. 6.061. PROSPECTIVE REINSTATEMENT OF CERTAIN DEATH BENEFITS. (a) Subject to Subsection (c) of this section, the surviving spouse of a primary party who was a member of the old plan, Plan A, or Plan B whose death benefits, also referred to as "survivor benefits" or "widow benefits," terminated because of a remarriage of the surviving spouse that occurred before April 21, 1988, is entitled to receive death benefits, on a prospective basis only, as of the first day of the month following the month in which the executive director receives the application.

(b) The board shall make reasonable efforts to notify all known living surviving spouses who may be entitled to a reinstatement of benefits under this section.

(c) A surviving spouse's properly completed, board-approved application for reinstatement of death benefits under this section must be received by the executive director not later than the 180th day after the date the board completes, as determined by the board, the reasonable efforts required by Subsection (b) of this section.

(d) A surviving spouse's application for reinstatement of death benefits under this section constitutes the spouse's waiver of any claims against the pension system, the board, the executive director, or any other employee of the board or the pension system arising out of any claim for death benefits.

(e) This section may not be applied retroactively. A surviving spouse may not receive death benefits attributable to periods before the executive director's receipt of a properly completed and board-approved application, and any benefit

provided to a surviving spouse described in this section must be calculated as if the benefits had not terminated on the surviving spouse's remarriage notwithstanding the fact the reinstatement of benefits is not retroactive.

Sec. 6.062. LUMP-SUM PAYMENT ON DEATH OF CERTAIN MEMBERS. (a) If an unmarried member dies while on active service and before beginning participation in DROP, the last person to receive benefits as the member's qualified survivor or, if the member does not have a qualified survivor living, the member's designee, shall be paid a lump-sum payment determined in accordance with this section if, at the time of the member's death, the member:

(1) had no qualified survivors; or

(2) only had qualified survivors who are children who become ineligible to receive death benefits before the benefits were paid for at least 120 consecutive months.

(b) The amount of the lump-sum payment under this section is the greater of:

(1) the payment that could have been provided under Section 6.06(m) of this article; or

(2) an amount equal to the actuarial equivalent of the remainder of the monthly benefits that would have been paid for the period from the last monthly benefit payment to the end of the 120 months, starting with the date of the first monthly benefit payment, if any.

(c) If no death benefit payments have been made with respect to the member, the amount of a monthly death benefit payment shall be considered to be the monthly death benefit that would have been paid if the member had died leaving only one dependent parent who was a qualified survivor.

(d) If a qualified survivor or designee is entitled to payment under both this section and Section 6.06(m) of this article, payments shall be made only under this section.

(e) The payment required under this section shall be made as soon as practicable after the later of the date:

(1) of the death of the member; or

(2) the last qualified survivor becomes ineligible to receive monthly death benefit payments.

Sec. 6.063. AUTHORITY TO ELECT CERTAIN ACTUARIALLY REDUCED BENEFITS. (a) The board shall adopt policies under which a member who is leaving active service or a pensioner may elect to accept actuarially reduced benefits to provide the following optional benefits:

(1) a 100 percent joint and survivor annuity with the member's or pensioner's spouse;

(2) a 50 percent joint and survivor annuity with a spouse who is not a qualified survivor because the marriage to the pensioner occurred after the pensioner terminated active service, provided the election is made not later than one year after the date of the marriage; or

(3) a death benefit for a child who is not a qualified survivor because the child was born or adopted after the member left active service, but only if the child:

(A) is a dependent of the pensioner, within the meaning of Section 152(a)(1) of the code; and

(B) has not attained 18 years of age at the time of the election.

(b) An election under this section may not be revoked by the member or pensioner after it is filed with the pension system.

(c) Notwithstanding any other provision of this article, an election under this section shall result in benefits being paid as prescribed by this section instead of as prescribed by Section 6.01, 6.02, 6.04, 6.05, 6.07, or 6.08 of this article, as applicable.

(d) A pensioner who desires to make an election under Subsection (a)(1) of this section after having made an election under Subsection (a)(2) of this section shall incur a second actuarial reduction in benefits to pay for the increased survivor annuity.

(e) Except as provided by Subsection (f) of this section, a person is not entitled to the payment of benefits under this section with respect to a pensioner who makes an election after termination of active service and dies within one year after making the election, except the amount by which the pensioner's benefits were reduced are paid to the person who is entitled to receive payments under Section 6.064 of this article.

(f) Subsection (e) of this section does not apply to a person who makes an election under Subsection (a)(1) of this section to receive a 100 percent joint and survivor annuity with a spouse who is a qualified survivor at the time:

(1) the board grants a retirement pension; or

(2) a retirement pension would have been granted but for the fact that the person elected to participate in DROP after retirement.

(g) The actuarially reduced benefits being paid to the pensioner under this section will not be increased if the spouse dies before the pensioner, or if the child attains 19 years of age before the pensioner dies.

(h) The joint and survivor annuity or the pensioner's pension and child's death benefit payable under this section is the actuarial equivalent of the pension and death benefits, if any, that would have been payable, at the time of the election, if the election had not been made. On the death of the pensioner:

(1) the surviving spouse of a pensioner who made an election under Subsection (a)(1) of this section receives a pension that is equal to the reduced pension being received by the pensioner at the time of death; and

(2) a surviving spouse who is not a qualified survivor of a pensioner who made an election under Subsection (a)(2) of this section receives a pension that is 50 percent of the reduced pension being received by the pensioner at the time of death.

(i) A pensioner and surviving spouse receiving a death benefit payable under this section are eligible for adjustments under Sections 6.12 and 6.13 of this article, if the pensioner or surviving spouse, as applicable, is otherwise entitled to those adjustments, except that in each case the adjustment shall be calculated so that the total pension or death benefit paid is reduced by the same percentage the pensioner's pension is otherwise reduced under this section.

(j) A pensioner and surviving spouse receiving a death benefit payable under this section are not entitled to the minimum benefits provided under Section 6.10A, 6.10B, or 6.11 of this article.

(k) A surviving spouse receiving a death benefit payable under this section is not entitled to the special death benefit provided under Section 6.09 of this article.

(l) During a period in which there are two or more qualified survivors of a member who has made a joint and survivor annuity election under this section, the spousal benefit will be divided among the eligible survivors under Section 6.07 or 6.08 of this article, as applicable.

(m) A child's death benefit elected under Subsection (a)(3) of this section is treated the same way as a death benefit to a child who is a qualified survivor, except that it is based on the actuarially reduced pension.

Sec. 6.064. DESIGNNEES. (a) A member, pensioner, or qualified survivor may at any time designate, in writing, one or more persons as a designee to receive any lump-sum payment due from the pension system on the death of the member, pensioner, or qualified survivor, as applicable.

(b) A designation under this section of a person other than the spouse of the member, pensioner, or qualified survivor, as appropriate, must be made with the written consent of the spouse, if the individual has a spouse.

(c) A designation made under this section:

(1) may be revoked or changed at any time; and

(2) is void if the person designated dies or goes out of existence before the payment is made.

(d) If a member, pensioner, or qualified survivor designates a spouse to receive a payment and the parties are later divorced, the designation is void at the time of the divorce unless ratified in writing at the time of the divorce or after that time.

(e) A designation by a member under this section is void at the time the member becomes a pensioner unless ratified in writing at the time the member becomes a pensioner or after that time.

(f) If a member, pensioner, or qualified survivor does not have a valid designee on file with the pension system at the time of death, the designee is:

(1) the spouse;

(2) the qualified survivors, if any, if there is no spouse;

(3) the estate of the person, if there is no spouse or qualified survivors;

or

(4) the heirs of the person, if there is no spouse, qualified survivors, or estate.

SECTION 1.38. Sections 6.07, 6.08, 6.09, and 6.10A, Article 6243a-1, Revised Statutes, are amended to read as follows:

Sec. 6.07. GROUP A DEATH BENEFITS. (a)(1) If a Group A member dies before leaving active service [~~retirement~~] and before the Group A member had [~~has~~] 20 years of pension service, the Group A member's [~~leaving both a qualified surviving~~] spouse and [~~qualified surviving~~] children who are [~~-, the~~] qualified [~~surviving spouse shall make an election for all~~] survivors shall, in the

~~aggregate, [to] receive a Group A death benefit [consisting in the aggregate of an amount] equal to a Group A retirement pension computed under the terms of Section 6.01 of this article as if the Group A member had completed 20 years of pension service. [An election under this subdivision, once made, is irrevocable. This Group A death benefit shall be divided one half to the qualified surviving spouse and one half to the qualified surviving children.]~~

~~(2) If a Group A [pensioner dies during disability retirement and before the Group A pensioner had 20 years of pension service, leaving both a qualified surviving spouse and qualified children, the survivors in the aggregate shall receive a Group A death benefit calculated either under Sections 6.01(b) and (e) of this article if the Group A pensioner's Group A disability pension was calculated under Section 6.04(a) of this article, or under Section 6.01(e) of this article if the Group A pensioner's Group A disability pension was calculated under Section 6.04(b) of this article. This Group A death benefit shall be divided one half to the qualified surviving spouse and one half to the qualified surviving children.~~

~~[(b)(1) If a Group A member or former Group A] member dies before service retirement and after the Group A member has [or former Group A member has] 20 years of pension service, the Group A member's [leaving both a qualified surviving] spouse and [qualified surviving] children[;] who are [the] qualified [surviving spouse shall make an election for all] survivors shall, in the aggregate, [to] receive a Group A death benefit calculated under Section 6.01 of this article as if the Group A member [of an amount equal to a Group A retirement pension the Group A member or former Group A member would have received] had [the person] left active service on the date of the [death, computed under the terms of Section 6.01 of this article. An election under this subdivision, once made, is irrevocable. This] Group A member's death [benefit shall be divided one half to the qualified surviving spouse and one half to the qualified surviving children].~~

(3) If a Group A pensioner dies during service retirement, the Group A pensioner's spouse and children who are qualified survivors shall, in the aggregate, receive a Group A death benefit in an amount equal to the Group A retirement pension being received by the Group A pensioner on the date of the pensioner's death.

(4) If a Group A pensioner dies after November 25, 1996, while receiving periodic disability compensation under Section 6.05 of this article or a disability pension under Section 6.04 of this article, and before the Group A pensioner has 20 years of pension service, the Group A pensioner's spouse and children who are qualified survivors shall, in the aggregate, receive a Group A death benefit calculated under Section 6.04 or 6.05 of this article, as applicable, in the same manner as the Group A pensioner's periodic disability compensation or disability pension, but as if the Group A pensioner had completed 20 years of pension service.

(5) [(2)(A)] If a Group A pensioner who has 20 or more years of pension service dies during disability retirement, the Group A pensioner's spouse and children who are qualified survivors shall, in the aggregate, [dies leaving

~~both a qualified surviving spouse and qualified surviving children, the qualified surviving spouse shall make an election for all survivors to~~ receive a Group A death benefit in an ~~the~~ amount equal to ~~of~~ the Group A ~~disability~~ ~~retirement~~ pension being received by the Group A pensioner on the date of the pensioner's death.

~~(b) [before the person's death. This] Group A death benefits under Subsection (a) of this section [benefit] shall:~~

~~(1) be divided one-half to the [qualified surviving] spouse and one-half to the [qualified surviving] children who are qualified survivors; and [-]~~

~~(2) subject to [(B) With] the terms of Sections [exception of those circumstances described by Section] 6.06(n), (o), (o-1), and (o-2) of this article, be distributed in an equal and uniform manner to the children described by Subdivision (1) of this subsection [the Group A death benefits awarded to the qualified survivors under this subsection shall be paid entirely to the qualified surviving spouse and the qualified surviving children. The qualified surviving children's one half share shall be equally and uniformly distributed by the qualified surviving spouse to them].~~

~~(c) [(e)(1)] If a Group A member or pensioner [former Group A member] dies leaving no [qualified surviving] spouse or [qualified surviving] children who are qualified survivors, the [but leaves surviving one or both qualified surviving dependent parents, the qualified surviving] dependent parents who are qualified survivors shall [may elect to] receive a Group A death benefit equal to the death benefit otherwise payable under Subsection (a) of this section. The death benefit payable to the dependent parents under this subsection shall be divided equally between the parents regardless of whether the parents are married or living at the same residence. [Group A retirement pension the Group A member or former Group A member would have been entitled to under Section 6.01 of this article after leaving active service. If there are two qualified dependent parents, the election must be mutual. An election under this subdivision, once made, is irrevocable. The qualified surviving dependent parents of a Group A pensioner shall receive a Group A death benefit equal to the amount of the actual Group A retirement pension being received at the time of the pensioner's death, divided equally between the qualified surviving dependent parents.~~

~~(2) If a Group A pensioner dies during disability retirement and before the Group A pensioner had 20 years of pension service, leaving no qualified surviving spouse or qualified surviving children, but leaves surviving one or both qualified surviving dependent parents, the qualified surviving dependent parents may elect to receive a Group A death benefit calculated either: under Sections 6.01(b) and (c) of this article if the Group A pensioner's Group A disability pension was calculated under Section 6.04(a) of this article, or under Section 6.01(c) of this article if the Group A pensioner's Group A disability pension was calculated under Section 6.04(b) of this article. An election under this subdivision, once made, is irrevocable.~~

~~[(d)] If there is only one [qualified surviving] dependent parent, that [the] parent is entitled to one-half of the death benefit described in [amount determined under Subsection (c)(1) or (c)(2) of] this subsection [section].~~

Sec. 6.08. GROUP B DEATH BENEFITS. (a) If a Group B member dies while on active service, a ~~[former]~~ Group B member who left active service and is vested under Section 5.06 of this article dies, or a Group B pensioner dies while receiving ~~[on]~~ service or disability retirement or while receiving periodic disability compensation under Section 6.05 of this article, the person's qualified survivors, or the person described in Section 6.06(g) or (j) of this article as the recipient of the children's benefits ~~[guardian of the qualified surviving children if no qualified surviving spouse exists]~~, may make application for Group B death benefits. If the deceased ~~[The qualified surviving spouse of a Group B member or former Group B member described by this subsection, the guardian of the qualified surviving children of the person if no qualified surviving spouse exists, or the qualified dependent parents if no qualified surviving spouse or qualified surviving children exist, have the option to select whether Group A or Group B death benefits are received, if the Group B member or former]~~ Group B member was previously eligible to elect whether to receive either a Group A or Group B retirement pension, the option to elect whether Group A or Group B death benefits are received shall be exercised by one of the following:

(1) a qualified survivor who is the spouse of the deceased Group B member described by this subsection;

(2) the person described in Section 6.06(g) or (j) of this article as the recipient of benefits on behalf of the deceased member's children who are qualified survivors, if no spouse is a qualified survivor; or

(3) the qualified survivors who are dependent parents of the deceased member, if there is neither a spouse nor children who are qualified survivors.

(a-1) A qualified survivor who receives Group A death benefits under Subsection (a) of this section ~~[subsection]~~ is entitled to a ratable portion of a reimbursement from the fund in the same amount and manner determined under Section 5.03(d) of this article. A qualified survivor or guardian desiring a refund of excess contributions must make application for the refund with the executive director ~~[administrator]~~ within three years after the date the qualified survivor or guardian makes application for Group A death benefits. The option contained in this subsection is not available to qualified survivors of a Group B member ~~[or former Group B member]~~ who had, at the time of death, already applied for a retirement pension and selected a Group A retirement pension as provided by Section 5.03(c) or (c-1) of this article, but the qualified survivors are entitled to receive a Group A death benefit.

(b) Subject to Subsection (b-2) of this section, death ~~[Death]~~ benefits shall be computed as follows for the qualified survivors of Group B members who die while on active service:

(1) the ~~[A qualified surviving spouse's Group B]~~ death benefit of a qualified survivor who is the spouse of a member who began active service:

(A) before March 1, 2011, shall be the sum of:

(i) the number of years of pension service earned before September 1, 2017, prorated for fractional years, times 1.5 percent of the [computed at the rate of 1.5 percent of the Group B member's] average computation pay determined over the 36 [60] consecutive months of pension service in which the Group B member received the highest computation pay; plus

(ii) the number of [, for each year, and prorated for fractional years, of pension service with a minimum of 20] years of pension service, including pension service credit imputed under Section 6.05(c) of this article, after September 1, 2017, prorated for fractional years, times the applicable percentage rate set forth below [assumed, or 30 percent] of the average computation pay determined over the 60 consecutive months of pension service in which the Group B member received the highest computation pay:

<u>Age of Member When Retirement Pension Begins</u>	<u>Percent</u>
<u>58 and older</u>	<u>1.25%</u>
<u>57</u>	<u>1.2%</u>
<u>56</u>	<u>1.15%</u>
<u>55</u>	<u>1.10%</u>
<u>54</u>	<u>1.05%</u>
<u>53 and younger</u>	<u>1.0%; or</u>

(B) on or after March 1, 2011, shall be the number of years of pension service, including pension service imputed under Section 6.05(c) of this article, prorated for fractional years, times 1.25 percent of the average computation pay determined over the 60 consecutive months of pension service in which the Group B member received the highest computation pay;

(2) the death benefit of qualified survivors who are a member's children shall be computed in the same manner as a spouse's benefit is computed under Subdivision (1)(A) or (B) of this subsection, as applicable, and shall be divided equally among all of the children who are qualified survivors; and

(3) the death benefit of each qualified survivor who is a member's dependent parent shall be computed in the same manner as a spouse's Group B benefit is computed under Subdivision (1)(A) or (B) of this subsection, as applicable.

(b-1) Pension service for purposes of the calculation under Subsection (b) of this section may not be less than 20 years. Any partial year of pension service for the first 20 years of pension service is counted as a full year of pension service, if the member was considered by the member's department to have worked a normal full-time schedule at the time of the member's death.

(b-2) The death benefit calculated under Subsection (b) of this section may not exceed the greater of:

(1) 45 [a computation for 32 years of pension service, or 48] percent of the member's average computation pay determined over the 36 or 60 consecutive months, as applicable, in which the Group B member received the highest computation pay; or

(2) the vested and accrued death benefit as determined on August 31, 2017.

(b-3) For purposes of Subsections (b) through (b-2) of this section:

(1) if ~~[H]~~ the Group B member had less than 36 or 60 consecutive months, as applicable, ~~[five years]~~ of pension service, the average computation pay will be computed based on the person's entire pension service; and

(2) days during which the member earned no pension service due to a termination of active service or otherwise must be disregarded in determining the 36 or 60 consecutive months of highest computation pay.

~~[(2) A qualified surviving child's Group B death benefit shall be computed in the same manner as a qualified surviving spouse's benefit is computed under Subdivision (1) of this subsection and shall be divided equally among all of the qualified surviving children.~~

~~[(3) Each qualified surviving dependent parent's Group B death benefit shall be computed in the same manner as a qualified surviving spouse's Group B benefit is computed under Subdivision (1) of this subsection.]~~

(c) Group B death benefits shall be computed as follows for the qualified survivors of any ~~[former]~~ Group B member who died after leaving active service and who had vested rights under Section 5.06 of this article but who had not received ~~[Group B]~~ retirement benefits ~~[under Section 6.02 of this article]~~ at the time of death:

(1) the death benefit of a [The] qualified survivor who is the member's [surviving] spouse [of the former Group B member] is [entitled to a Group B death benefit] equal to 50 percent of any [Group B] retirement pension the [former Group B] member would have been entitled to [under Section 6.02 of this article] as of the date the [former Group B] member left active service;[-]

(2) the death benefits of [The] qualified survivors who are the member's [surviving] children [of the former Group B member] are [entitled to a Group B benefit] calculated in the same manner as the spouse's benefit is computed under Subdivision (1) of this subsection [Group B death benefit of a qualified surviving spouse], to be divided equally between the [qualified surviving] children; and[-]

(3) the death benefit of each [Each of the] qualified survivor who is the member's [surviving] dependent parent [parents of the former Group B member] is [entitled to a Group B death benefit] equal to 50 percent of any [Group B] retirement pension the [former Group B] member would have been entitled to [under the provisions of Section 6.02 of this article] as of the date the [former Group B] member left active service.

(d) Group B death benefits shall be computed as follows for the qualified survivors of any Group B pensioner ~~[of this plan]~~ who dies while receiving service ~~[a Group B] retirement [pension]~~:

(1) the death benefit of a [The] qualified [surviving] survivor who is the pensioner's spouse [of a Group B pensioner] is [entitled to Group B death benefits] equal to 50 percent of any retirement pension the Group B pensioner was receiving at the time of death;[-]

(2) the death benefits of qualified survivors who are the pensioner's [The qualified surviving] children [of a Group B pensioner] are [entitled to a Group B death benefit] calculated in the same manner as the spouse's benefit is

computed under Subdivision (1) of this subsection ~~[Group B death benefit of a qualified surviving spouse]~~, to be divided equally between the ~~[qualified surviving]~~ children; and[-]

(3) the death benefit of each ~~[Each of the]~~ qualified survivor who is the pensioner's ~~[surviving]~~ dependent parent ~~[parents of a Group B pensioner]~~ is ~~[entitled to a Group B death benefit]~~ equal to 50 percent of any retirement pension the Group B pensioner was receiving at the time of death.

(e) Group B death benefits shall be computed as follows for the qualified survivors of any Group B pensioner who dies while receiving disability retirement or while receiving periodic ~~[a Group B]~~ disability compensation under Section 6.05 of this article ~~[pension due to either a service connected or nonservice connected disability]~~:

(1) the death benefit of a ~~[The]~~ qualified survivor who is the pensioner's ~~[surviving]~~ spouse ~~[of the Group B pensioner]~~ is ~~[entitled to the greater of a Group B death benefit]~~ equal to 50 percent of any Group B periodic disability compensation or disability pension the Group B pensioner would have been entitled to ~~[under Section 6.05 of this article]~~ as of the date the Group B pensioner left active service because of disability, or a Group B death benefit equal to 50 percent of any periodic disability compensation or ~~[Group B]~~ disability pension the Group B pensioner was receiving at the time of death;[-]

(2) the death benefits of ~~[The]~~ qualified survivors who are the pensioner's ~~[surviving]~~ children ~~[of the Group B pensioner]~~ are ~~[entitled to a Group B death benefit]~~ calculated in the same manner as the spouse's ~~[Group B death]~~ benefit is computed under Subdivision (1) of this subsection ~~[of a qualified surviving spouse]~~, to be divided equally between the ~~[qualified surviving]~~ children; and[-]

(3) the death benefit of each ~~[Each of the]~~ qualified survivor who is the pensioner's ~~[surviving]~~ dependent parent ~~[parents of the Group B pensioner]~~ is ~~[entitled to the greater of a Group B death benefit]~~ equal to 50 percent of any periodic disability compensation or disability pension the Group B pensioner would have been entitled to ~~[under Section 6.05 of this article]~~ as of the date the Group B pensioner left active service because of disability, or a Group B death benefit equal to 50 percent of any periodic disability compensation or ~~[Group B]~~ disability pension the Group B pensioner was receiving at the time of death.

Sec. 6.09. QUALIFIED SURVIVING SPOUSE SPECIAL DEATH BENEFIT. (a) A person who is the ~~[Notwithstanding Sections 6.06 and 6.07 of this article, the qualified surviving]~~ spouse of a Group A primary party, who is a qualified survivor, and who is entitled to death benefits under Sections 6.06, 6.061, 6.062, 6.063, and 6.07 of this article is also entitled to a special death benefit under this section if:

(1) the Group A primary party:

(A) ~~[elected to receive a Group A retirement pension and later died, was receiving a disability or retirement pension either under the terms of Plan A before the original enactment of this article or elected to receive a Group A~~

~~retirement pension under Sections 6.01(e), (f), and (g) of this article and later died, or was receiving a Group A disability pension under Section 6.04(e) of this article and later died;~~

~~[(2) the Group A primary party (i) had at least 20 years of pension service, [and] left active service after October 1, 1985, and was at least 55 years of age on the earlier of the date the primary party:~~

~~(i) left active service; or~~

~~(ii) began participation in DROP [or older]; or~~

~~(B) had [(ii) on or after May 1, 1990, the Group A primary party, after accruing] at least 20 years of pension service, left active service on or after May 31, 2000, and on the earlier of the date the primary party left active service or began participation in DROP, [and] had a total of at least 78 [80] credits, with each year of pension service, prorated for fractional years, equal to one credit and with each year of age, prorated for fractional years, equal to one credit; or [and]~~

~~(2) the [(3) the qualified surviving] spouse has attained 55 years of age and there are no [qualified surviving] children who are qualified survivors eligible for death benefits.~~

(b) Until the requirements of Subsection (a) of this section are satisfied, a qualified survivor who is the spouse of a Group A primary party [surviving spouse] shall receive a Group A death benefit in accordance with Section 6.07 of this article.

(c) The special Group A death benefit under Subsection (a) of this section is calculated based on the following formula:

$$(P \times P \times A) + (P \times C) + D, \text{ where}$$

A = base pay at the time the Group A primary party began participation in DROP, begins service retirement, dies, or becomes disabled, plus longevity pay, plus one-twelfth of last-received city service incentive pay;

B = Group A primary party's benefit calculated at the time the Group A primary party began participation in DROP, begins service retirement, dies, or becomes disabled;

P = B/A (expressed as a percentage or a decimal);

C = the number of adjustments made to a Group A primary party's [Group A] retirement pension, disability pension, or periodic [Group A] disability compensation, [pension under Section 6.04 of this article] multiplied by the amount of the adjustments; and

D = the number of adjustments made under this article to the [a qualified surviving spouse's] Group A death benefit of a spouse who is a qualified survivor under Section 6.07 of this article, multiplied by the amount of the adjustments.

(d) A person who is the [Notwithstanding Sections 6.03 and 6.05 of this article, a qualified surviving] spouse of a Group B primary party, who is a qualified survivor, and who is entitled to any death benefits under Sections 6.06, 6.061, 6.062, 6.063, and ~~[or]~~ 6.08 of this article is also entitled to a special benefit under this section if:

(1) the Group B primary party ~~[elected to receive a Group B retirement pension and later died, or was receiving a Group B disability or retirement pension under this article and died;~~

~~[(2) the Group B primary party]:~~

(A) had at least 20 years of pension service, left active service after October 1, 1985, and was at least 55 years of age at the earlier of the date the primary party left ~~[time of leaving]~~ active service or began participation in DROP; or

(B) on or after May 31, 2000 ~~[1, 1990]~~, ~~[the Group B primary party]~~ left active service or began participation in DROP, whichever was earlier, having a total of at least 78 ~~[80]~~ credits, with each year of pension service, prorated for fractional years, equal to one credit and with each year of age, determined at the time the Group B primary party left active service or began participation in DROP, prorated for fractional years, equal to one credit; or ~~[and]~~

~~(2) [(2)]~~ the ~~[qualified surviving]~~ spouse has attained 55 years of age, and there are no ~~[qualified surviving]~~ children of the primary party who are qualified survivors.

~~(d-1)~~ Until the requirements of Subsection ~~(d)~~ ~~[(e)]~~ of this section are satisfied, a spouse who is a qualified survivor ~~[surviving spouse]~~ may only receive a Group B death benefit in accordance with Sections 6.06, 6.061, 6.062, 6.063, [6.03] and 6.08 ~~[6.05]~~ of this article.

~~(e)~~ The ~~[This]~~ special Group B death ~~[survivor]~~ benefit under Subsection (d) of this section is calculated based on the following formula:

$$(P \times P \times A) + (P \times C) + D, \text{ where}$$

A = average monthly computation pay at the time the Group B primary party begins service retirement, dies, ~~[or]~~ becomes disabled, or begins participation in DROP;

B = the Group B primary party's benefit ~~[Group B retirement or Group B disability pension]~~ calculated at the time the Group B primary party begins participation in DROP, begins to receive service ~~[or disability]~~ retirement, ~~[or]~~ dies, or becomes disabled;

P = B/A (expressed as a percentage or a decimal);

C = the number of post-retirement ~~[postretirement]~~ adjustments made to a Group B primary party's ~~[Group B]~~ retirement pension, disability pension, or periodic ~~[Group B]~~ disability compensation ~~[pension under Section 6.05 of this article]~~ multiplied by the amount of the adjustments; and

D = the number of adjustments made to the ~~[a qualified surviving spouse's]~~ Group B death benefit of a qualified survivor who is the primary party's spouse under Section 6.08 of this article multiplied by the amount of the adjustments.

Sec. 6.10A. MINIMUM BENEFITS TO CERTAIN GROUP A PRIMARY PARTIES WHO WERE GROUP A, OLD PLAN, OR COMBINED PENSION PLAN MEMBERS ~~[ELECT TO RECEIVE RETIREMENT PENSION UNDER SECTIONS 6.01(B) AND (C)]~~ AND THEIR QUALIFIED SURVIVORS. (a) Except as provided by Section 6.063 of this article or Subsections (b) and (h) of this section and notwithstanding any benefit computation and determination to the contrary contained in this article, the minimum Group A benefits provided by this section shall be paid to any Group A primary party who elects to receive a Group A retirement pension under Sections 6.01(b) and (c) of this article, the old plan, or former Section 14(a) of this article, or to the primary party's qualified

survivors [~~The benefits under this section shall be distributed in accordance with Sections 6.01(b) and (c), 6.04(a), or 6.07 of this article, as applicable~~], except that a Group A primary party who elects to receive an actuarially reduced [~~Group A retirement pension because of the primary party's request to receive a Group A~~] retirement pension before 50 years of age and the primary party's qualified survivors are not entitled to the [~~Group A~~] minimum benefits specified under this section. An alternate payee is not entitled to the Group A minimum benefits specified in this section.

(b) A Group A primary party who elects to receive a Group A retirement pension under Sections 6.01(b) and (c) of this article, the old plan, or former Section 14(a) of this article and who left active service with 20 or more years of pension service is entitled to receive a minimum Group A retirement pension of \$2,200 [~~\$1,500~~] a month. [~~If the Group A primary party's Group A retirement pension is subject to a qualified domestic relations order and the sum of the actuarial equivalents of the monthly benefits payable to the Group A primary party and the alternate payee is less than the actuarial equivalent of the minimum monthly Group A retirement pension described by this subsection, the Group A primary party's monthly Group A retirement pension will be increased so that the sum of the actuarial equivalents of the alternate payee's and the Group A primary party's monthly Group A retirement pension equals the actuarial equivalent of the minimum monthly Group A retirement pension calculated under this subsection.~~]

(c) In the absence of children who are [A] qualified survivors, a [surviving] spouse who is a qualified survivor of a Group A primary party who elected to receive a Group A retirement pension under Sections 6.01(b) and (c) of this article, the old plan, or former Section 14(a) of this article will receive a minimum monthly Group A death benefit of \$1,200 [~~\$750~~].

(d) A spouse who is a qualified survivor [surviving spouse] of a Group A primary party who elected to receive a Group A retirement pension under Sections 6.01(b) and (c) of this article, the old plan, or former Section 14(a) of this article will receive, if there are children who are qualified survivors [surviving children], a minimum Group A death benefit of \$1,100 [~~\$750~~] a month. [~~The qualified surviving children, as a group, will receive a minimum Group A death benefit of \$750 a month, to be divided equally among them.~~]

(e) In the absence of a spouse who is a qualified survivor [surviving spouse] of a Group A primary party who elected to receive a Group A retirement pension under Section [Sections] 6.01(b), [and] (c), or (e) of this article, the old plan, or former Section 14(a) of this article, the primary party's children who are qualified survivors [surviving children], as a group, will receive a minimum Group A death benefit of \$1,100 [~~\$750~~] a month, to be divided equally among them.

(f) If there is neither a [In the absence of both a qualified surviving] spouse nor a child who is a [and] qualified survivor [surviving children] of a Group A primary party who elected to receive a Group A retirement pension under Sections 6.01(b) and (c) of this article, the old plan, or former Section 14(a) of this article, each [qualified surviving] dependent parent who is a qualified survivor will receive a minimum Group A death benefit of \$1,100 [~~\$750~~] a

month. If only one of them is surviving, ~~that [the qualified surviving]~~ dependent parent will receive a minimum Group A death benefit equal to \$1,100 ~~[\$750]~~ a month.

(g) Notwithstanding the minimum monthly benefit described in other subsections of this section, a Group A primary party who receives periodic disability compensation under Section 6.05(b) of this article or a Group A disability pension under Section 6.04(a) of this article, the old plan, or former Section 17(a) of this article, [calculated in the same manner as a Group A retirement pension under Sections 6.01(b) and (c) of this article.] shall receive a minimum Group A disability pension equal to \$2,200 ~~[\$1,500]~~ a month.

(h) If a Group A pensioner who received a monthly benefit under Section 6.05(b-1) of this article or a disability pension under Section 6.04(a) of this article, calculated in the same manner as a Group A retirement pension under Sections 6.01(b) and (c) of this article, the old plan, or former Section 17(a) of this article ~~[primary party's disability pension is subject to a qualified domestic relations order and the sum of the actuarial equivalents of the monthly benefits payable to the Group A primary party and the alternate payee is less than the actuarial equivalent of the minimum monthly Group A disability pension determined under Subsection (g) of this section, the Group A primary party's minimum monthly Group A disability pension will be increased so that the sum of the actuarial equivalents of the alternate payee's and the Group A primary party's minimum monthly Group A disability pension equals the amount determined under Subsection (g) of this section.~~

~~[(i) If a Group A pensioner who received a disability under Section 6.04(a) of this article, calculated in the same manner as a Group A retirement pension under Sections 6.01(b) and (c) of this article] before the completion of 20 years of pension service dies, the qualified survivors will receive a minimum Group A death benefit as provided under Subsection (c), (d), (e), or (f) of this section, as applicable, whichever is greatest.~~

SECTION 1.39. The heading to Section 6.10B, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 6.10B. MINIMUM BENEFITS TO CERTAIN GROUP A PRIMARY PARTIES WHO WERE GROUP A, PLAN A, OR COMBINED PLAN MEMBERS ~~[ELECT TO RECEIVE RETIREMENT PENSION UNDER SECTION 6.01(E)]~~ AND THEIR QUALIFIED SURVIVORS.

SECTION 1.40. Sections 6.10B(a), (b), (c), (d), (e), (f), (g), and (i), Article 6243a-1, Revised Statutes, are amended to read as follows:

(a) Except as provided by Section 6.063 of this article and Subsection [Subsections] (b) [and (h)] of this section and notwithstanding any benefit computation and determination to the contrary contained in this article, the minimum Group A benefits provided by this section shall be paid to any Group A primary party who elects to receive a Group A retirement pension under Section 6.01(e) of this article, Plan A, or former Section 14(b) of this article or to the primary party's qualified survivors~~[-The benefits under this section shall be distributed in accordance with Section 6.01(e), 6.04(b), or 6.07 of this article, as applicable]~~, except that a Group A primary party who elects to receive an

actuarially reduced Group A retirement pension [~~because of the primary party's request to receive a Group A retirement pension~~] before 55 years of age and the primary party's qualified survivors are not entitled to the [~~Group A~~] minimum benefits specified in [~~under~~] this section. An alternate payee is not entitled to the Group A minimum benefits specified in this section.

(b) A Group A primary party who elects [~~elects~~] to receive a Group A retirement pension under Section 6.01(e) of this article, Plan A, or former Section 14(b) of this article and who left active service with 20 or more years of pension service is entitled to receive a minimum [~~Group A~~] retirement pension equal to the greater of \$2,200 [~~(i) \$1,500~~] a month or [(ii)] \$1,000 a month adjusted, if applicable, in the manner described by Section 6.12 [~~6.12(a)~~] of this article. [~~If the Group A primary party's Group A retirement pension is subject to a qualified domestic relations order and the sum of the actuarial equivalents of the monthly benefits payable to the Group A primary party and the alternate payee is less than the actuarial equivalent of the minimum monthly Group A retirement pension described by this subsection, the Group A primary party's monthly Group A retirement pension will be increased so that the sum of the actuarial equivalents of the alternate payee's and the Group A primary party's monthly Group A retirement pension equals the actuarial equivalent of the minimum monthly Group A retirement pension calculated under this subsection.~~]

(c) In the absence of children who are [~~A~~] qualified survivors, a [~~surviving~~] spouse who is a qualified survivor of a Group A primary party who elects [~~elects~~] to receive a Group A retirement pension under Section 6.01(e) of this article, Plan A, or former Section 14(b) of this article will receive a minimum monthly [~~Group A~~] death benefit equal to the greater of \$1,200 [~~(i) \$750~~] a month or [(ii)] \$500 a month adjusted, if applicable, in the manner described by Section 6.12 [~~6.12(a)~~] of this article.

(d) A spouse who is a qualified survivor [~~surviving spouse~~] of a Group A primary party who elects to receive a Group A retirement pension under Section 6.01(e) of this article, Plan A, or former Section 14(b) of this article will receive, if there are children who are qualified survivors [~~surviving children~~], a minimum Group A death benefit equal to the greater of \$1,100 [~~(i) \$750~~] a month or [(iii)] \$500 a month adjusted, if applicable, in the manner described by Section 6.12 [~~6.12(a)~~] of this article. The children who are qualified survivors [~~surviving children~~], as a group, will receive a minimum [~~Group A~~] death benefit equal to the greater of \$1,100 [(iii) ~~\$750~~] a month or [(iv)] \$500 a month adjusted, if applicable, in the manner described by Section 6.12 [~~6.12(a)~~] of this article, to be divided equally among them.

(e) In the absence of a spouse who is a qualified survivor [~~surviving spouse~~] of a Group A primary party who elected to receive a Group A retirement pension under Section 6.01(e) of this article, Plan A, or former Section 14(b) of this article, the [~~the qualified surviving children of a Group A~~] primary party's children who are qualified survivors [~~party~~], as a group, will receive a minimum Group A death benefit equal to the greater of \$1,100 [~~(i) \$750~~] a month or [(iii)] \$500 a month adjusted, if applicable, in the manner described by Section 6.12 [~~6.12(a)~~] of this article, to be divided equally among them.

(f) If there is neither a ~~[In the absence of both a qualified surviving]~~ spouse nor child who is a ~~[and]~~ qualified survivor ~~[surviving children]~~ of a Group A primary party who elected to receive a Group A retirement pension under Section 6.01(e) of this article, Plan A, or the former Section 14(b) of this article, each ~~[qualified surviving]~~ dependent parent who is a qualified survivor will receive a minimum Group A death benefit equal to the greater of \$1,100 ~~[(i) \$750]~~ a month or ~~[(iii)]~~ \$500 a month adjusted, if applicable, in the manner described by Section 6.12 ~~[6.12(a)]~~ of this article. If only one of them is surviving, that ~~[the qualified surviving]~~ dependent parent will receive a minimum Group A death benefit equal to the greater of \$1,100 ~~[(iii) \$750]~~ a month or ~~[(iv)]~~ \$500 a month adjusted, if applicable, in the manner described by Section 6.12 ~~[6.12(a)]~~ of this article.

(g) Notwithstanding the minimum monthly benefit as described in other subsections of this section, a Group A primary party who leaves active service on a non-service-connected ~~[nonservice connected]~~ disability under Section 6.04(a) ~~[6.04(b)(2)]~~ of this article, Plan A, or former Section 17(b)(2) of this article with less than 20 years of pension service shall receive a minimum monthly Group A disability pension equal to the greater of \$110 ~~[(i) \$75]~~ multiplied by the number of years of the primary party's pension service or ~~[(ii)]~~ \$50 multiplied by the number of years of the primary party's pension service, the product adjusted, if applicable, in the manner described by Section 6.12 ~~[6.12(a)]~~ of this article.

(i) If a Group A pensioner who received a non-service-connected ~~[nonservice connected]~~ disability pension under Section 6.04(a) ~~[6.04(b)(2)]~~ of this article, Plan A, or former Section 17(b)(2) of this article before the completion of 20 years of pension service dies, the qualified survivors will each receive the amount specified in Section 6.07 of this article or the minimum ~~[monthly]~~ Group A death benefit as provided under Subsection (c), (d), (e), or (f) of this section, as applicable, whichever is greatest.

SECTION 1.41. Sections 6.11, 6.12, and 6.13, Article 6243a-1, Revised Statutes, are amended to read as follows:

Sec. 6.11. MINIMUM BENEFITS TO GROUP B PRIMARY PARTIES AND THEIR QUALIFIED SURVIVORS. (a) Except as provided by Section 6.063 of this article or Subsections (b), (c), and (h) of this section and notwithstanding any benefit computation and determination to the contrary contained in this article, the minimum Group B benefits provided by this section shall be paid to any Group B primary party or the primary party's qualified survivors, except further that a Group B primary party who elects to receive an actuarially reduced [Group B] retirement pension, including a request for a benefit under Sections 6.02(c) and (d) of this article, [because of the primary party's request to receive the pension at or after age 45, but before age 50] and the primary party's qualified survivors~~[-]~~ or ~~[an]~~ alternate payee ~~[of the primary party]~~, are not entitled to the Group B minimum benefits specified by this section.

(b) If a Group B primary party leaves active service with 20 or more years of pension service, the Group B primary party is entitled to receive a Group B minimum retirement pension equal to the greater of \$2,200 ~~[(i) \$1,500]~~ a month or ~~[(iii)]~~ \$925 a month, which sum may (A) increase at the rate of \$5 a month for each year of pension service beyond 20 years, but the increase may not exceed

~~\$75 and (B) be adjusted, if applicable, in the manner described by Section 6.12 [6.12(a)] of this article. [If a Group B primary party's Group B retirement pension is or becomes subject to a qualified domestic relations order and the sum of the actuarial equivalents of the monthly Group B retirement pension payable to the Group B primary party and the alternate payee is less than the actuarial equivalent of the minimum monthly Group B retirement pension as calculated under this subsection, the Group B primary party's monthly Group B retirement pension will be increased so that the sum of the actuarial equivalents of both the alternate payee's and the Group B primary party's Group B retirement pensions equals the actuarial equivalent of the minimum monthly Group B retirement pension as calculated under this subsection.]~~

(c) If a Group B primary party leaves active service with less than 20 years of pension service, the primary party is entitled to receive a minimum monthly Group B retirement pension equal to the greater of:

(1) ~~\$2,200 [(i) \$1,500]~~ a month divided by 20 and multiplied by the Group B primary party's number of years of pension service; or

(2) ~~[(ii)]~~ \$925 a month divided by 20 and multiplied by the Group B primary party's number of years of pension service, which amount is then adjusted, if applicable, in the manner described by Section 6.12 [6.12(a)] of this article. ~~[If a Group B primary party's retirement pension is or becomes subject to a qualified domestic relations order and the sum of the actuarial equivalents of the monthly Group B retirement pension payable to the Group B primary party and the alternate payee is less than the actuarial equivalent of the monthly retirement pension as calculated under this subsection, the Group B primary party's monthly Group B retirement pension will be increased so that the sum of the actuarial equivalents of the alternate payee's and the Group B primary party's monthly Group B retirement pensions equals the actuarial equivalent of the minimum monthly Group B retirement pension as calculated under this subsection.]~~

(d) In the absence of children who are qualified survivors, a spouse who is a ~~[surviving children, the]~~ qualified survivor ~~[surviving spouse]~~ of a Group B primary party will receive a minimum Group B death benefit equal to the greater of:

(1) ~~\$1,200 [(i) \$750]~~ a month; or

(2) ~~[(ii)]~~ \$600 a month adjusted, if applicable, in the manner described by Section 6.12 [6.12(a)] of this article.

(e) A spouse who is a qualified survivor ~~[surviving spouse]~~ of a Group B primary party ~~[will receive]~~, if there are children who are qualified survivors ~~[surviving children]~~, will receive ~~[the greater of a minimum Group B death benefit of 50 percent of the primary party's minimum monthly Group B retirement pension described by Subsection (b) or (c) of this section, whichever is applicable. The qualified surviving children, as a group, will receive the greater of]~~ a minimum ~~[monthly]~~ Group B death benefit of \$1,100 a month ~~[50 percent of the minimum monthly Group B retirement pension described by Subsection (b) or (c) of this section, whichever is applicable, to be divided equally among them].~~

(f) ~~The [In the absence of a qualified surviving spouse, the qualified surviving]~~ children who are qualified survivors of a Group B primary party, as a group, will receive a minimum Group B death benefit equal to the greater of \$1,100 ~~[(+) \$750]~~ a month or ~~[(+)]~~ \$600 a month adjusted, if applicable, in the manner described by Section 6.12 ~~[6.12(a)]~~ of this article, to be divided equally between them.

(g) If there is neither a [In the absence of either a qualified surviving] spouse nor a child who is a [or] qualified survivor [surviving children], each [qualified surviving] dependent parent who is a qualified survivor of the deceased Group B primary party will receive a minimum death benefit of \$1,100 a month [Group B minimum death benefit equal to the greater of 50 percent of the Group B primary party's minimum monthly Group B retirement pension described by Subsection (b) or (c) of this section, whichever is applicable. If only one qualified surviving dependent parent is surviving, the parent will receive a Group B minimum death benefit of 50 percent of the minimum monthly Group B retirement pension described by Subsection (b) or (c) of this section, whichever is applicable].

(h) Notwithstanding the minimum monthly ~~[Group B]~~ retirement pension otherwise described by this section, a Group B primary party who left active service on a non-service-connected ~~[nonservice connected]~~ disability with less than 20 years of pension service will receive a minimum monthly ~~[Group B]~~ disability pension equal to the greater of \$110 ~~[(+) \$75]~~ multiplied by the number of years of the primary party's pension service or ~~[(+)]~~ \$46.25 multiplied by the number of years of the primary party's pension service, the product adjusted in the manner, if applicable, described by Section 6.12 ~~[6.12(a)]~~ of this article. ~~[If the Group B primary party's Group B disability pension is or becomes subject to a qualified domestic relations order and the sum of the actuarial equivalents of the monthly Group B disability pension payable to the Group B primary party and the alternate payee is less than the actuarial equivalent of the monthly disability pension as calculated under this subsection, the Group B primary party's monthly Group B disability pension will be increased so that the sum of the actuarial equivalents of the alternate payee's and the Group B primary party's monthly Group B disability pensions equals the actuarial equivalents of the minimum monthly Group B disability pension as calculated under this subsection.]~~ If a Group B primary party who was receiving a non-service-connected ~~[nonservice connected Group B]~~ disability pension before the completion of 20 years pension service dies, the qualified survivors will receive the amount specified in Section 6.08 of this article, or the ~~[Group B]~~ minimum monthly death benefits granted to qualified survivors as provided by Subsections (d), (e), (f), and (g) of this section, as applicable, whichever is greater.

Sec. 6.12. ADJUSTMENTS TO RETIREMENT AND DISABILITY PENSION BENEFITS. (a) This section applies to the following benefits provided under this article:

(1) [Annually on the first day of October,] a retirement pension calculated under Section 6.01(e) [Section 6.01] or 6.02 of this article;

(2) [7] a disability pension calculated under Section 6.04 of this article, other than under Section 6.04(a) of this article;

(3) periodic disability compensation benefit under Section [0#] 6.05 of this article, other than Section 6.05(b-1) of this article; [7] or

(4) a death benefit calculated under:

(A) Section 6.07 of this article, if calculated in the manner of a retirement pension under Section 6.01(e) of this article or in the manner of a disability compensation benefit under Section 6.05(b) of this article; or

(B) Section 6.08 of this article currently in pay status, or pending board approval on the last day of September [~~will be increased by an amount equal to four percent, not compounded, of the original amount of the retirement or disability pension or death benefit~~].

(b) Except as provided by Subsection (d) of this section, annually on the first day of October, the pension system shall increase the base pension of a benefit described by Subsection (a) of this section by a percentage equal to the average annual rate of actual investment return of the pension system for the five-year period ending on the December 31 preceding the effective date of the adjustment less five percent.

(c) An adjustment under this section may not be less than zero percent or exceed four percent of the applicable base pension benefit.

(d) The pension system may only make an adjustment to benefits under this section if the ratio of the amount of the pension system's market value of assets divided by the amount of the pension system's actuarial accrued liabilities, after giving effect to the adjustment, is not less than .70.

(e) For purposes of Subsection (d) of this section, the amount of the pension system's market value of assets and the amount of the pension system's actuarial accrued liabilities shall be based on and determined as of the date of the most recently completed actuarial valuation.

(f) The following persons may not receive an adjustment under this section:

(1) a member on active service, including a DROP participant;

(2) a pensioner until the first October 1 occurring after both the pensioner's retirement and the earlier of:

(A) the date the pensioner reaches 62 years of age; or

(B) the third anniversary of the date the pensioner retired; or

(3) a qualified survivor until the first October 1 occurring after the earlier of:

(A) the date the qualified survivor reaches 62 years of age;

(B) the third anniversary of the date the primary party retired; or

(C) the third anniversary of the date of the member's or pensioner's

death.

(g) [(b)] A [Group B] retirement or [Group B] disability pension or periodic disability compensation paid to any Group B pensioner may not be less than the Group B pensioner's base pension.

(h) ~~The death benefit of the qualified survivors who are the [a Group B qualified surviving] spouse, [Group B qualified surviving] dependent parent, or child of a Group B pensioner [parents, as a group, or Group B qualified surviving children], as a group, may not be less than 50 percent of the [a Group B] pensioner's base pension.~~

Sec. 6.13. SUPPLEMENT TO CERTAIN RECIPIENTS 55 YEARS OF AGE OR OLDER. (a) Except as provided by Subsection (b) of this section, if ~~[H] a pensioner had at least 20 years of pension service under any plan adopted pursuant to Article 6243a or this article, or if a pensioner is receiving the periodic [a service connected] disability compensation benefit under Section 6.05 of this article [pension], the pensioner, the pensioner's [qualified surviving] spouse who is a qualified survivor eligible to receive benefits under this article, or the pensioner's [qualified surviving] children who are qualified survivors, as a group, under Section 6.06 [6.06(e)] of this article are entitled to receive, when the pensioner or spouse who is a qualified survivor [surviving spouse] attains 55 years of age, provided the pensioner or spouse attains 55 years of age before September 1, 2017, [the greater of] a monthly supplement equal to the greater of \$50 or three percent of their total monthly benefit[.] and for months [years] beginning on and after January 1, 1991, a [the] monthly supplement [will be] equal to the greater of \$75 or three percent of their total monthly benefit. For purposes only of calculating this supplement, the phrase "their total monthly benefit" means the amount payable to a pensioner or qualified survivors under the terms of the plans described by this section under which the pensioner or qualified survivor elected to receive benefits but does not include the supplement authorized by this section or any adjustments under Section 6.12 of this article made after September 1, 2017.~~

(b) ~~A person described by Subsection (a) of this section who, on September 1, 2017, is not receiving or has not received a supplemental benefit under this section is not entitled to receive a supplemental benefit under this section.~~

SECTION 1.42. Section 6.14, Article 6243a-1, Revised Statutes, is amended by amending Subsections (a), (b), (c), (d), (e), (f), (g), (h), and (j) and adding Subsections (e-1), (e-2), (e-3), (e-4), (f-1), (g-1), (l), (m), (n), and (o) to read as follows:

(a) ~~A [In lieu of either leaving active service and commencing a retirement pension as provided for under Section 6.01 or 6.02 of this article, whichever is applicable, or remaining in active service and continuing to accrue additional pension benefits as provided under Section 6.01 or 6.02, a] member who remains on active service after becoming [is] eligible to receive a [an unreduced] retirement pension under either Section 6.01 or 6.02 of this article may [remain in active service,] become a participant in the deferred retirement option plan [Deferred Retirement Option Plan ("DROP")] in accordance with Subsections (b) and (c) of this section, and defer the beginning of the person's retirement pension. Once an election to participate in the DROP has been made, the election continues in effect at least as long as the member remains in active service. On leaving active service, the member may:~~

(1) apply for a retirement pension under Sections 6.01(b) and (c), Section 6.01(e), or Section 6.02(b), (c), (d), or (e) [Section 6.02] of this article, whichever is applicable, together with any DROP benefit provided under this section; or

(2) continue to participate in DROP except the member is ineligible for disability benefits described by Subsection (g-1) of this section.

(b) The election to participate in the DROP shall be made in accordance with procedures set forth in any uniform and nondiscriminatory election form adopted by the board and in effect from time to time. To determine the proper amount to be credited to a member's DROP account, the election shall indicate whether the member desires to receive a retirement pension under Sections 6.01(b) and (c), Section 6.01(e), or Section 6.02(b), (c), (d), or (e) [6.02] of this article, whichever is applicable. The election may be made at any time on or after the date the member becomes eligible for a [an unreduced] retirement pension as provided by this subsection. The election [under Sections 6.01(b) and (c), Section 6.01(e), or Section 6.02 of this article, whichever is applicable, and] becomes effective on the first day of the first month on or after the date on which the member makes the election, except that an election that would otherwise have been effective on October 1, 1993, and every October 1 after that date, is considered, for purposes of this section and Section 6.12 of this article, to be effective on September 30 of the year in which it would otherwise have been effective. On and after the effective date of the election, the member will no longer be eligible for any refund of [make member] contributions [to the fund, notwithstanding Section 4.03(b) or (f) of this article, whichever is applicable]. The election by one or more members to participate in the DROP has no effect on the amount of city contributions to the fund under Section 4.02 of this article.

(c) Each month after a member has made an election to participate in the DROP and indicated a desire to receive a retirement pension under Sections 6.01(b) and (c), Section 6.01(e), or Section 6.02(b), (c), (d), or (e) [Section 6.02] of this article, whichever is applicable, and through the month before the month in which [until] the member leaves active service, an amount equal to the retirement pension the member would have received under the [Sections 6.01(b) and (c), Section 6.01(e), or Section 6.02, whichever is] applicable subsection[.] for that month if the member had left active service and been granted a retirement pension by the board on the effective date of DROP participation shall be credited [transferred] to a separate DROP account maintained within the fund for the benefit of the member. Amounts held in the DROP account of a member [member's DROP account] shall be credited at the end of each calendar month [with interest at a rate that will approximately equal one twelfth of the annual rate assumed by the pension system's qualified actuary and approved by the board as the assumed actuarial rate of return for the fund]. Notwithstanding this section, effective January 1, 2018, a member on active service who has 10 years or more of participation in DROP shall no longer have the amount of the member's retirement pension credited to the member's DROP account while the member is on active service.

~~(d) A [On leaving active service and on the board's grant of a retirement pension, a] member may not [who participates in DROP shall begin to] receive a [the balance in the person's DROP account under one of the following methods of] distribution from the member's DROP account while the member is on active service [elected by the member:~~

~~[(1) a single sum distribution made at a time selected by the member but not later than April 1 of the year after the member attains 70 1/2 years of age;~~

~~[(2) an annuity to be paid in equal monthly payments for the life of the member, or for the life of the member and a designated beneficiary in the same manner as a retirement pension computed under Sections 6.01(b) and (c), Section 6.01(e), or Section 6.02 of this article, whichever is applicable, determined as of the date the member leaves active service based on the person's account balance and age and the age of the designated beneficiary, if applicable, on that date and using the mortality and earnings assumptions being used on that date by the pension system's qualified actuary and approved by the board as the assumed actuarial rate of return for the fund; or~~

~~[(3) substantially equal monthly or annual payments of the person's account balance beginning at a time selected by the member that is on or before April 1st of the year after the member attains 70 1/2 years of age and extending over a fixed period that does not exceed the life expectancy of the member, or the life expectancy of the member and the member's designated beneficiary, if applicable].~~

~~(e) Except as provided by Subsections (e-1) and (l) of this section, the balance in the [The] DROP account [balance] of a member who terminated from active service on or before September 1, 2017, or who terminates from active service shall be distributed to the member in the form of an annuity, payable either monthly or annually at the election of the member, by annuitizing the amount credited to the DROP account over the life expectancy of the member as of the date of the annuitization using mortality tables recommended by the pension system's qualified actuary. The annuity shall be distributed beginning as promptly as administratively feasible after the later of, as applicable:~~

~~(1) the date the member retires and is granted a retirement pension; or~~

~~(2) September 1, 2017 [elects the method of distribution described by Subsection (d)(3) of this section shall be credited with interest on the unpaid balance at the end of each calendar month in the same manner as is prescribed by Subsection (e) of this section].~~

~~(e-1) The board may adopt a shorter period for annuitizing DROP account balances under Subsection (e) of this section if the pension system's qualified actuary determines that the shorter period will not cause the pension system's amortization period to exceed 25 years [A member may change a distribution election at any time before the member attains 70 1/2 years of age to receive one or more additional payments or to accelerate or delay any payment not then due, if the change is communicated to the plan administrator, in accordance with procedures then in effect, not less than 30 days before the day it is to take effect and if the change does not result in a failure of the distributions to satisfy the requirements of Section 401(a)(9) of the code].~~

(e-2) The annuitization of a DROP account under Subsection (e) of this section must reflect the accrual of interest on the amount in the DROP account as of September 1, 2017, over the annuitization period applied to the account under this section. The interest rate applied under this subsection must be a rate as reasonably equivalent as practicable to the interest rate on a note issued by the United States Department of the Treasury or other federal treasury note with a duration that is reasonably comparable to the annuitization period applied to the account, as determined by the board. The portion of an annuity attributable to amounts credited to a member's DROP account on or after September 1, 2017, may not reflect the accrual of this interest on annuitization.

(e-3) The board may by rule allow a DROP participant who has terminated active service and who is eligible for a retirement pension to:

(1) assign the distribution from the participant's annuitized DROP account to a third party provided the pension system receives a favorable private letter ruling from the Internal Revenue Service ruling that such an assignment will not negatively impact the pension system's qualified plan status; and

(2) subject to Subsection (e-4) of this section, in the event of a financial hardship that was not reasonably foreseeable obtain a lump-sum distribution from the participant's DROP account resulting in a corresponding reduction in the total number or in the amount of annuity payments.

(e-4) The board shall adopt rules necessary to implement Subsection (e-3)(2) of this section, including rules regarding what constitutes a financial hardship for purposes of that subdivision. In adopting the rules, the board shall provide flexibility to members.

(f) The board may adopt rules and policies relating to the administration of Subsections (e), (e-1), and (e-2) of this section if the rules and policies are:

(1) consistent with the qualification of the plan under Section 401 of the code; and

(2) in the best interest of the pension system [~~Any election made in accordance with Subsection (d) of this section may be changed at any time before leaving active service to any other election permitted by that subsection, subject to the requirements for spousal consent, in Section 6.14(d)(1), if applicable].~~

(f-1) The DROP account of a member who begins participating in DROP on or after September 1, 2017, does not accrue interest.

(g) The provisions of Sections 6.06, 6.061, 6.062, 6.063, 6.07, and 6.08 of this article pertaining to death benefits of a qualified survivor do not apply to amounts held in a member's or pensioner's DROP account [~~and the class of persons eligible to become qualified survivors of a member closes on the effective date of the member's participation in DROP].~~ Instead, a member or pensioner who participates in DROP may designate a beneficiary to receive the annuity payments under this section over the remaining annuitization period [~~balance of the member's DROP account]~~ in the event of the member's or pensioner's death subject to any rights provided under Subsection (e-3) of this section and in the [~~following~~] manner allowed by Section 401(a)(9) of the code and any policy adopted by the board. A member or pensioner who is or becomes married is considered to have designated the member's or pensioner's spouse as

the member's or pensioner's beneficiary, notwithstanding any prior beneficiary designation, unless the member or pensioner has made a different designation in accordance with a policy adopted by the board. If a member or pensioner does not have a spouse or the spouse predeceases the member or pensioner, the member's or pensioner's, as applicable, DROP account will be distributed to the member's or pensioner's, as applicable, designee. Notwithstanding anything in this section to the contrary, if a member or pensioner has previously designated the member's or pensioner's spouse as the beneficiary or co-beneficiary of the DROP account and the member or pensioner and spouse are subsequently divorced, the divorce automatically results in the invalidation of the designation of the spouse as a beneficiary and, if there is no additional beneficiary designated, the member's or pensioner's DROP account shall be distributed as provided by Subsection (e) of this section. If there are beneficiaries who survive the deceased member or pensioner, the surviving beneficiaries share equally in that portion that would have otherwise been payable to the former spouse. [±

~~[(1) The beneficiary designation must be made on an election form adopted by the board and in effect from time to time and in accordance with the conditions on the form, except that if the member is married, the designation of a beneficiary other than the member's spouse is valid only if the spouse consents to the designation at the time, in the manner, and on the consent form as is adopted by the board and in effect from time to time.~~

~~[(2) If a member who participates in DROP dies while in active service or before the beginning of the member's DROP account, distributions will begin no more than one year after the date of the member's death under a method described by Subsection (d) of this section and shall be completed within the life, or life expectancy, of the designated beneficiary.~~

~~[(3) If a member who participates in DROP dies after having begun to receive distributions in accordance with Subsection (d) of this section, the balance in the member's DROP account shall continue to be distributed to the member's designated beneficiary or other person described by Subdivision (4) of this subsection in accordance with any elections that had been made under Subsection (d) of this section.~~

~~[(4) If the deceased member has not designated a beneficiary or has designated a beneficiary but not a method of distribution, the member's DROP account shall be distributed in a single sum payment as soon as administratively feasible after the member's death to the beneficiary if one was designated and otherwise to the spouse if the member was married at the time of death or, if the member was not married, to the member's estate.]~~

~~(g-1) [(5)] A member who [participates in DROP] becomes a DROP participant is ineligible for any disability benefits described by Section [Sections] 6.03, 6.04, or [and] 6.05 of this article, but is entitled to [instead, on the board's acknowledgment of a disability that would otherwise qualify the member for disability benefits, the board shall grant] a retirement pension in accordance with Sections 6.01(b) and (c), Section 6.01(e), or Section 6.02 of this article, whichever is applicable, on termination from active service, and [the member] is~~

also entitled to receive annuity payments [~~both a retirement pension and a distribution of the DROP account~~] in accordance with Subsection (e) [~~(d)~~] of this section.

(h) The base pay or computation pay, whichever is applicable, in effect as of the effective date of a [~~Group A~~] member's participation in DROP shall be used in calculating the member's [~~Group A~~] retirement pension under Section 6.01 or 6.02 of this article. A [~~Group A~~] member who elects to participate in DROP does not accrue additional pension service for purposes of computing a [~~the Group A~~] retirement pension [~~provided under Section 6.01(e) of this article~~] for any period after the effective date of the election.

(j) Except as provided by Subsection (l) of this section, if [~~H~~] a pensioner who has been a [~~participated in~~] DROP participant returns to active service, the person must [~~once again~~] become a participant in DROP under the terms and conditions in effect at the time of [~~the person's~~] return to active service.

(l) Notwithstanding any other provision of this section and except as provided by Subsection (o) of this section, a member who has entered DROP before June 1, 2017, may revoke the DROP election at any time on or after September 1, 2017, and before the earlier of:

- (1) February 28, 2018; or
- (2) the member's termination of active service.

(m) If a member revokes participation in DROP under Subsection (l) of this section:

- (1) the member's DROP account balance is eliminated; and
- (2) the member shall receive pension service credited for all or a portion of the period of the revoked DROP participation on payment of the required contributions for the period of the revoked DROP participation in accordance with a uniform and nondiscriminatory procedure adopted by the board that results in the payment of the amount of member contributions that would have been made if the member had never participated in DROP.

(n) A member who revokes the member's DROP election under Subsection (l) of this section is entitled to only a monthly pension computed on the basis of the member's pension service, including pension service purchased under Subsection (m) of this section:

- (1) that is based on the member's average computation pay at the time of leaving active service, if the member is a Group B member; or
- (2) as provided by Section 6.01(b) of this article, if the member is a Group A member.

(o) A member may not revoke DROP participation under Subsection (l) of this section if any money has been transferred out of the member's DROP account.

SECTION 1.43. Part 6, Article 6243a-1, Revised Statutes, is amended by adding Section 6.141 to read as follows:

Sec. 6.141. DEFERRED ANNUITIZATION OF CERTAIN DROP ACCOUNTS. (a) This section applies only to a pensioner who:

- (1) before attaining 50 years of age:
 - (A) left active service; and

(B) was granted a service retirement pension under Section 6.01 or 6.02 of this article;

(2) since the pensioner's retirement has continued to receive substantially equal periodic payments, as determined under Section 72(t) of the code; and

(3) on September 1, 2017:

(A) is a DROP participant; and

(B) has not attained 59-1/2 years of age.

(b) Notwithstanding Section 6.14 of this article and solely to avoid the possibility of an early distribution tax penalty under Section 72(t)(4) of the code:

(1) a pensioner subject to this section may until the pensioner attains 59-1/2 years of age:

(A) subject to Subsection (c) of this section, continue to participate in DROP;

(B) have the same amount of the pensioner's service retirement pension credited to the pensioner's DROP account as has been credited since the pensioner's service retirement pension was initially granted; and

(C) defer annuitization of the pensioner's DROP account under Section 6.14(e) of this article; and

(2) once a pensioner subject to this section attains 59-1/2 years of age:

(A) the pensioner may not have any portion of the pensioner's service retirement pension credited to the pensioner's DROP account; and

(B) as soon as administratively feasible, the balance in the pensioner's DROP account shall be annuitized and distributed to the pensioner in accordance with Section 6.14(e) of this article.

(c) The DROP account of a pensioner who continues participation in DROP under Subsection (b)(1)(A) of this section does not accrue interest on and after September 1, 2017.

SECTION 1.44. Sections 6.15(a), (b), and (e), Article 6243a-1, Revised Statutes, are amended to read as follows:

(a) The board may require the following pensioners receiving a disability pension or a periodic disability compensation benefit to appear and undergo a medical examination by the health director or, if the health director approves, by any licensed medical practitioner, to determine if the pensioner's disability continues or has been removed to the extent that the pensioner is able to resume duties with the department:

(1) any Group A pensioner who has served less than 20 years;

(2) any Group A pensioner who elected a Group A ~~[B]~~ disability pension under Section 6.04 ~~[6.04(e)]~~ of this article, periodic disability compensation under Section 6.05 of this article, or a non-service-connected disability pension under Plan A or former Section 17(b)(2) of this article, and who had ~~has served~~ more than 20 years of pension service, but is less than 55 years of age; and

(3) any Group B pensioner who was granted ~~[elected]~~ a Group B disability pension under Section 6.04 of this article or periodic disability compensation under Section 6.05 of this article or a disability pension under the terms of Plan B and is less than 50 years of age.

(b) Any medical examination under this section is subject to the following conditions:

(1) Except as otherwise provided by this section, the board has complete discretion to require a pensioner to appear and undergo a medical examination as well as the time that may pass between examinations. When it becomes clear to the board from reliable medical evidence that the disability is unequivocally permanent and is not expected to diminish, the board may waive ~~[not require]~~ subsequent examinations.

(2) A pensioner may not be required to undergo a medical examination more often than once in a six-month period, except that the board may order the pensioner to undergo an examination at any time if the board has reason to believe the pensioner's disability has been removed and that the pensioner may be able to resume duties with the pensioner's former department or if the pensioner requests to be allowed to return to duty.

(3) If a pensioner fails to undergo an examination after being notified by the board that the examination is required, the board may discontinue disability benefits until the pensioner has undergone the examination and the results of the examination have been sent to the board.

(4) If the pensioner is examined by an approved outside medical practitioner other than the health director, the reasonable and customary cost of the examination, if any, is payable from the assets of the fund.

(e) Pursuant to its authority under Section 6.06(o-2) ~~[6.06(e)]~~ of this article to review and modify any funding relating to the disability of a child who is a qualified survivor ~~[surviving child's handicap]~~, the board may require the ~~[a handicapped]~~ qualified survivor with a disability ~~[surviving child]~~ receiving death benefits to appear and undergo medical examination by the health director or, if the health director approves, by any licensed medical practitioner, to determine if the disability ~~[handicap]~~ continues or if the disability ~~[handicap]~~ has been removed.

SECTION 1.45. Sections 6.16, 6.18, and 6.19, Article 6243a-1, Revised Statutes, are amended to read as follows:

Sec. 6.16. WAIVER OF BENEFITS. (a) A primary party ~~[pensioner who is on either service or disability retirement]~~, [a] qualified survivor ~~[surviving spouse, a handicapped qualified surviving child, a member who may be a participant in DROP]~~, or [a] beneficiary of a member's ~~[deceased former]~~ DROP account ~~[participant, or a qualified surviving dependent parent]~~ may, on a form prescribed by the board and filed with the executive director ~~[administrator]~~, [irrevocably] waive all or a portion of the benefits~~[s]~~ to which the person ~~[who waives the benefit]~~ is or may be entitled. The waiver may state whether it is revocable or irrevocable, and is irrevocable unless the waiver clearly states it is revocable.

(b) The ~~irrevocable~~ waiver described by Subsection (a) of this section applies only to ~~retirement, disability, or DROP survivor~~ benefits that become payable on or after the date the waiver is filed.

(b-1) Benefits waived by a revocable waiver are forfeited and the person making the waiver has no right, title, claim, or interest in the benefits.

(c) If two or more persons are or may be entitled to benefits under this article [there are two qualified surviving dependent parents receiving death benefits], the waiver described by Subsection (a) of this section must be executed by each person to become effective. The living parent or parents or legal guardian or guardians of a child must sign the waiver described by Subsection (a) of this section on behalf of the child [both of the parents].

Sec. 6.18. INVESTIGATION. (a) The board shall consider all applications for retirement and disability pensions ~~of members~~, all applications for death benefits ~~by qualified survivors~~, and all elections to participate ~~for participation by a member~~ in DROP. The board shall give notice to ~~those~~ persons applying for benefits, advising them of their right to appear before the board and offer such sworn evidence as they may desire. Any ~~primary party, survivor, or other~~ person claiming retirement, disability, or DROP benefits may appear before the board ~~in person~~ and offer testimony that is relevant to a contested application for a retirement pension, a disability pension, death benefits ~~benefit~~, or DROP benefits ~~benefit~~. The chairman of the board may issue process for witnesses, administer oaths to witnesses, and examine any witness as to any matter affecting benefits under any plan within the pension system. Process for witnesses shall be served by any ~~member of the police or fire department or by any other~~ method of serving process ~~or person~~ permitted by the state law in any civil judicial proceeding. A witness who fails or refuses to attend and testify may be compelled to attend and testify, as in any judicial proceeding. The board may seek assistance from any court of competent jurisdiction to further compel or sanction a witness who fails or refuses to attend and testify.

(b) Any ~~primary party, spouse, child, dependent parent, or other~~ person ~~claiming DROP benefits~~ who is aggrieved by a determination of the board regarding ~~on the person's application for or continuation of~~ a retirement pension, a disability pension, ~~or~~ death benefits ~~benefit~~, or ~~an election for~~ DROP benefits may appeal the board determination to a state district court in the city ~~county~~ where the pension system is located by giving written notice of appeal. The notice shall contain a statement of the grounds and reasons why the party feels aggrieved. The notice shall be served personally on the executive director ~~secretary of the board~~ within 20 days after the date of the board's determination. After service of the notice, the party appealing shall file with the state district court a copy of the notice of intention to appeal, together with an affidavit of the party making service showing how, when, and on whom the notice was served.

(c) Within 30 days after the date of service of the notice of appeal on the board, the executive director ~~secretary of the board~~ shall make up and file with the state district court a transcript of all nonprivileged papers and proceedings in the case before the board. When the copy of the notice of appeal and the

transcript has been filed with the court, the appeal is perfected, and the court shall docket the appeal, assign the appeal a number, fix a date for hearing the appeal, and notify both the appellant and the board of the date fixed for the hearing.

(d) At any time before the rendering of its decision on ~~the~~ appeal, the court may require further or additional proof or information, either documentary or under oath. On rendition of a decision on appeal, the court shall give to each party to the appeal a copy of the decision of the case. The decision ~~or order~~ of the court is appealable in the same manner as are civil cases generally.

(e) As provided by Section 4.01 of this article, the [The] board shall approve all money used for investigations [as provided under Section 4.01 of this article]. The board may request the investigative services of either the police or fire departments in connection with any matter arising under this section.

Sec. 6.19. CERTIFICATE OF MEMBER PENSION BENEFIT ELIGIBILITY [RETIREMENT]. When a member has earned five [20] years of pension service, the member shall be issued an [a certificate of retirement that, barring administrative error, miscalculation, or other error, after issuance is] incontestable five-year certificate indicating that the member is entitled to pension benefits subject to the effect of any withdrawals as permitted under Article 6243a or this article. The certificate shall state that the calculation of the retirement pension to which the member is entitled, or any disability benefits to which the member may become entitled, shall be determined solely under the actual terms of the combined pension plan as in effect at the time the member leaves active service. The certificate shall further state that in the case of the member's death, the member's qualified survivors, if any, may become [shall be] entitled to death [survivor] benefits as determined solely under the actual terms of the combined pension plan as in effect at the time of the member's death. The certificate shall bear a seal and be signed by the executive director [mayor, or the mayor pro tem, or the city manager] and [by the] chairman of the board [and attested under the seal of the city by the city secretary].

SECTION 1.46. Part 6, Article 6243a-1, Revised Statutes, is amended by adding Section 6.20 to read as follows:

Sec. 6.20. ERRONEOUS PAYMENTS OR OVERPAYMENTS. (a) If the pension system pays money to any person not entitled to the payment, whether by reason of an error of the pension system as to entitlement to or the amount of a benefit or otherwise, or an act or error of some other person, including the recipient of the payment, the recipient of the payment holds the funds to which the recipient was not entitled in constructive trust for the pension system and those funds are subject to demand by the pension system at any time.

(b) The recipient of an erroneous payment from the pension system shall repay to the pension system all funds associated with the erroneous payment.

(c) Subject to Subsection (e) of this section, the board may by rule adopt a procedure to enable the pension system to offset the future benefit or other payments of a recipient described by this section. In addition, the board may take any additional action, including the bringing of a lawsuit, the board considers necessary to recover an erroneous payment the pension system is entitled to under this section.

(d) If the pension system determines that a person is entitled to additional benefits as a result of an error made by the pension system, the pension system shall promptly pay the additional benefits owed.

(e) The board's correction procedures must comply with the Internal Revenue Service's Employee Plans Compliance Resolution System and Revenue Procedure 2016-51, including subsequent guidance.

SECTION 1.47. Article 6243a-1, Revised Statutes, is amended by adding Part 6A to read as follows:

PART 6A. EQUITABLE ADJUSTMENTS

Sec. 6A.01. EQUITABLE ADJUSTMENTS TO BENEFITS. (a) Subject to this section and notwithstanding any other provision of this article, the board by a two-thirds vote of all trustees may consider and adopt rules requiring the equitable return of funds paid to or credited to the benefit of a member or pensioner under this article before September 1, 2017, to the extent the funds exceeded reasonable amounts that should be paid or credited given the circumstances of the pension system at the time the payment or credit was made, including the return of excessive interest credited to a member's DROP account and excessive adjustments made under Section 6.12 of this article.

(b) For purposes of Subsection (a) of this section, "reasonable amounts" includes the amounts that would have been paid or credited:

(1) if the interest rate applied in determining a benefit, including the interest rate applied to a DROP account, equaled the actual, audited rate of return of the plan at the time the interest was credited to the account; or

(2) if the percentage increase applied under Section 6.12 of this article equaled the percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) most recently published by the Bureau of Labor Statistics of the United States Department of Labor and used by the United States Social Security Administration to provide a cost-of-living adjustment for social security benefit payments payable beginning in January of the next year.

Sec. 6A.02. ADJUDICATION OF CERTAIN CHALLENGES. (a) The Texas Supreme Court has exclusive and original jurisdiction over a challenge to the constitutionality under the Texas Constitution of Section 6A.01 of this article. An action under this section is authorized to the full extent permitted by Section 3, Article V, Texas Constitution. The Texas Supreme Court may issue any injunctive, declaratory, or equitable relief the court deems appropriate or necessary to effectuate the court's mandamus jurisdiction in connection with a challenge under this section.

(b) Any action brought under this section must be filed not later than the 90th day after the date the board adopts a rule under Section 6A.01 of this article.

(c) If an action brought under this section is timely filed, the board may not enforce or otherwise administer any rules adopted pursuant to Section 6A.01 of this article during the pendency of the action.

SECTION 1.48. Section 8.01, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 8.01. QUALIFICATION UNDER FEDERAL TAX LAW. (a) The plans within the pension system and the assets of the fund are intended to qualify as a governmental plan under Sections ~~[Section]~~ 401 and 414(d) of the code, be exempt from federal income taxes under Section 501(a) of the code, and conform at all times to applicable requirements of law, regulations, and orders of duly constituted federal governmental authorities. Accordingly, if any provision of this article is subject to more than one construction, one of which will permit the qualification of a plan that is within the pension system, that construction that will permit the plan to qualify and conform will prevail.

(b) The plans within the pension system as well as the assets of the fund shall be maintained for the exclusive benefit of members and their beneficiaries. At no time before the termination of all the plans within the pension system and the satisfaction of all liabilities with respect to members and their beneficiaries under all plans shall any part of the principal or interest from the assets of the fund be used for or diverted to purposes other than the exclusive benefit of the members and beneficiaries.

(c) Notwithstanding any other provisions of this article, the annual benefit [pension] provided with respect to any member ~~[may not exceed an annual benefit computed in accordance with the limitations prescribed by this subsection.~~

~~[(1) The maximum annual benefit payable]~~ in any limitation year ~~[to a member]~~ may not exceed the amount permitted by Section 415(b) of the code for the limitation year, and the sum of the member contributions and all other annual additions for any limitation year may not exceed the amount permitted under Section 415(c) of the code for the limitation year. If the aggregated annual benefit or aggregated annual additions under [lesser of:

~~[(A) \$90,000; or~~

~~[(B) 100 percent of a member's 415 compensation averaged over the three consecutive limitation years, or the actual number of limitation years for a member whose total pension service is less than three consecutive limitation years, during which the member had the greatest aggregate 415 compensation from the city.~~

~~[(2) Benefits provided to a member under this article and under any defined benefit plan or plans maintained by the city shall be aggregated for purposes of determining whether the limitations in Subdivision (1) of this subsection are met. If the aggregate benefits otherwise payable from] any qualified plans created under this article and any other defined benefit plan or plans maintained by the city would otherwise exceed the limitations of Section 415 of the code [Subdivision (1) of this subsection], the required reductions in benefits or contributions shall first be made to the extent possible from the other plan or plans. The limitations referenced in this subsection shall be adjusted annually in accordance with Section 415(d) of the code and any adjustment to benefits applies to the benefits of active and terminated members and applies without regard to whether a terminated member is a pensioner.~~

~~[(3) The adjustments on retirement are the following:~~

~~[(A) If the annual benefit begins before a member attains age 62, the \$90,000 limitation, as adjusted, shall be reduced in a manner prescribed by the secretary of the treasury. However, that adjustment may not reduce the member's annual benefit below \$75,000, if the member's benefit begins after age 55, or the actuarial equivalent of \$75,000 beginning at age 55 if benefits begin before age 55. Furthermore, except as provided by Paragraph (C) of this subdivision, an adjustment may not reduce the member's annual benefit below \$50,000, regardless of the age at which the benefit begins.~~

~~[(B) If the annual benefit begins after a member attains age 65, the \$90,000 limitation, as adjusted, will be increased so that it is the actuarial equivalent of the \$90,000 limitation at age 65.~~

~~[(C) If a member's benefits begin before the member has at least 15 years of pension service as a full-time employee of the police or fire department, or both, including credit for full time service in the armed forces of the United States, Paragraphs (A) and (B) of this subdivision shall be applied by substituting "social security retirement age" for "age 62" and for "age 65," and the last two sentences of Paragraph (A) of this subdivision do not apply in computing the benefit limitation for that member.~~

~~[(D) The portion of a member's benefit that is attributable to the member's own contributions is not part of the annual benefit subject to the limitations of Subdivision (1) of this subsection. Instead, the amount of those contributions is treated as an annual addition to a qualified defined contribution plan maintained by the city.~~

~~[(4)(A) The dollar limitation on annual benefits provided by Subdivision (1) of this subsection, and the \$50,000 limitation provided by Subdivision (3) of this subsection, but not the \$75,000 limitation provided by that subsection, shall be adjusted annually as provided by Section 415(d) of the code and the regulations prescribed by the secretary of the treasury. The adjusted limitation is effective as of January 1 of each calendar year and is applicable to limitation years ending with or within that calendar year.~~

~~[(B) The limitation provided by this paragraph for a member who has separated from service with a vested right to a pension shall be adjusted annually as provided by Section 415(d) of the code and the regulations prescribed by the secretary of the treasury.~~

~~[(5) The following interest rate assumptions shall be used in computing the limitations under this section:~~

~~[(A) For the purpose of determining the portion of the annual benefit that is purchased with member contributions, the interest rate assumption is 8.5 percent, compounded annually, for plan years beginning before 1988 and 120 percent of the federal mid term rate, as in effect under Section 1274 of the code, compounded annually, for plan years beginning after 1987.~~

~~[(B) For the purpose of adjusting the annual benefit to a straight life annuity, the interest rate assumption is five percent, unless a different rate is required by the secretary of the treasury.~~

~~[(C) For the purpose of adjusting the \$90,000 limitation after a member attains age 65, the interest rate assumption is five percent, unless a different rate is required by the secretary of the treasury, and the mortality decrement shall be ignored to the extent that a forfeiture does not occur at death.~~

~~[(6) For purposes of Subdivisions (1) and (3) of this subsection, an adjustment under Section 415(d) of the code may not be taken into account before the limitation year for which that adjustment first takes effect. For purposes of Subdivisions (1) and (5) of this subsection, an adjustment is not required for the value of qualified joint and survivor annuity benefits, preretirement death benefits, postretirement medical benefits, or postretirement cost of living increases made in accordance with Section 415(d) of the code and Section 1.415-3(e) of the Income Tax Regulations.~~

~~[(7) This plan may pay an annual benefit to any member in excess of the member's maximum annual benefit otherwise allowed if:~~

~~[(A) the annual benefit derived from the city's contributions under any qualified plans within this article and all defined benefit plans maintained by the city does not in the aggregate exceed \$10,000 for the limitation year or for any prior limitation year; and~~

~~[(B) the member has not at any time participated in a defined contribution plan maintained by the city.~~

~~[For purposes of this subdivision, member contributions to the plan are not considered a separate defined contribution plan maintained by the city.~~

~~[(8) If a member has less than 10 years of pension service in the plan at the time the member begins to receive benefits under the plan, the \$90,000 limitation, as adjusted, shall be reduced by multiplying the limitation by a fraction in which the numerator is the number of years of pension service and the denominator is 10; provided, however, that the fraction may not be less than one-tenth. The 100 percent limitation of Subdivision (1)(B) of this subsection, and the \$10,000 limitation of Subdivision (7) of this subsection shall be reduced in the same manner as provided by this subdivision, except the numerator shall be the number of years of employment with the city rather than years of pension service.~~

~~[(9) If a member is or has been a participant in one or more defined benefit plans and one or more defined contribution plans maintained by the city, the following provisions shall apply:~~

~~[(A) The sum of the defined benefit plan fraction and the defined contribution plan fraction for any limitation year may not exceed 1.0.~~

~~[(B) The defined benefit plan fraction for any limitation year is a fraction in which:~~

~~[(I) the numerator is the projected annual benefit of a member, determined as of the close of the limitation year pursuant to Section 1.415-7(b)(3) of the Income Tax Regulations; and~~

~~[(H) the denominator is the lesser of:~~

~~[(i) the product of 1.25 and the maximum dollar limitation provided by Subdivision (1)(A) of this subsection, as adjusted, for the limitation year; or~~

~~[(ii) the product of 1.4 and the amount that may be taken into account under Subdivision (1)(B) of this subsection for the limitation year.~~

~~[(C) The defined contribution plan fraction for any limitation year is a fraction in which:~~

~~[(I) the numerator is the sum of the annual additions to the member's account as of the close of the limitation year; and~~

~~[(II) the denominator is the sum of the lesser of the following amounts determined for the limitation year and each prior year of service with the city:~~

~~[(i) the product of 1.25 and the dollar limitation in effect under Section 415(e)(1)(A) of the code for the limitation year, determined without regard to Section 415(e)(6) of the code; or~~

~~[(ii) the product of 1.4 and the amount that may be taken into account under Section 415(e)(1)(B) of the code for the limitation year beginning before January 1, 1987; the annual additions may not be recomputed to treat all member contributions as an annual addition.~~

~~[(D) If the sum of the defined benefit plan fraction and the defined contribution plan fraction exceeds 1.0 in any limitation year for any member of any plan within the pension system, the administrator shall limit, to the extent necessary, the annual additions to the member's account for that limitation year. If after limiting to the extent possible the annual additions to the member's account for the limitation year, the sum of the defined benefit plan fraction and the defined contribution plan fraction still exceeds 1.0, the administrator shall adjust the benefits under the defined benefit plan fraction so that the sum of both fractions shall not exceed 1.0 in any limitation year for the member.~~

~~[(10) For purposes of determining the limits provided by this section, all qualified defined benefit plans, whether terminated or not, ever maintained by or contributed to by the city, shall be treated as one defined benefit plan, and all qualified defined contribution plans, whether terminated or not, ever maintained by or contributed to by the city, shall be treated as one defined contribution plan.]~~

~~(c-1) [(11)] Notwithstanding anything contained in this section to the contrary, the limitations, adjustments, and other requirements prescribed by this section shall at all times be computed in the manner most favorable to the affected members, to the extent permitted by guidelines issued by the Internal Revenue Service [comply with the requirements of Section 415 of the code and all regulations promulgated under the code]. If any provision of Section 415 of the code is repealed or is not enforced by the Internal Revenue Service, that provision may not reduce the benefits of any member after the effective date of the repeal of the provision or during the period in which the provision is not enforced.~~

(c-2) Any benefit reductions that are required to be made under this section shall be applied to reduce the monthly benefit that would otherwise have been payable to the member, unless the value of the member's DROP account accrued under Section 6.14 of this article exceeds the amount that may be paid under this section. If the value of the DROP account exceeds the value of the payments that may be made under this section, the member shall receive a lump-sum payment

from the account of the maximum amount that may be paid under this section and the payment shall permanently reduce the benefits the member would otherwise have been entitled to receive under the combined pension plan.

(d) A member's retirement pension may not begin later than April 1 of the year after the later of the year in which the member leaves active service or the year in which the member attains age 70-1/2 and must at all times comply with the requirements of Section 401(a)(9) of the code. ~~[Benefits to a qualified beneficiary may not begin later than one year after the date of the member's death].~~

(e) Any person ~~[member or beneficiary]~~ who receives any distribution from any plan within the pension system that is an eligible rollover distribution as defined by Section 402(f)(2)(A) of the code is entitled to have that distribution transferred directly to another eligible retirement plan as defined by Section 402(c)(8)(B) of the code of the person's ~~[member's or beneficiary's]~~ choice on providing direction regarding that transfer to the executive director ~~[administrator]~~ in accordance with procedures established by the executive director ~~[administrator]~~.

(e-1) If an eligible rollover distribution described by Subsection (e) of this section is to a designated beneficiary who is not the spouse or former spouse of the member, the transfer may only be to an individual retirement account or an individual retirement annuity.

(f) For the 2017 calendar year, the [The] annual compensation taken into account for any purpose under the combined pension plan [this article] may not exceed \$400,000 for an eligible participant or \$270,000 for an ineligible participant [\$200,000 for any calendar year]. For a Group A member the term "annual compensation" means the aggregate of the member's base pay. For a Group B member the term "annual compensation" means the aggregate of the member's computation pay for any given plan year. These dollar limits [The \$200,000 limit] shall be adjusted from [on January 1 of each year at the same] time to time [and] in accordance with guidelines [the same manner as] provided by the secretary of the treasury. For [Section 415(d) of the code. In determining the compensation of a member for] purposes of this subsection, an:

(1) "eligible participant" means any person who first became a member of the pension system before January 1, 1996; and

(2) "ineligible participant" means any member who is not an eligible participant [limitation, the family aggregation rules of Section 414(q)(6) of the code apply, except that the term "family member" includes only the spouse of the member and any lineal descendants of the member who have not attained age 19 at the end of the plan year. If as a result of this family aggregation requirement, the \$200,000 limit is exceeded, the limitation shall be prorated among the affected individuals in proportion to each individual's compensation as determined before application of the limit].

(g) For purposes of Subsection (h) of this section, "normal retirement age" means the earlier of:

(1) the attainment of 50 years of age on or before September 1, 2017, and completion of at least five years of pension service;

(2) the attainment of 58 years of age after September 1, 2017, and completion of at least five years of pension service; or

(3) completion of 20 years of pension service.

(h) The retirement benefit earned by a member is nonforfeitable:

(1) on attainment of normal retirement age, if not already nonforfeitable; or

(2) to the extent the benefit is funded, if not already nonforfeitable, on the termination or partial termination of the combined pension plan or the complete discontinuance of city contributions to the fund.

(i) In accordance with Section 401(a)(8) of the code, forfeitures arising under the combined pension plan may not be used to increase the benefits any member would otherwise receive under the terms of the plan. Forfeitures may be used first to reduce administrative expenses, then to reduce required city contributions.

(j) Subject to procedures adopted by the board, the pension system shall accept an eligible rollover distribution from another eligible retirement plan as defined by Section 402(f)(2)(B) of the code as payment of all or a portion of any payment a member is permitted to make to the pension system for past pension service credit. The pension system shall separately account for any after-tax contributions transferred from any plan under this subsection.

SECTION 1.49. Section 8.02, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 8.02. EXCESS BENEFIT PLAN FOR POLICE OFFICERS AND FIRE FIGHTERS. The board may by rule establish and administer [On the enactment of federal legislation enabling public retirement systems to establish excess benefit plans for the benefit of employees for whom additional benefits from retirement plans qualified under Section 401 of the code would exceed the limitations of Section 415 of the code, there is created outside the pension system] a separate[;] qualified governmental [nonqualified] excess benefit arrangement and associated trust for the arrangement in accordance with Section 415(m) of the code. [plan containing the following terms and provisions:

[(a)(1) All definitions prescribed by Section 2.01 of this article are applicable to the plan created pursuant to this section except:

[(A) if a different definition is set forth in this subsection; or

[(B) the context in which a term is used in this section indicates a different meaning is clearly intended than that prescribed by Section 2.01 of this article.

[(2) "Excess benefit plan" means this separate, nonqualified, unfunded excess benefit plan as created by this section for the benefit of eligible members, as amended or restated from time to time.

[(3) "Qualified plan" means any plan maintained within the pension system or maintained by the city outside the pension system for the exclusive benefit of some or all of the employees of the city if the plan has been found by the Internal Revenue Service to be qualified or has been treated by the city as a qualified plan under Section 401 of the code.

~~[(4) "Maximum benefit" means the retirement benefit a member or, the spouse, any child, or any dependent parent of a member if those persons are entitled, is entitled to receive from all qualified plans in any month after giving effect to Section 8.01 of this article and any similar provisions of any other qualified plans designed to conform to Section 415 of the code.~~

~~[(5) "Excess benefit participant" means any member whose retirement benefits as determined on the basis of all qualified plans without regard to the limitations of Section 8.01 of this article and comparable provisions of other qualified plans would exceed the maximum benefit permitted under Section 415 of the code.~~

~~[(6) "Unrestricted benefit" means the monthly retirement benefit a member, or the spouse or any child of a member, would have received under the terms of all qualified plans except for the restrictions of Section 8.01 of this article and any similar provisions of any other qualified plans designed to conform to Section 415 of the code.~~

~~[(b)(1) An excess benefit participant who is receiving benefits from an applicable qualified plan is entitled to a monthly benefit under this excess benefit plan in an amount equal to the lesser of:~~

~~[(A) the member's unrestricted benefit less the maximum benefit;~~

~~or~~

~~[(B) the amount by which the member's monthly benefit from the qualified plan or plans approved by the members has been reduced due to the limitations of Section 415 of the code.~~

~~[(2) In the case of the death of an excess benefit participant whose spouse or child is entitled to preretirement or postretirement death benefits under a qualified plan, the excess benefit participant's surviving spouse or child is entitled to a monthly benefit under the excess benefit plan equal to the benefit determined in accordance with the qualified plans without regard to the limitations under Section 8.01 of this article or Section 415 of the code, less the maximum benefit.~~

~~[(3) Unless the excess benefit participant makes a timely election to the contrary, a retirement benefit payable under this excess benefit plan shall be paid in the form and at the time it would have been paid under the applicable qualified plan except for the limitations under Section 415 of the code. However, retirement benefits payable under this excess benefit plan shall be paid at the time and in the form, including a single sum distribution, as the excess benefit participant elects from among the benefit payment forms made available under the election form as approved by the board. An excess benefit participant makes an election under this subdivision by sending written notice to the administrator on the election form approved by the board. Each optional benefit form permitted under this excess benefit plan shall be the actuarial equivalent of each other permitted benefit form. On or after an excess benefit participant's leaving active service with an entitlement to a retirement benefit under any qualified plan approved by the members, a benefit under this subdivision may be elected to be paid.~~

~~[(e)(1) This plan shall be administered by the board, and the administrator shall also carry out the business of the board with respect to this excess benefit plan. Except as provided to the contrary by this subsection, the rights, duties, and responsibilities of the board and administrator shall be the same for this excess benefit plan as for the qualified pension plans within the pension system.~~

~~[(2) The qualified actuary employed pursuant to Section 4.08 of this article is responsible for determining the amount of benefits that may not be provided under the qualified plans solely by reason of the limitations of Section 415 of the code and thus the amount of city contributions that will be made to this excess benefit plan rather than to a qualified plan.~~

~~[(3) The legal advisors described by Section 3.03 of this article shall also provide advice to the board for this excess benefit plan.~~

~~[(d) Contributions may not be accumulated under this excess benefit plan to pay future retirement benefits. Instead, each payment of city contributions that would otherwise be made to the fund pursuant to Section 4.02 of this article or comparable provisions of other qualified plans approved by the members shall be reduced by the amount determined by the administrator as necessary to meet the requirements for retirement benefits under this excess benefit plan until the next payment of city contributions is expected to be made to the fund by the city. The city shall then pay to this excess benefit plan, out of the withheld city contributions no earlier than the 14th day before the date of each distribution of monthly retirement benefits is required to be made from this excess benefit plan, the amount necessary to satisfy the obligation to pay this excess benefit plan monthly retirement benefits. The administrator shall satisfy the obligation of this excess benefit plan to pay retirement benefits out of the city contributions so transferred for that month. The city contributions otherwise required to the pension system pursuant to Section 4.02 of this article and any other qualified plan approved by the members shall be divided into those contributions required to pay retirement benefits pursuant to this section and those contributions paid into and accumulated to pay the maximum benefits required under the qualified plans. City contributions made to provide retirement benefits pursuant to this section may not be commingled with the monies of the fund or any other qualified plan.~~

~~[(e) Amendments to this excess benefit plan shall be made in the same manner provided by Section 7.01 of this article.]~~

SECTION 1.50. Section 8.03, Article 6243a-1, Revised Statutes, is amended to read as follows:

Sec. 8.03. EXEMPTION OF BENEFITS FROM JUDICIAL PROCESS OR ALIENATION. (a) A portion of the fund or benefit or amount awarded to any primary party, qualified survivor, [or] beneficiary of a member's DROP account, excess benefit participant, or survivor of an excess benefit participant under this article may not be held, seized, taken, subjected to, or detained or levied on by virtue of any execution, attachment, garnishment, injunction, or other writ, order, or decree, or any process or proceedings issued from or by any court for the payment or satisfaction, in whole or in part, of any debt, damage, claim, demands, or judgment against any person entitled to benefits from any plan

within the pension system or from the excess benefit plan. The fund and the excess benefit plan or any claim against the fund or the excess benefit plan may not be directly or indirectly assigned or transferred, and any attempt to transfer or assign the fund or the excess benefit plan or a claim against the fund or the excess benefit plan is void.

(b) A benefit under any plan created or existing pursuant to this article or Article 6243a is subject to division pursuant to the terms of a qualified domestic relations order. The executive director [~~administrator~~] shall determine the qualifications of a domestic relations order according to a uniform, consistent procedure approved by the board. The total benefit payable to a primary party or to an alternate payee under a qualified domestic relations order may not actuarially exceed the benefits to which a primary party would be entitled in the absence of the qualified domestic relations order. In calculating the alternate payee's benefits under a qualified domestic relations order, the interest rate is the rate used by the pension system's actuary in the actuarial evaluation for that year, except that the minimum interest rate for this purpose is the minimum required by Section 414 of the code.

(c) This section does not preclude:

(1) the payment of death benefits to a [~~support~~] trust for certain [~~surviving~~] children of a primary party pursuant to Section 6.06(n) of this article;

(2) the withholding of federal taxes from pension benefits;

(3) the recovery by the board of overpayments of benefits previously made to any person;

(4) the direct deposit of benefit payments to an account in a bank, savings and loan association, credit union, or other financial institution, provided the arrangement is not an alienation;

(5) under any policy adopted by the board and uniformly applied to voluntary arrangements entered into by a primary party or qualified survivor, any voluntary and revocable arrangement entered into by a pensioner or a qualified survivor that permits the withholding and direct payment of health care or life insurance premiums or similar payments from the monthly benefit payments; or

(6) an assignment of the distribution from an annuitized DROP account to a third party under Section 6.14(e-3)(1) of this article.

(d) For purposes of Subsection (c) of this section, an attachment, garnishment, levy, execution, or other legal process is not considered a voluntary arrangement.

SECTION 1.51. The following provisions of Article 6243a-1, Revised Statutes, are repealed:

- (1) Section 3.01(c);
- (2) Section 4.01(b);
- (3) Section 4.02(f);
- (4) Sections 6.06(i) and (s);
- (5) Section 6.10B(h);
- (6) Sections 6.14(i) and (k); and
- (7) Part 7.

SECTION 1.52. (a) In this section, "board," "city," "nominations committee," "pension system," and "trustee" have the meanings assigned by Section 2.01, Article 6243a-1, Revised Statutes, as amended by this article.

(b) The terms of the current trustees expire on the effective date of this article. Subject to Subsection (e) of this section, on that date or as soon as possible after that date:

(1) the mayor and nominations committee, as applicable, shall appoint new trustees to the board in accordance with the requirements of Sections 3.01(b)(1) and (2), Article 6243a-1, Revised Statutes, as added by this article; and

(2) notwithstanding the requirements of Sections 3.01(b)(3) and (4) and (f), Article 6243a-1, Revised Statutes, as added or amended by this article, that the board adopt rules governing the nomination and election of trustees appointed under Sections 3.01(b)(3) and (4), Article 6243a-1, Revised Statutes, as added by this article, the nominations committee shall adopt procedures for nominating and electing the initial trustees nominated and elected under Sections 3.01(b)(3) and (4), Article 6243a-1, Revised Statutes, as added by this article.

(c) Notwithstanding Section 3.01(o), Article 6243a-1, Revised Statutes, as amended by this article, and except as provided by Subsections (d) and (g) of this section, the board may not take any action authorized by Article 6243a-1, Revised Statutes, until at least 10 initial trustees have been appointed or elected, except that the board may take such an action, other than an action described by Section 3.01(o)(2), Article 6243a-1, Revised Statutes, as added by this article, before at least 10 initial trustees have been appointed or elected if the action is in the ordinary course of business of the board and is required for the continued administration of the pension system.

(d) Once all trustees have been appointed to the board under this section, the board shall by majority vote adopt rules establishing a process for nominating and electing trustees under Sections 3.01(b)(3) and (4), Article 6243a-1, Revised Statutes, as added by this article.

(e) As soon as possible after the effective date of this article, the mayor and the nominations committee shall:

(1) make a determination under Section 3.01(e), Article 6243a-1, Revised Statutes, as amended by this article, regarding the term limits of the board established under that section; and

(2) notwithstanding Section 3.01(e), Article 6243a-1, Revised Statutes, as amended by this article, determine the terms of initial trustees to ensure the appropriate staggering of trustee terms.

(f) Notwithstanding Section 3.01(g), Article 6243a-1, Revised Statutes, the board shall elect from among its trustees an initial chairman, vice chairman, and deputy vice chairman as soon as possible after all trustees have been appointed or elected in accordance with this article and, if the board elects to do so, an initial second deputy vice chairman.

(g) Not later than the 90th day after the date all trustees under Section 3.01, Article 6243a-1, Revised Statutes, as amended by this article, have been appointed or elected, the board shall vote on and, if the board determines it is appropriate, amend the existing rules relating to the governance and conduct of the board.

SECTION 1.53. (a) Not later than January 1, 2018, the board of trustees of the pension system established under Article 6243a-1, Revised Statutes, shall:

(1) establish the ethics policy required by Section 3.01(r), Article 6243a-1, Revised Statutes, as added by this article; and

(2) appoint an executive director under Section 3.04, Article 6243a-1, Revised Statutes, as amended by this article.

(b) As soon as possible after the executive director is appointed under Subsection (a) of this section, the executive director may hire, subject to confirmation by the board of trustees of the pension system established under Article 6243a-1, Revised Statutes, a chief investment officer as authorized under Section 3.025, Article 6243a-1, Revised Statutes, as added by this article, and a chief legal officer as authorized under Section 3.03(c), Article 6243a-1, Revised Statutes, as amended by this article.

SECTION 1.54. (a) In this section, "executive director," "nominations committee," and "pensioner" have the meanings assigned by Section 2.01, Article 6243a-1, Revised Statutes, as amended by this article.

(b) As soon as possible after the effective date of this article but not later than the 30th day after the effective date of this article, the president, chair, or other executive head of an organization described by Section 3.011(a)(2), Article 6243a-1, Revised Statutes, as added by this article, that is eligible to and intends to participate on the nominations committee shall notify the executive director of:

(1) the organization's intent to participate on the nominations committee; and

(2) whether the president, chair, or other executive head, as appropriate, or that person's designee will serve on the committee.

SECTION 1.55. Section 4.025, Article 6243a-1, Revised Statutes, as added by this article, applies only to a contribution made on or after the date of the most recently completed actuarial valuation following the effective date of this article.

SECTION 1.56. The board of trustees of the pension system established under Article 6243a-1, Revised Statutes, shall review all investments held on the effective date of this article under Section 4.071, Article 6243a-1, Revised Statutes, as added by this article.

SECTION 1.57. Changes in law to Part 5, Article 6243a-1, Revised Statutes, as amended by this article, apply to membership in a pension system established under Article 6243a-1, Revised Statutes, on or after the effective date of this article.

SECTION 1.58. A rollover distribution to a plan administered by the pension system established under Article 6243a-1, Revised Statutes, that was made on or after January 1, 2002, is validated as of the date the distribution

occurred. A distribution described by this section may not be held invalid because the distribution was not performed in accordance with Section 8.01(j), Article 6243a-1, Revised Statutes, as added by this article, or other applicable law.

ARTICLE 2. IMMEDIATE PROHIBITION ON CERTAIN LUMP-SUM DISTRIBUTIONS

SECTION 2.01. Part 6, Article 6243a-1, Revised Statutes, is amended by adding Section 6.142 to read as follows:

Sec. 6.142. PROHIBITION ON CERTAIN LUMP-SUM DISTRIBUTIONS. (a) Notwithstanding Section 6.14 of this article, including Section 6.14(d)(1) of this article, the board may not distribute or allow the distribution of the balance of a DROP participant's DROP account under a single-sum or other lump-sum distribution to a DROP participant or a participant's designated beneficiary, except:

(1) in the event of an unforeseeable emergency, as described in Section 6 of the DROP addendum policy adopted by the board that took effect on January 12, 2017;

(2) as permitted by the board under Section 8e of the DROP addendum policy adopted by the board that took effect on January 12, 2017, in order to avoid the possibility of an early distribution tax penalty under Section 72(t) of the code; or

(3) in compliance with a court order.

(b) This section expires September 1, 2017.

ARTICLE 3. SEVERABILITY AND EFFECTIVE DATE

SECTION 3.01. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 3.02. (a) Except as provided by Subsections (b), (d), and (e) of this section, 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 on the 91st day after the last day of the legislative session.

(b) Except as provided by Subsection (e) of this section, Article 1 of this Act takes effect on September 1, 2017, unless the board of trustees of the pension system established under Article 6243a-1, Revised Statutes, violates Section 6.142, Article 6243a-1, Revised Statutes, as added by this Act, on or before August 31, 2017, as determined by the State Pension Review Board.

(c) If the State Pension Review Board determines that the pension system violated Section 6.142, Article 6243a-1, Revised Statutes, as added by this Act, the State Pension Review Board shall:

(1) not later than August 31, 2017:

(A) notify the board of trustees of the pension system and the mayor and city council of a city subject to Article 6243a-1, Revised Statutes, of its determination under this section; and

(B) publish notice of its determination under this section on the State Pension Review Board's Internet website; and

(2) as soon as practicable after August 31, 2017, publish notice of its determination under this section in the Texas Register.

(d) If, not later than August 31, 2017, the State Pension Review Board makes the determination described by Subsection (c) of this section, Article 1 of this Act has no effect.

(e) Section 4.021, Article 6243a-1, Revised Statutes, as added by Article 1 of this Act, does not take effect if **SB 2** or similar legislation of the 85th Legislature, Regular Session, 2017, that has the effect of lowering the rollback tax rate of a city as calculated under Chapter 26, Tax Code, does not become law.

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

Amend **CSHB 3158** (senate committee printing) as follows:

(1) In SECTION 1.02 of the bill, in amended Section 2.01, Article 6243a-1, Revised Statutes (page 6, between lines 51 and 52), insert the following appropriately numbered subdivision and renumber subsequent subdivisions of the section accordingly:

() "Two-thirds vote," in reference to a vote of all the trustees, means a vote of 8 of the 11 trustees of the board.

(2) In SECTION 1.04 of the bill, strike added Section 2.025(a)(1), Article 6243a-1, Revised Statutes (page 7, lines 8 through 10), and substitute the following:

(1) conclusion regarding whether the pension system meets State Pension Review Board pension funding guidelines; and

(3) In SECTION 1.04 of the bill, strike added Section 2.025(b), Article 6243a-1, Revised Statutes (page 7, lines 13 through 15), and substitute the following:

(b) Subject to Subsection (d) of this section, not later than November 1, 2024, the board shall by rule adopt a plan that:

(1) complies with funding and amortization period requirements applicable to the pension system under Subchapter C, Chapter 802, Government Code; and

(2) takes into consideration the independent actuary's recommendations under Subsection (a)(2) of this section.

(b-1) The board shall provide a copy of the analysis prepared under Subsection (a) of this section and a summary of any rules adopted by the board under Subsection (b) of this section to the State Pension Review Board.

(4) In SECTION 1.04 of the bill, in added Section 2.025(d), Article 6243a-1, Revised Statutes (page 7, lines 25 through 28), strike "August 31, 2025, unless a law is enacted by the 89th Legislature that authorizes the content of the rule. If a law is enacted that authorizes the content of the rule, the rule continues in effect until amended in accordance with this article" and substitute the following:

⋮

(1) a law that is enacted by the legislature and becomes law preempts the rule; or

(2) the board amends the rule and the amendment takes effect, provided the board may only amend the rule if the pension system complies with the funding and amortization period requirements applicable to the pension system under Subchapter C, Chapter 802, Government Code

(5) In SECTION 1.05 of the bill, in amended Section 3.01(b)(1), Article 6243a-1, Revised Statutes (page 7, line 53), between "mayor" and the underlined semicolon, insert ", in consultation with the city council".

(6) In SECTION 1.05 of the bill, strike added Section 3.01(b)(2), Article 6243a-1, Revised Statutes (page 7, lines 54 and 55), and substitute the following:

(2) three trustees elected under rules adopted by the board by the members and pensioners of the pension system from a slate of nominees, in a number determined under the rules, selected and vetted by the nominations committee;

(7) In SECTION 1.05 of the bill, in added Section 3.01(b-2), Article 6243a-1, Revised Statutes (page 8, line 1), between "appointed" and "a", insert "or elected".

(8) In SECTION 1.05 of the bill, in added Section 3.01(b-3), Article 6243a-1, Revised Statutes (page 8, lines 8 and 9), strike "appoint a trustee who meets the requirements of Subsection (b-1) of this section" and substitute "select, vet, and nominate a slate of persons, the number of which is determined by board rule, who meet the requirements of Subsection (b-1) of this section, and the members of the pension system shall elect a trustee from the slate of nominees".

(9) In SECTION 1.05 of the bill, in added Section 3.01(b-3), Article 6243a-1, Revised Statutes (page 8, line 11), strike "An appointment" and substitute "The nomination and election of a trustee".

(10) In SECTION 1.05 of the bill, in amended Section 3.01(d), Article 6243a-1, Revised Statutes (page 8, line 44), between "appointment" and "The", insert ", or election".

(11) In SECTION 1.05 of the bill, in amended Section 3.01(e), Article 6243a-1, Revised Statutes (page 8, line 60), strike "appointed or".

(12) In SECTION 1.05 of the bill, in amended Section 3.01(e), Article 6243a-1, Revised Statutes (page 8, line 62), strike "An appointed trustee" and substitute "A trustee appointed or elected, as applicable, under Subsection (b)(1) or (2) of this section".

(13) In SECTION 1.05 of the bill, in amended Section 3.01(f), Article 6243a-1, Revised Statutes (page 9, lines 12 and 13), strike "The nomination and election of the trustees under Subsection (b)(3) or (4) of this section" and substitute "The election of the trustees under Subsection (b)(2), (3), or (4) of this section, including an election under Subsection (b-3) of this section to fill a trustee position under Subsection (b)(3) or (4) of this section".

(14) In SECTION 1.05 of the bill, strike added Section 3.01(j-10), Article 6243a-1, Revised Statutes (page 10, lines 54 through 58), and substitute the following:

(j-10) An employee or other agent acting on behalf of the pension system or the city must certify to the State Pension Review Board that any information provided by the pension system or city, as appropriate, under this article or other law is accurate and based on realistic assumptions.

(15) In SECTION 1.05 of the bill, in added Section 3.01(o)(2), Article 6243a-1, Revised Statutes (page 11, line 4), strike "two-thirds of the trustees" and substitute "at least a two-thirds vote of all the trustees".

(16) In SECTION 1.06 of the bill, in added Section 3.011(e), Article 6243a-1, Revised Statutes (page 12, line 19), strike "appoint" and substitute "nominate".

(17) In SECTION 1.06 of the bill, in added Section 3.012(a)(2), Article 6243a-1, Revised Statutes (page 12, line 40), strike "appointed or".

(18) In SECTION 1.06 of the bill, in added Section 3.012(d), Article 6243a-1, Revised Statutes (page 12, line 62), strike "appointing or nominating official or body" and substitute "mayor or nominations committee".

(19) In SECTION 1.06 of the bill, in added Section 3.012(d), Article 6243a-1, Revised Statutes (page 12, lines 66 and 67), strike "appointing or nominating official or body" and substitute "mayor or nominations committee".

(20) In SECTION 1.10 of the bill, in added Section 3.04(b-3), Article 6243a-1, Revised Statutes (page 14, line 46), strike "third" and substitute "second".

(21) In SECTION 1.10 of the bill, in added Section 3.04(b-3), Article 6243a-1, Revised Statutes (page 14, line 49), between "article" and "or", insert "; including Section 3.01(b)(3) or (4) of this article.".

(22) In SECTION 1.10 of the bill, in added Section 3.04(b-3), Article 6243a-1, Revised Statutes (page 14, lines 50 and 51), strike "other than as a trustee".

(23) In SECTION 1.10 of the bill, in added Section 3.04(d), Article 6243a-1, Revised Statutes (page 14, line 58), strike "The" and substitute "If acting in the executive director's own discretion, the".

(24) In SECTION 1.10 of the bill, in added Section 3.04(d), Article 6243a-1, Revised Statutes (page 14, line 62), after the period, insert "If the executive director is acting at the direction of the board and not exercising the executive director's own discretion, the executive director does not owe a fiduciary duty under this subsection.".

(25) In SECTION 1.12 of the bill, in added Section 4.02(b)(3), Article 6243a-1, Revised Statutes (page 15, line 44), between "by" and "a", insert "at least".

(26) In SECTION 1.12 of the bill, in added Section 4.02(d)(1)(B), Article 6243a-1, Revised Statutes (page 15, lines 56 and 57), strike "except as provided by Section 4.021(b)(1) of this article.".

(27) In SECTION 1.12 of the bill, in amended Section 4.02(d)(1)(B)(iv), Article 6243a-1, Revised Statutes (page 15, line 68), strike "\$5,724,203" and substitute "\$5,724,000".

(28) In SECTION 1.12 of the bill, in amended Section 4.02(d)(2), Article 6243a-1, Revised Statutes (page 16, line 20), strike "or Section 4.021(b)(2) of this article".

(29) In SECTION 1.12 of the bill, in amended Section 4.02(d)(2), Article 6243a-1, Revised Statutes (page 16, line 21), strike "\$11" and substitute "\$13".

(30) In the recital to SECTION 1.13 of the bill (page 16, line 43), strike "Sections 4.021 and" and substitute "Section".

(31) In SECTION 1.13 of the bill, strike added Section 4.021, Article 6243a-1, Revised Statutes (page 16, line 44, through page 17, line 38).

(32) In SECTION 1.18 of the bill, in added Section 4.071, Article 6243a-1, Revised Statutes (page 21, line 22), between "by" and "a", insert "at least".

(33) In SECTION 1.21 of the bill, strike Section 5.01(a-1), Article 6243a-1, Revised Statutes (page 22, lines 19 through 23), and substitute the following:

(a-1) Group A or Group B members do not include any employee of the city who is:

(1) required by ordinance or who elects, in accordance with an ordinance, to participate in an alternative benefit plan established under Section 3.01(j-1)(2) of this article based on an evaluation under Section 3.01(j-5)(2) of this article; or

(2) required by ordinance to participate in an alternative benefit plan established under Section 810.002, Government Code.

(34) In SECTION 1.28 of the bill, in added Section 6.02(c-2), Article 6243a-1, Revised Statutes (page 33, line 56), strike "If, for purposes of Subsection (c-1) of this section," and substitute "Subject to Subsection (d-3) of this section and for purposes of Subsection (c-1) of this section, if".

(35) In SECTION 1.28 of the bill, in added Section 6.02(d-2), Article 6243a-1, Revised Statutes (page 34, line 42), strike "If, for purposes of Subsection (d) of this section," and substitute "Subject to Subsection (d-3) of this section and for purposes of Subsection (d) of this section, if".

(36) In SECTION 1.28 of the bill, in amended Section 6.02, Article 6243a-1, Revised Statutes (page 34, between lines 54 and 55), insert the following:

(d-3) For purposes of Subsections (c-2) and (d-2) of this section, a Group B member's pension benefit calculated under Subsection (b) of this section shall be calculated without application of any reduction under Subsection (b-1) of this section.

(37) In SECTION 1.41 of the bill, in added Section 6.12(b), Article 6243a-1, Revised Statutes (page 58, line 22), strike "shall" and substitute "may".

(38) In SECTION 1.47 of the bill, in added Section 6A.01(a), Article 6243a-1, Revised Statutes (page 67, line 3), between "by" and "a", insert "at least".

(39) Strike SECTION 1.52(b) of the bill (page 74, line 61, through 75, line 7), and substitute the following:

(b) The terms of the current trustees expire on the effective date of this article. Subject to Subsection (e) of this section, on that date or as soon as possible after that date:

(1) the mayor shall appoint new trustees to the board in accordance with the requirements of Section 3.01(b)(1), Article 6243a-1, Revised Statutes, as added by this article; and

(2) notwithstanding the requirements of Sections 3.01(b)(2), (3), and (4) and (f), Article 6243a-1, Revised Statutes, as added or amended by this article, that the board in consultation with the nominations committee adopt rules governing the election of trustees appointed under Sections 3.01(b)(2), (3), and (4), Article 6243a-1, Revised Statutes, as added by this article, the nominations committee shall adopt procedures for electing the initial trustees elected under Sections 3.01(b)(2), (3), and (4), Article 6243a-1, Revised Statutes, as added by this article.

(40) Strike SECTION 1.52(d) of the bill (page 75, lines 19 through 23), and substitute the following:

(d) Once all trustees have been appointed or elected to the board under this section, the board shall by majority vote adopt rules establishing a process for electing trustees under Sections 3.01(b)(2), (3), and (4), Article 6243a-1, Revised Statutes, as added by this article.

(41) In ARTICLE 1 of the bill (page 76, between lines 28 and 29), insert the following SECTION and renumber subsequent SECTIONS of the article and cross-references to those SECTIONS accordingly:

SECTION 1.59. Section 6.14(e), Article 6243a-1, Revised Statutes, as amended by this article, applies only to a distribution out of a deferred retirement option plan account that is made on or after the implementation of that section. A distribution out of a deferred retirement option plan account that is made before the implementation of that section is governed by the law in effect when the distribution is made.

(42) In ARTICLE 1 of the bill, add the following appropriately numbered SECTION and renumber subsequent SECTIONS of that ARTICLE accordingly:

SECTION 1.____. Chapter 810, Government Code, is amended by adding Section 810.002 to read as follows:

Sec. 810.002. ALTERNATIVE BENEFIT PLAN FOR CERTAIN MUNICIPALITIES. (a) In this section, "alternative benefit plan" means a continuing, organized benefit plan, including a plan qualified under Section 401(a) of the Internal Revenue Code of 1986, of service retirement, disability retirement, or death benefits for officers or employees of a municipality.

(b) This section applies only to a municipality subject to Article 6243a-1, Revised Statutes.

(c) Notwithstanding any other law and subject to Subsection (f), the governing body of a municipality subject to this section may by ordinance:

(1) establish an alternative benefit plan and determine the benefits, funding source and amount, and administration of the alternative benefit plan; and

(2) require an employee first hired by the municipality on or after the date the alternative benefit plan is implemented to participate in the alternative benefit plan instead of participating in the pension system provided under Article 6243a-1, Revised Statutes.

(d) Each active participant of an alternative benefit plan established under this section shall contribute to the plan an amount, if any, determined by the municipality. The municipality shall contribute for each active participant in an alternative benefit plan established under Subsection (c) an amount determined by the municipality.

(e) A municipality that establishes an alternative benefit plan under this section shall file all reports with the State Pension Review Board required by Chapter 802.

(f) The governing body of a municipality may only establish an alternative benefit plan under this section if:

(1) the qualified actuary of the pension system established under Article 6243a-1, Revised Statutes, determines that after establishment and implementation of the alternative benefit plan, the pension system would continue to comply with funding and amortization period requirements applicable to the pension system under Subchapter C, Chapter 802; and

(2) the State Pension Review Board conducts a review of and validates the determination made under Subdivision (1).

(43) In the heading of ARTICLE 2 of the bill (page 76, line 29), strike "LUMP-SUM".

(44) In SECTION 2.01 of the bill, in the section heading for added Section 6.142, Article 6243a-1, Revised Statutes (page 76, line 32), strike "LUMP-SUM".

(45) In SECTION 2.01 of the bill, in added Section 6.142(a), Article 6243a-1, Revised Statutes (page 76, lines 34 through 36), strike "distribute or allow the distribution of the balance of a DROP participant's DROP account under a single-sum or other lump-sum distribution" and substitute "allow any distribution out of a DROP participant's DROP account".

(46) In SECTION 2.01 of the bill, in added Section 6.142(a), Article 6243a-1, Revised Statutes (page 76, between lines 40 and 41), insert the following subdivision and renumber subsequent subdivisions of the subsection and cross-references to those subdivisions accordingly:

(2) for purposes of making a minimum annual distribution, as described in Section 7 of the DROP addendum policy adopted by the board that took effect on January 12, 2017;

(47) In SECTION 3.02(a) of the bill (page 76, lines 54 and 55), strike "Subsections (b), (d), and (e)" and substitute "Subsections (b) and (d)".

(48) In SECTION 3.02(b) of the bill (page 76, line 61), strike "Except as provided by Subsection (e) of this section,".

(49) In SECTION 3.02(b) of the bill (page 76, line 66), after the period, insert "At the request of the State Pension Review Board and within the time prescribed by the State Pension Review Board, the board of trustees shall provide the data or other information requested by the State Pension Review Board for purposes of making a determination under this subsection."

(50) In SECTION 3.02 of the bill (page 77, between lines 12 and 13), insert the following:

(c-1) The State Pension Review Board shall make the determination described by Subsection (c) of this section based on the data or other information that:

(1) is in the State Pension Review Board's possession on or before August 31, 2017; and

(2) was provided with enough time for the State Pension Review Board to reasonably use the information to make a determination under this section.

(51) Strike SECTION 3.02(e) of the bill (page 77, lines 16 through 20).

**HB 3808 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

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

HB 3808, A bill to be entitled An Act relating to student loan repayment assistance for certain mental health professionals.

Representative Clardy moved to concur in the senate amendments to **HB 3808**.

The motion to concur in the senate amendments to **HB 3808** prevailed by (Record 1840): 120 Yeas, 21 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, G.; Burkett; Burns; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Larson; Laubenberg; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schubert; Sheffield; Shine; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Workman; Wray; Wu; Zerwas.

Nays — Anderson, R.; Biedermann; Bonnen, D.; Burrows; Cain; Fallon; Goldman; Keough; Krause; Lang; Leach; Rinaldi; Schaefer; Schofield; Shaheen; Simmons; Stickland; Swanson; Tinderholt; Wilson; Zedler.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Hefner; Murphy; Sanford.

STATEMENTS OF VOTE

When Record No. 1840 was taken, I was in the house but away from my desk. I would have voted yes.

Hefner

When Record No. 1840 was taken, I was shown voting present, not voting. I intended to vote yes.

Muñoz

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

Amend **HB 3808** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION _____. Section 61.604, Education Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The board may award a grant under this subchapter to a mental health professional described by Section 61.601(6) only in accordance with Subsection (e).

(e) If in a state fiscal year there are funds available for purposes of the program after funding grants to all eligible mental health professionals described by Subsections 61.601(1)-(5), the board may allocate any unused funds to award repayment assistance grants to mental health professionals in any of the professions listed in Section 61.601 except that priority must be given to awarding grants to mental health professionals described by Subsections 61.601(1)-(5). The limitations prescribed by Subsections (b) and (c) do not apply to grants awarded under this subsection.

SECTION _____. Section 61.608, Education Code, is amended by adding Subsection (c) to read as follows:

(c) The board shall adopt rules establishing a process for allocating any unused funds under the program in a state fiscal year in accordance with Section 61.604(e).

Senate Amendment No. 2 (Senate Floor Amendment No. 2)

Amend **HB 3808** (senate committee printing) by adding the following appropriately numbered SECTION:

SECTION _____. Section 501.003, Occupations Code, is amended to read as follows:

Sec. 501.003. DEFINITION: PRACTICE OF PSYCHOLOGY. (a) In this chapter:

(1) "Practice of psychology" means:

(A) the observation, description, diagnosis, evaluation, assessment, interpretation, or treatment of and intervention in human behavior by applying education, training, methods, and procedures for the purpose of:

(i) preventing, predicting, treating, remediating, or eliminating:

(a) symptomatic, maladaptive, or undesired behavior;

(b) emotional, interpersonal, learning, substance use, neuropsychological, cognitive, or behavioral disorders or disabilities, including those that accompany medical problems; or

(c) mental illness;

(ii) evaluating, assessing, or facilitating, by a license holder or a person who represents the person to the public by a title or description of services that includes the word "psychological," "psychologist," or "psychology," the enhancement of individual, group, or organizational effectiveness, including evaluating, assessing, or facilitating:

(a) personal effectiveness;

(b) adaptive behavior;

(c) interpersonal relationships;

(d) academic, vocational, and life adjustment;

(e) health; or

(f) individual, group, or organizational performance;

(iii) providing psychological, neuropsychological, and psychoeducational evaluation, therapy, and remediation as well as counseling, psychoanalysis, psychotherapy, hypnosis, and biofeedback; or

(iv) consulting with others, including other mental health professionals, physicians, school personnel, or organizations within the scope of the provider's competency and training with respect to services provided for a specific individual; or

(B) the supervision of an activity or service described by Paragraph (A).

(2) "Psychological [section, "psychological] services" means acts or behaviors that are included within the purview of the practice of psychology.

(b) A person is engaged in the practice of psychology [~~within the meaning of this chapter~~] if the person:

(1) when providing or offering to provide psychological services to another in a professional relationship, represents the person to the public by a title or description of services that includes the word "psychological," "psychologist," or "psychology";

(2) provides or offers to provide psychological services to individuals, groups, organizations, or the public in a professional relationship;

(3) is a psychologist or psychological associate employed as described by Section 501.004(a)(1) who offers or provides psychological services, other than lecture services, to the public for consideration separate from the salary that person receives for performing the person's regular duties; or

(4) is employed as a psychologist or psychological associate by an organization that sells psychological services, other than lecture services, to the public for consideration.

(c) A person is not engaged in the [~~The~~] practice of psychology based solely on the person offering, regardless of whether the person is solicited, advice, counsel, or guidance addressing or affecting the mental, emotional, or behavioral

health of another, if the person does not represent that the person is licensed under this chapter or engaged in the delivery of psychological services and does not represent that the advice, counsel, or guidance is psychological in nature, and:

(1) the advice, counsel, or guidance is not offered in the context of a professional relationship;

(2) if the person is offering the advice, counsel, or guidance in connection with the person's occupation, the primary focus of the occupation is not the delivery of mental, emotional, or behavioral health care services; or

(3) the advice, counsel, or guidance is offered through an organized or structured program or peer support service that is designed to support or assist a person with a self-identified goal of changing or improving certain aspects of the person's mental, emotional, or behavioral health ~~[includes providing or offering to provide services to an individual or group, including providing computerized procedures, that include the application of established principles, methods, and procedures of describing, explaining, and ameliorating behavior;~~

~~[(2) addresses normal behavior and involves evaluating, preventing, and remediating psychological, emotional, mental, interpersonal, learning, and behavioral disorders of individuals or groups, as well as the psychological disorders that accompany medical problems, organizational structures, stress, and health;~~

~~[(3) includes:~~

~~[(A) using projective techniques, neuropsychological testing, counseling, career counseling, psychotherapy, hypnosis for health care purposes, hypnotherapy, and biofeedback; and~~

~~[(B) evaluating and treating mental or emotional disorders and disabilities by psychological techniques and procedures; and~~

~~[(4) is based on:~~

~~[(A) a systematic body of knowledge and principles acquired in an organized program of graduate study; and~~

~~[(B) the standards of ethics established by the profession].~~

SECTION 2. This Act takes effect September 1, 2017.

HB 91 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 91, A bill to be entitled An Act relating to a review of occupational licensing requirements related to an applicant's criminal history.

Representative White moved to concur in the senate amendments to **HB 91**.

The motion to concur in the senate amendments to **HB 91** prevailed by (Record 1841): 143 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis,

S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Burrows; Elkins; Murphy.

Senate Committee Substitute

CSHB 91, A bill to be entitled An Act relating to a review of occupational licensing requirements and an applicant's criminal history.

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

SECTION 1. REVIEW OF OCCUPATIONAL LICENSING ELIGIBILITY REQUIREMENTS RELATED TO CRIMINAL HISTORY; REPORT. (a) In this section:

(1) "License" means a license, certificate, registration, permit, or other authorization that:

(A) is issued by a licensing authority; and

(B) an individual must obtain to practice or engage in a particular business, occupation, or profession.

(2) "Licensing authority" means a department, commission, board, or other agency of the state that issues a license.

(b) Each licensing authority shall, for each license issued by the authority that has an eligibility requirement related to an applicant's criminal history, review the requirement and make a recommendation regarding whether the requirement should be retained, modified, or repealed.

(c) Not later than December 1, 2018, each licensing authority shall submit a report on the results of the authority's review to the lieutenant governor, the speaker of the house of representatives, and each member of the legislature and include the authority's recommendations.

(d) This section expires January 1, 2019.

SECTION 2. REGULATIONS INVOLVING CONSIDERATION OF CRIMINAL HISTORY OF EMPLOYMENT APPLICANT OR EMPLOYEE. Title 3, Labor Code, is amended by adding Chapter 106 to read as follows:

CHAPTER 106. CRIMINAL HISTORY RECORD INFORMATION OF
EMPLOYMENT APPLICANT OR EMPLOYEE

Sec. 106.001. DEFINITIONS. In this chapter:

(1) "Applicant" means a person who has made an oral or written application with a private employer, or has sent a resume or other correspondence to a private employer, indicating an interest in employment.

(2) "Criminal history record information" means information collected by a criminal justice agency about a person's arrests, detentions, and criminal charges and the dispositions of those criminal charges.

Sec. 106.002. CERTAIN LOCAL REGULATION OF PRIVATE EMPLOYERS PROHIBITED. A political subdivision of this state may not adopt or enforce any ordinance or other local regulation that prohibits, limits, delays, or otherwise regulates a private employer's ability to inquire about, request, consider, or take employment action based on the criminal history record information of an applicant or employee or criminal history provided by an applicant or employee.

Sec. 106.003. NONAPPLICABILITY. This chapter does not prevent a political subdivision of this state from adopting or enforcing an ordinance or other local regulation relating to the access to or consideration of the criminal history record information of an individual or criminal history provided by an individual:

(1) entering into a contract or other agreement with the political subdivision as it relates to hiring within the scope of performance of duties under that contract or agreement; or

(2) receiving a grant from the political subdivision as it relates to hiring within the scope of performance of duties under that grant.

SECTION 3. 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, 2017.

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

Amend **CSHB 91** (senate committee printing) as follows:

(1) Strike SECTION 2 of the bill (page 1, line 46 through page 2, line 18).

**HB 2529 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

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

HB 2529, A bill to be entitled An Act relating to the definition of coercion for purposes of the offense of trafficking of persons.

Representative Meyer moved to concur in the senate amendments to **HB 2529**.

The motion to concur in the senate amendments to **HB 2529** prevailed by (Record 1842): 142 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospes; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Raney; Romero.

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

Amend **HB 2529** (senate committee report) in SECTION 1 of the bill, by striking added Section 20A.02(a-1), Penal Code (page 1, lines 24 through 36), and substituting the following:

(a-1) For purposes of Subsection (a)(3), "coercion" as defined by Section 1.07 includes destroying, concealing, confiscating, or withholding from the trafficked person, or threatening to destroy, conceal, confiscate, or withhold from the trafficked person, the trafficked person's actual or purported:

(1) government records; or

(2) identifying information or documents.

HB 681 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 681, A bill to be entitled An Act relating to restricting access to certain information that relates to a person convicted of or granted a dismissal after deferral of disposition for a fine-only misdemeanor offense.

Representative Wu moved to concur in the senate amendments to **HB 681**.

The motion to concur in the senate amendments to **HB 681** prevailed by (Record 1843): 136 Yeas, 7 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, G.; Burkett; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Martinez; Metcalf; Meyer; Moody; Morrison; Muñoz; Murphy; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Bonnen, D.; Burns; Burrows; Murr; Phillips; Rinaldi; Schofield.

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

Absent, Excused — Minjarez; Walle.

Absent — Darby; Dukes; Miller.

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

Amend **HB 681** (senate committee report, page 1, line 51 through page 2, line 1) by striking added Subsection (b) and substituting the following:

(b) Information subject to Subsection (a) may be open to inspection only:

(1) by judges or court staff;

(2) by a criminal justice agency for a criminal justice purpose, as those terms are defined by Section 411.082, Government Code;

(3) by the Department of Public Safety;

(4) by the attorney representing the state;

(5) by the defendant or the defendant's counsel;

(6) if the offense is a traffic offense, an insurance company or surety company authorized to write motor vehicle liability insurance in this state; or

(7) for the purpose of complying with a requirement under federal law or if federal law requires the disclosure as a condition of receiving federal highway funds.

Senate Amendment No. 2 (Senate Floor Amendment No. 2)

Amend **HB 681** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, strike added Article 44.2812(b), Code of Criminal Procedure (page 1, lines 37 and 38), and substitute the following:

(b) This article does not apply to:

(1) an opinion issued by an appellate court; or

(2) records, files, and information described by Subsection (a) that relate to an offense that is sexual in nature, as determined by the holder of the records, files, or information.

(2) In SECTION 2 of the bill, in added Article 45.0218(a), Code of Criminal Procedure (page 1, line 42), strike "Subsection (b)" and substitute "Subsections (b) and (c)".

(3) In SECTION 2 of the bill, in added Article 45.0218(b), Code of Criminal Procedure (page 1, line 51), strike "Information" and substitute "Records, files, and information".

(4) In SECTION 2 of the bill, immediately following added Article 45.0218(b), Code of Criminal Procedure (page 2, between lines 1 and 2), insert the following:

(c) This article does not apply to records, files, and information described by Subsection (a) that relate to an offense that is sexual in nature, as determined by the holder of the records, files, or information.

HB 1426 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 1426, A bill to be entitled An Act relating to the issuance of a certificate of relief from collateral consequences to certain persons placed on community supervision, including deferred adjudication community supervision.

Representative Allen moved to concur in the senate amendments to **HB 1426**.

The motion to concur in the senate amendments to **HB 1426** prevailed by (Record 1844): 119 Yeas, 25 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Burkett; Burns; Burrows; Button; Cain; Canales; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Faircloth; Farrar; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Larson; Laubenberg; Longoria; Lozano; Martinez; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Perez; Phelan; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schaefer; Schubert; Shaheen; Sheffield; Shine; Smithee; Stephenson; Stucky; Swanson; Thierry; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zerwas.

Nays — Anderson, R.; Bonnen, D.; Bonnen, G.; Capriglione; Elkins; Fallon; Flynn; Goldman; Hefner; Krause; Landgraf; Lang; Leach; Metcalf; Murr; Paul; Phillips; Rinaldi; Sanford; Schofield; Simmons; Springer; Stickland; Thompson, E.; Zedler.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Parker.

STATEMENTS OF VOTE

When Record No. 1844 was taken, my vote failed to register. I would have voted no.

Parker

When Record No. 1844 was taken, I was shown voting yes. I intended to vote no.

Schaefer

When Record No. 1844 was taken, I was shown voting yes. I intended to vote no.

Swanson

Senate Committee Substitute

CSHB 1426, A bill to be entitled An Act relating to the issuance of a certificate of relief from collateral consequences to certain persons placed on community supervision, including deferred adjudication community supervision, for certain criminal offenses.

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

SECTION 1. Title 1, Code of Criminal Procedure, is amended by adding Chapter 68 to read as follows:

CHAPTER 68. CERTIFICATE OF RELIEF FROM COLLATERAL CONSEQUENCES

Art. 68.001. DEFINITIONS. In this chapter:

(1) "Certificate" means a certificate of relief from collateral consequences issued under this chapter.

(2) "Collateral consequence" means, as an indirect consequence of a person's criminal history record information, the revocation, suspension, or denial of licensure under Section 53.021, Occupations Code.

(3) "Criminal history record information" has the meaning assigned by Section 411.082, Government Code.

Art. 68.002. ELIGIBILITY. Except as otherwise provided by this article, a person is eligible for a certificate if the person satisfactorily completed:

(1) a term of deferred adjudication community supervision and the judge has dismissed the proceedings and discharged the person under Article 42A.111; or

(2) a term of community supervision and the person's conviction is set aside under Article 42A.701.

Art. 68.003. PROVISION OR DENIAL OF CERTIFICATE. (a) Not later than the 30th day after the date the court receives verification that an individual has satisfactorily completed the eligibility requirements, as provided by Article 68.002, the court shall:

(1) issue the certificate; or
(2) deny issuance of the certificate and provide the specific reason for the denial.

(b) In determining whether to issue a certificate to an eligible individual, the court shall consider the individual's conduct and progress following placement on community supervision, including:

(1) the individual's efforts to satisfactorily fulfill the conditions of community supervision;

(2) the individual's satisfactory participation in rehabilitative courses or programs, including substance abuse treatment, vocational training courses, cognitive intervention, anger management courses, high school equivalency programs, or other courses or programs, regardless of whether the participation was ordered as a condition of community supervision;

(3) the individual's past or current participation in community organizations or programs, including faith-based programs, 12-step or similar self-help chemical dependency recovery programs, or other pro-social organizations; and

(4) the individual's education or employment history following placement on community supervision, including whether the individual is employed or diligently attempting to obtain an education or seek employment.

(c) An individual whose petition for a certificate is denied may reapply for the issuance of a certificate relating to the same offense after the first anniversary of the denial.

Art. 68.004. CONTENT OF CERTIFICATE. A certificate must state that the recipient has completed a term of community supervision and all requirements imposed by the court related to the offense and is relieved of all penalties, disqualifications, and disabilities resulting from the offense.

Art. 68.005. EFFECT OF CERTIFICATE. (a) If a person has met the eligibility requirements under Article 68.002, the person's criminal history record information for the offense that is the subject of the certificate may not be used as grounds for denying, suspending, or revoking a professional or occupational license to the person, provided that the person is otherwise qualified for the license, unless the offense that is the subject of the certificate:

(1) was an offense:
(A) under Chapter 21 or 43, Penal Code, other than an offense under Section 43.02(a) of that code; or

(B) listed in Article 42A.054 or 62.001(5) or (6) of this code; or
(2) relates to the profession or occupation for which the person holds or is seeking a license.

(b) If a licensing authority is prohibited by law from granting a specific occupational license to a person who has been convicted of or placed on deferred adjudication community supervision for a specific offense, a certificate does not overcome that prohibition.

(c) Subsection (a) does not apply to a professional license issued under Subtitle A, Title 5, or Title 10, Occupations Code. An agency that issues licenses under those provisions shall comply with Sections 53.022 and 53.023 of that code in determining whether a person qualifies for a license.

(d) Subsection (a) does not prohibit a licensing agency from restricting a person to a provisional or probationary license.

Art. 68.006. NULLIFICATION OF CERTIFICATE. The effect of a person's certificate is nullified if the appropriate licensing authority finds that the person, after receiving the certificate, has committed an offense that is a Class A misdemeanor or higher category of offense.

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, 2017.

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

Amend **CSHB 1426** (senate committee printing) in SECTION 1 of the bill, in added Article 68.005, Code of Criminal Procedure (page 2, between lines 47 and 48), by adding the following appropriately lettered subsection:

() Subsection (a) does not apply to:

(1) an educator employed by or seeking employment by a school district, district of innovation, open-enrollment charter school, regional education service center, or shared services arrangement;

(2) a person who holds or seeks a certificate issued by the State Board for Educator Certification under Subchapter B, Chapter 21, Education Code; or

(3) a person required to be licensed by a state agency to be employed by a school district, as provided by Section 21.003, Education Code.

(Goldman in the chair)

HB 1735 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 1735, A bill to be entitled An Act relating to certain election officers.

Representative Faircloth moved to concur in the senate amendments to **HB 1735**.

The motion to concur in the senate amendments to **HB 1735** prevailed by (Record 1845): 141 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy;

Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Cain; Romero.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Herrero; Neave.

STATEMENT OF VOTE

When Record No. 1845 was taken, I was in the house but away from my desk. I would have voted yes.

Neave

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

Amend **HB 1735** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Sections 31.092(b), (d), and (e), Election Code, are transferred to Section 31.093, Election Code, redesignated as Sections 31.093(c), (d), and (e), Election Code, respectively, and amended to read as follows:

(c) ~~[(b)]~~ On request of the county chair of a political party holding a primary election in the county, the [The] county election officer shall [may] contract with the county executive committee of the [a political] party [holding a primary election in the county] to perform election services, as provided by this subchapter, in the party's general primary election and [or] runoff primary election in accordance with a cost schedule agreed on by the contracting parties[; or both].

(d) In a contract required [authorized] by Subsection (c) ~~[(b)]~~, the county election officer may not prevent the county chair or the chair's designee from supervising the conduct of the primary election, including the tabulation of results, as required by Chapter 172. A county election officer who violates this subsection commits an offense. An offense under this subsection is a Class B misdemeanor.

(e) A ~~[H-a]~~ county election officer ~~[enters into a contract with a county executive committee under Subsection (b) to perform election services, the officer]~~ must offer to contract on the same terms with the county executive committee of each political party holding a primary election in the county.

SECTION _____. Section 31.093(a), Election Code, is amended to read as follows:

(a) If requested to do so by a political subdivision ~~[or political party]~~, the county elections administrator shall enter into a contract to furnish the election services requested, in accordance with a cost schedule agreed on by the contracting parties.

SECTION _____. Section 61.003(b)(1), Election Code, is amended to read as follows:

(1) "Electioneering" includes the posting, use, or distribution of political signs or literature. The term does not include the distribution of a notice of a party convention authorized under Section 172.1114.

SECTION _____. Section 127.096, Election Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If the test is being conducted for a primary election, the custodian of the automatic tabulating equipment shall notify the county chair of the test at least 48 hours before the date of the test. The county chair shall confirm receipt of the notice.

SECTION _____. Section 129.023, Election Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) If the test is being conducted for a primary election, the general custodian of election records shall notify the county chair of the test at least 48 hours before the date of the test. The county chair shall confirm receipt of the notice.

SECTION _____. Section 141.031(a), Election Code, is amended to read as follows:

(a) A candidate's application for a place on the ballot that is required by this code must:

- (1) be in writing;
- (2) be signed and sworn to by the candidate and indicate the date that the candidate swears to the application;
- (3) be timely filed with the appropriate authority; and
- (4) include:
 - (A) the candidate's name;
 - (B) the candidate's occupation;
 - (C) the office sought, including any place number or other distinguishing number;
 - (D) an indication of whether the office sought is to be filled for a full or unexpired term if the office sought and another office to be voted on have the same title but do not have place numbers or other distinguishing numbers;
 - (E) a statement that the candidate is a United States citizen;
 - (F) a statement that the candidate has not been determined by a final judgment of a court exercising probate jurisdiction to be:

- (i) totally mentally incapacitated; or
- (ii) partially mentally incapacitated without the right to vote;
- (G) a statement that the candidate has not been finally convicted of a felony from which the candidate has not been pardoned or otherwise released from the resulting disabilities;
- (H) the candidate's date of birth;
- (I) the candidate's residence address or, if the residence has no address, the address at which the candidate receives mail and a concise description of the location of the candidate's residence;
- (J) the candidate's length of continuous residence in the state and in the territory from which the office sought is elected as of the date the candidate swears to the application;
- (K) the statement: "I, _____, of _____ County, Texas, being a candidate for the office of _____, swear that I will support and defend the constitution and laws of the United States and of the State of Texas";
- (L) a statement that the candidate is aware of the nepotism law, Chapter 573, Government Code; and
- (M) a public mailing address at which the candidate receives correspondence relating to the candidate's campaign, if available, and an [any available] electronic mail address at which the candidate receives correspondence relating to the candidate's campaign, if available.

SECTION _____. Section 141.039, Election Code, is amended to read as follows:

Sec. 141.039. OFFICIAL APPLICATION FORM. In addition to the other statements and spaces for entering information that appear on an officially prescribed form for an application for a place on the ballot, each official form for an application that a candidate is required to file under this code must include:

- (1) a space for indicating the form in which the candidate's name is to appear on the ballot;
- (2) a space for the candidate's public mailing address;
- (3) spaces for the candidate's home and office telephone numbers and e-mail address at which the candidate receives correspondence relating to the candidate's campaign; and
- (4) a statement informing candidates that the furnishing of the telephone numbers [or e-mail address] is optional.

SECTION _____. Section 145.036(d), Election Code, is amended to read as follows:

(d) For the purpose of filling a vacancy, a majority of the committee's membership constitutes a quorum. To be nominated, a person must receive a favorable vote of a majority of the members voting [present].

SECTION _____. Section 162.004(c), Election Code, is amended to read as follows:

(c) If a voter is accepted to vote without presenting a registration certificate, the presiding judge shall issue the voter an affiliation certificate. The certificate is not required to be issued to a voter in a runoff primary unless the voter requests it.

The affiliation certificate may be combined with the notice provided under Section 172.1114. If the combined form is used, an election officer is not required to comply with Subsection (b).

SECTION _____. Section 162.014(b), Election Code, is amended to read as follows:

(b) An offense under this section is a felony of the second degree unless the person is convicted of an attempt. In that case, the offense is a state jail felony [Class C misdemeanor].

SECTION _____. Section 172.082, Election Code, is amended by amending Subsections (b), (c), and (e) and adding Subsection (f) to read as follows:

(b) The county chair ~~[executive committee]~~ shall conduct the drawing unless the county executive committee ~~[#]~~ provides by resolution that the drawing be conducted by the primary committee.

(c) The drawing shall be conducted ~~[at the county seat]~~ not later than the 10th day after the date of the regular filing deadline for the general primary election.

(e) The county chair shall post notice of the date, hour, and place of the drawing for at least 24 consecutive hours immediately before the drawing begins. The notice shall be posted on the party's Internet website, if the party maintains a website. If the party does not maintain a website, the notice shall be posted on the bulletin board used for posting notice of meetings of the commissioners court. ~~[If the party maintains an Internet website, the party shall post the notice on the party's website.]~~ All candidates who provide an e-mail address on their filing form shall be notified electronically.

(f) The state chair shall conduct the drawing if the county chair:

(1) requests that the state chair conduct the drawing; or

(2) fails to conduct the drawing by the deadline set in this section.

SECTION _____. Section 172.083, Election Code, is amended to read as follows:

Sec. 172.083. REVIEW AND APPROVAL OF BALLOT BY PRIMARY COMMITTEE. If a primary committee was established, before ~~[Before]~~ having the official ballots for a general primary election printed, the county chair shall submit the format for the official ballot to the primary committee for its review and approval.

SECTION _____. Section 172.084(a), Election Code, is amended to read as follows:

(a) The ~~[Except as provided by this section, the]~~ order of the candidates' names on the runoff primary election ballot for each county shall be ~~[determined by a drawing conducted]~~ in the same order as manner as the regular drawing for position on the general primary election ballot.

SECTION _____. Section 172.1111, Election Code, is amended to read as follows:

Sec. 172.1111. POSTING NOTICE OF CONVENTIONS ~~[PRECINCT CONVENTION]~~ REQUIRED. (a) Before the opening of the polls, the presiding judge shall post at each outside door through which a voter may enter the building in which the polling place is located a written notice in bold print of the

date, hour, and place for each ~~convening the~~ precinct, county, senatorial, or state convention that a voter in the precinct may be eligible to attend during the election year.

(b) Notice posted under this section may include:

(1) the website of the county party and state party; and

(2) any other information deemed necessary by the state executive committee.

(b-1) The state chair shall develop a form for the notice that may be used statewide. The judge is not required to use an officially prescribed form for the notice, but must include any information required by this section.

(b-2) A state chair, county chair, or precinct chair shall provide the presiding judge with the necessary information respecting the chair's associated convention.

(c) The notice must remain posted continuously through election day.

SECTION _____. Section 172.1112(a), Election Code, is amended to read as follows:

(a) The county clerk ~~chair~~ shall post a notice of the election and a notice of consolidated precincts, if applicable, in the manner prescribed by Section 4.003(b) for general and special elections. The notice of the election shall be posted on the party's Internet website, if the party maintains a website. If the party does not maintain a website, the notice shall be posted on the bulletin board used for posting notice of meetings of the commissioners court.

SECTION _____. Subchapter E, Chapter 172, Election Code, is amended by adding Section 172.1114 to read as follows:

Sec. 172.1114. DISTRIBUTION OF NOTICE OF CONVENTIONS. (a) A political party may prepare a notice not larger than letter-sized for distribution to each voter participating in the party's primary election at the time the voter is accepted for voting.

(b) The notice may include:

(1) information describing the party's convention process;

(2) information detailing the time and place of the party's first-level convention process;

(3) contact information for the county and state political parties; and

(4) website links for information and registration for party conventions.

(c) The state chair of a political party shall prescribe a form for a notice that may be used in any county. A county chair of a political party may prescribe a specific notice for the county chair's county. The same notice must be used in all precincts within a county.

(d) A notice must be approved by the secretary of state. If a county chair of a political party uses the form of notice prescribed by the state chair, only the convention location and time may be added without the secretary of state's approval.

(e) A county chair of a political party shall supply a notice prepared according to this section to the authority conducting the election not later than the 30th day before the date early voting by personal appearance begins.

(f) The secretary of state shall prescribe procedures and adopt rules as necessary to implement this section.

SECTION _____. Section 172.112, Election Code, is amended to read as follows:

Sec. 172.112. WRITE-IN VOTING. Write-in voting in a primary election is not permitted ~~[except in the general primary election for the offices of county chair and precinct chair].~~

SECTION _____. Sections 172.113(a), (d), and (e), Election Code, are amended to read as follows:

(a) The authority establishing a central counting station [county chair] shall prepare the unofficial tabulation of precinct results.

(d) The authority [county chair] shall make [the] periodic announcements of the current state of the tabulation, including by posting the announcements on the Internet website of the county, if the county maintains a website.

(e) On completing the tabulation, the authority [county chair] shall deliver it to the general custodian or may post the tabulation on the county's website or the secretary of state's website.

SECTION _____. Section 172.114, Election Code, is amended to read as follows:

Sec. 172.114. DISPOSITION OF POLL LIST. The general custodian of election records shall preserve the poll lists maintained for a primary election for 22 months [until the end of the voting year in which the primary election is held].

SECTION _____. Section 172.1141, Election Code, is amended to read as follows:

Sec. 172.1141. LIST OF REGISTERED VOTERS FOR CONVENTION. (a) At the same time the acceptance of each voter for voting in the general primary election is indicated on the precinct list of registered voters furnished for use in the election, the acceptance of the voter shall also be indicated on the list furnished for use in the party's conventions.

(b) If a county records the acceptance of a voter electronically, the county chair may request an electronic document listing the persons who voted in the party primary.

SECTION _____. Section 172.115(a), Election Code, is amended to read as follows:

(a) Subject to Subsection (b), the voter registrar shall preserve each precinct list of registered voters that is used for a primary election for 22 months [until the end of the voting year in which the primary election is held].

SECTION _____. Section 172.116, Election Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) The county clerk shall prepare and submit to the secretary of state a report of the results of the canvass, which must include:

(1) the total number of votes cast in each precinct for each candidate or measure; and

(2) the number of counted and uncounted provisional ballots cast in each precinct.

(d) The final canvass is concluded when the chair digitally certifies the canvass report on the secretary of state's website. The posting on the site that the results are final completes the canvass report. The chair is not required to file any additional notice or report with the county clerk.

SECTION _____. Sections 172.117(a), (a-1), and (a-2), Election Code, are amended to read as follows:

(a) The county chair shall certify by posting on the secretary of state's website a notation next to the name and address of each primary candidate who is nominated for a county or precinct office for placement on the general election ballot. The chair shall digitally execute ~~[and file with the county clerk]~~ an affidavit certifying that the returns posted on the secretary of state's website are the correct and complete returns. The secretary of state shall ~~[may]~~ adopt by rule a process to allow the chair to submit the affidavit digitally.

(a-1) The secretary of state shall develop appropriate notations to describe the status of each candidate. The notations shall include:

- (1) "filed";
- (2) "withdrew";
- (3) "lost primary";
- (4) "in runoff";
- (5) "lost runoff";
- (6) "deceased"; ~~[or]~~
- (7) "declared ineligible"; or
- (8) "nominee for general election."

(a-2) The county chair shall update the notations after each general primary and runoff primary election. After any withdrawal or death of a candidate, and subsequent replacement of the candidate on the ballot, the chair shall notify the state chair, who shall update the notation on the website. All notations must be completed and accurate on the date prescribed by the secretary of state by rule to ensure that an authority printing general election ballots may rely on the information.

SECTION _____. Section 172.118, Election Code, is amended to read as follows:

Sec. 172.118. NOTICE OF PERSONS ELECTED AS PARTY OFFICERS.

(a) Not later than the 20th day after the date the local canvass is completed, the county chair shall post on the secretary of state's website ~~[deliver written notice to the state chair and to the county clerk of]~~ the names of the persons elected as county chair and precinct chairs for the county. ~~[This notice may be given by electronic means or through an electronic submission system adopted by the state executive committee of the party.]~~

(b) The notice must include:

- (1) each party officer's address;
- (2) ~~[and]~~ each precinct chair's precinct number; and
- (3) each precinct officer's phone number and e-mail address, if supplied by the officer.

(c) The secretary of state shall make information described by Subsections (b)(1) and (3) available to the state chair, but not available to the public. [The county clerk shall preserve the notice until the county clerk receives notice of the party officers elected at the succeeding primary election.]

(d) Any appointment to fill a vacancy in the office of precinct or county chair shall be posted on the secretary of state's website. [On request of the secretary of state, the state chair shall deliver to the secretary written notice of the names and addresses of the party's county chairs. This notice may be given in electronic format as set out in rules adopted by the secretary of state.]

SECTION _____. Section 172.121, Election Code, is amended to read as follows:

Sec. 172.121. CERTIFICATION OF CANDIDATES FOR STATEWIDE AND DISTRICT OFFICES FOR PLACEMENT ON RUNOFF BALLOT.

(a) The state chair shall certify on the secretary of state's website [in writing] for placement on the runoff primary election ballot the name of each general primary candidate for a statewide or district office who is to be a candidate in the runoff.

(b) The state chair shall deliver the certification by posting next to the candidate's name on the secretary of state's website whether the person lost in the primary or is in a runoff for the position [to the county chair in each affected county] as soon as practicable after the state canvass of the general primary election is completed.

SECTION _____. Section 172.122(a), Election Code, is amended to read as follows:

(a) The state chair shall certify by posting on the secretary of state's website the name and address of each primary candidate who is nominated for a statewide or district office. The state chair shall execute and file digitally with the secretary of state an affidavit certifying that the returns posted on the secretary of state's website are the correct and complete returns. The secretary of state shall [may] adopt by rule a process to allow the chair to submit the affidavit digitally.

SECTION _____. Section 172.123, Election Code, is amended by adding Subsection (c) to read as follows:

(c) The requirements of this section may be met by entering the results on the secretary of state's website if the secretary of state maintains a website for that purpose.

SECTION _____. Section 172.124(b), Election Code, is amended to read as follows:

(b) The county clerk [chair] shall deliver the report to the secretary of state not later than the 30th day after primary election day.

SECTION _____. Section 172.126, Election Code, is amended by amending Subsection (e) and adding Subsection (g-1) to read as follows:

(e) The county clerk shall obtain the candidates' names that are to appear on the primary ballot, office sought, and candidate and office ballot order from the certified list on the secretary of state's website [A written certification of the candidates' names that are to appear on the primary ballot shall be delivered to the county clerk in accordance with rules prescribed by the secretary of state].

(g-1) A voter shall be allowed privacy to the extent possible when indicating the voter's choice as to which political party's primary the voter chooses to vote in. A voter may indicate, without verbalizing, the voter's choice by pointing to which party's ballot the voter chooses. The secretary of state shall prescribe a sign to inform voters of this option, and the co-judges of each polling place shall post the sign beside the signature roster.

SECTION _____. Section 172.127, Election Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) The presiding judge or alternate presiding judge for the precinct may post signs at [A sign used to indicate the location of] a polling place for a primary election or a primary runoff election that [must either]:

(1) identify [not contain] the names [name] of, or symbols [symbol] representing, any political parties [party that is] holding an election at the polling place; and [or]

(2) do not refer to a candidate or measure on the ballot [contain each name of, or each symbol representing, a political party that is holding an election at the polling place].

(c) The secretary of state shall adopt rules to provide that signs posted as authorized by Subsection (b) in the same county have a similar size and format.

SECTION _____. Sections 172.128(a) and (c), Election Code, are amended to read as follows:

(a) Notwithstanding a conflicting provision of this code, a primary election that is required for the nomination of a political party to a statewide office, a multicounty district office, or a presidential primary election shall be held in accordance with this section 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.

(c) The county clerk may combine voting precincts [designate the location of the polling place] for an election held under this section to the extent necessary to [at the main early voting polling place or designate a location to serve as a polling place in the county seat of the county if the polling place is located so that it will] adequately serve the voters.

SECTION _____. Subchapter E, Chapter 172, Election Code, is amended by adding Sections 172.129 and 172.130 to read as follows:

Sec. 172.129. STATEMENTS MADE BY ELECTION OFFICER WHEN PRIMARIES CONDUCTED AT SAME LOCATION. (a) This section applies only to a polling place used to hold an election for more than one political party.

(b) An election officer conducting a primary election may not:

(1) suggest a political party's ballot to a voter; or

(2) discuss any race on the ballot with a voter.

Sec. 172.130. ACTION BY STATE CHAIR TO MEET DEADLINES FOR CONDUCT OF PRIMARY. (a) Notwithstanding a conflicting provision of this code, the state chair, or the state chair's designee, may perform any administrative

duty of the county chair or county executive committee related to the conduct of a primary election that has not been performed in the time required by law, including the submission of candidate information under Section 172.029, drawing for ballot order under Sections 172.082 and 172.084, and canvassing returns under Section 172.116.

(b) The state chair must notify the county chair or county executive committee in writing or electronically that a duty has been performed under the authority of this section.

(c) If a county chair has a reasonable impediment or lacks appropriate technology to perform any administrative duty of the county chair related to the conduct of a primary election within the time required by law, the county chair may request that the state chair, or the state chair's designee, perform the duty instead of the county chair.

(d) The state chair may act in the role of the county chair for the purposes of Subchapter D, Chapter 173, with the approval of the secretary of state.

(e) The secretary of state shall adopt rules to implement this section in accordance with the conduct of elections and with party rule.

SECTION _____. Section 173.001(d), Election Code, is amended to read as follows:

(d) If the amount of the funds appropriated for the financing of primary elections is insufficient to satisfy the requests for those funds made under this code, the secretary of state may distribute the amount of the appropriation on a pro rata basis. Each party chair or executive committee is entitled to a proportionate share of that amount according to that committee's percentage of the total amount requested.

SECTION _____. Section 173.010, Election Code, is amended to read as follows:

Sec. 173.010. FURNISHING RULES AND GUIDELINES. During October ~~November~~ preceding each primary election year, the secretary of state shall post on the secretary's website ~~[deliver to the state chair and each county chair of each political party holding a primary election]~~ a current set of the rules and any available guidelines adopted under this subchapter. The secretary of state shall e-mail each state or county chair who has provided the secretary of state an e-mail address when the rules and guidelines have been posted. If a rule or amendment of a rule is adopted after the set is posted ~~[delivery of the set]~~, the secretary shall update the posting with the new rule or amendment ~~[deliver a copy of the rule or amendment]~~ not later than the 10th day after the date of its adoption.

SECTION _____. Section 173.032, Election Code, is amended by adding Subsection (c) to read as follows:

(c) The state chair may, with the consent of the secretary of state and the county executive committee, if one exists for the county, accept money into the state primary fund on behalf of a county party. The state chair must keep records to track the money that is attributable to a county.

SECTION _____. Section 173.033, Election Code, is amended to read as follows:

Sec. 173.033. USE OF PRIMARY FUND. (a) The county primary fund shall be used to pay expenses incurred by the county chair ~~[or county executive committee]~~ in connection with a primary election.

(b) The state primary fund shall be used to pay expenses incurred by the state chair ~~[or state executive committee]~~ in connection with a primary election.

(c) A primary fund may not be used for any other purpose, except as provided by Section 173.032(c).

SECTION _____. Section 173.034, Election Code, is amended to read as follows:

Sec. 173.034. MANAGING PRIMARY FUND. (a) The county chair ~~[executive committee]~~ shall manage the county primary fund.

(b) The state chair ~~[executive committee]~~ shall manage the state primary fund.

SECTION _____. Section 173.036(a), Election Code, is amended to read as follows:

(a) The secretary of state may approve an expenditure of state funds for an audit of:

(1) the state primary fund or a county primary fund on request of the state chair; or

(2) a county primary fund on request of a county chair.

SECTION _____. The heading to Section 173.062, Election Code, is amended to read as follows:

Sec. 173.062. FEE PAID TO STATE CHAIR FOR DISTRICT OFFICES REMITTED TO SECRETARY OF STATE ~~[ALLOCATED AMONG COUNTY COMMITTEES]~~.

SECTION _____. Section 173.062(a), Election Code, is amended to read as follows:

(a) The ~~[state chair shall allocate the]~~ filing fee for a district office accompanying an application for a place on the ballot filed with the state chair during the regular filing period shall be remitted to the secretary of state and deposited in the state treasury for the financing of primary election expenses ~~[among the county executive committees serving the counties comprising the district]~~.

SECTION _____. Section 173.081, Election Code, is amended by amending Subsections (a) and (c) and adding Subsection (g) to read as follows:

(a) Regardless of whether state funds are requested for paying primary expenses, a state or county chair shall submit to the secretary of state a written statement of estimated expenses to be incurred by the chair in connection with a primary election ~~[shall be submitted to the secretary of state by:~~

~~(1) the county chair, for expenses of the county chair or county executive committee; or~~

~~(2) the state chair, for expenses of the state chair or state executive committee].~~

(c) A statement for a general primary election must also:

(1) state the amount of:

(A) the primary candidates' filing fees required to be deposited in the county primary fund if the statement is submitted by a county chair, or in the state primary fund if the statement is submitted by the state chair, that have been received by the authority submitting the statement; and

(B) the contributions to the county chair or executive committee if the statement is submitted by a county chair, or to the state chair or executive committee if the statement is submitted by the state chair, that:

(i) are for the purpose of defraying primary election expenses; and

(ii) have not been included in a report filed under Section 173.084 for a previous primary election year; and

(2) be submitted not later than the 45th day before general primary election day.

(g) The state chair of a party, or the state chair's designee, may submit a statement under this section on behalf of a county chair if the county chair:

(1) requests the state chair to submit the statement on the county chair's behalf; or

(2) fails to submit the statement by the deadline.

SECTION _____. Section 173.0832, Election Code, is amended to read as follows:

Sec. 173.0832. DIRECT REPAYMENT TO AUTHORITY CONDUCTING PRIMARY ELECTION UNDER CONTRACT IN CERTAIN COUNTIES. On request of a county election officer [~~of a county with a population of 100,000 or more~~] who conducts a primary election under an election services contract authorized under Subchapter D, Chapter 31, the secretary of state shall ~~may~~ provide payment of primary expenses directly to the officer who incurs the expense rather than to the county chair under this subchapter. The secretary of state shall prescribe procedures to implement this section.

SECTION _____. Subchapter D, Chapter 173, Election Code, is amended by adding Section 173.0833 to read as follows:

Sec. 173.0833. DIRECT BILLING OF CERTAIN PRIMARY EXPENSES.

(a) This section applies to election services and materials provided by a vendor for use in a primary election or primary runoff election, including:

(1) the printing of paper ballot material containing candidates' names used in a polling place;

(2) the programming and testing of voting system equipment, including ballot layout, programming of equipment, and audio production;

(3) site support or technical support other than the programming or testing of voting system equipment;

(4) nonballot election materials used in a precinct on election day, including election kits, required party stamps, distance signs, and required forms; and

(5) the rental of non-county-owned electronic voting system equipment, including media components.

(b) A vendor providing election services or materials to a county chair or a county election officer contracting with a county chair for a primary or runoff primary election shall directly bill the secretary of state for the cost of the services or materials used on election day for which state funding is available under this chapter.

(c) The county chair or the county election officer contracting with the county chair for whom a vendor provides election services or materials to be directly billed to the secretary of state under this section:

(1) shall direct the vendor to remit final invoices to the secretary of state for payment; and

(2) may examine an invoice for accuracy after the invoice is submitted to the secretary of state for payment.

(d) If after a review under Subsection (c)(2) an adjustment is required, the county chair or county election officer shall notify the vendor and the secretary of state. The vendor shall submit a corrected invoice and the secretary of state shall adjust the payment accordingly.

(e) An invoice submitted to the secretary of state by a vendor for payment under this section must be in an electronic spreadsheet format prescribed by the secretary of state and list each county to which the vendor provides election services or materials. For each county to which a vendor provides election services or materials a submission must include:

(1) the name of the political party;

(2) the invoice number;

(3) the date of submission;

(4) the number of ballots printed, if any;

(5) whether an order for ballot printing or programming of voting system equipment was placed by the county chair or an entity contracting with the county chair to hold the primary; and

(6) the specific type of election services or materials provided.

(f) A vendor may not submit an invoice directly billing the secretary of state for a primary election expense required to be paid by the county under Section 173.003.

(g) The direct payment by the secretary of state of an invoice under this section does not affect the payments calculated for county chairs under Section 173.004 or compensation of a county election officer under Section 31.100.

(h) The secretary of state may adopt rules as necessary to implement this section.

SECTION _____. Section 173.084, Election Code, is amended by amending Subsections (b) and (d) and adding Subsection (b-1) to read as follows:

(b) The authority preparing the report shall file it with the secretary of state not later than August 31 following the applicable primary election [~~the 30th day after runoff primary election day or not later than the 30th day after general primary election day if no runoff primary is held in the county~~], in the case of the county chair's report, or if no runoff primary is held for a statewide or district office, in the case of the state chair's report.

(b-1) The secretary for good cause, including failure of a vendor or a county election officer contracted to conduct the election to provide complete invoices in a timely fashion, may extend the filing deadline.

(d) Any compensation claimed under Section 173.004 shall [may] be forfeited on the failure of a county chair to file a timely report.

SECTION _____. Section 173.0851(a), Election Code, is amended to read as follows:

(a) Any surplus remaining in a primary fund shall be remitted to the secretary of state immediately after the final payment from the fund of the necessary expenses for holding the primary elections for that year upon request of the secretary of state, ~~but not later than July 1 following the applicable primary election~~. The surplus in a primary fund shall be remitted regardless of whether state funds were requested by the chair.

SECTION _____. Chapter 276, Election Code, is amended by adding Section 276.011 to read as follows:

Sec. 276.011. ENGAGING IN ORGANIZED ELECTION FRAUD ACTIVITY. (a) A person commits an offense if, with the intent to establish, maintain, or participate in a vote harvesting organization, the person commits or conspires to commit one or more offenses under Titles 1 through 7.

(b) Except as provided by Subsection (c), an offense under this section is one category higher than the most serious offense listed in Subsection (a) that is committed, and if the most serious offense is a Class A misdemeanor, the offense is a state jail felony.

(c) At the punishment stage of a trial, the defendant may raise the issue as to whether in voluntary and complete renunciation of the offense the defendant withdrew from the vote harvesting organization before commission of an offense listed in Subsection (a) and made substantial effort to prevent the commission of the offense. If the defendant proves the issue in the affirmative by a preponderance of the evidence, the offense is the same category of offense as the most serious offense listed in Subsection (a) that is committed.

(d) In this section, "vote harvesting organization" means three or more persons who collaborate in committing offenses under Titles 1 through 7, although participants may not know each other's identity, membership in the organization may change from time to time, and participants may stand in a candidate-consultant, donor-consultant, consultant-field operative, or other arm's length relationship in the organization's operations.

(e) For purposes of this section, "conspires to commit" means that a person agrees with one or more persons that they or one or more of them engage in conduct that would constitute the offense and that person and one or more of them perform an overt act in pursuance of the agreement. An agreement constituting conspiring to commit may be inferred from the acts of the parties.

SECTION _____. The following provisions of the Election Code are repealed:

- (1) Sections 172.084(b), (c), (d), and (e);
- (2) Sections 172.113(b) and (c);
- (3) Section 172.119;

- (4) Section 172.127(a);
- (5) Sections 173.062(b), (c), and (d);
- (6) Section 173.064; and
- (7) Section 173.088.

SECTION _____. (a) The changes in law made by this Act in amending Section 31.093(d), Election Code, as redesignated by this Act, and Section 162.014(b), Election Code, and adding Section 276.011, Election 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.

(b) The change in law made by this Act to Section 141.031(a), Election Code, applies to an application for a place on the ballot made on or after the effective date of this Act. An application for a place on the ballot made before the effective date of this Act is governed by the law in effect on the date the application is made, and the former law is continued in effect for that purpose.

Senate Amendment No. 2 (Senate Floor Amendment No. 2)

Amend Amendment No. 1 by Huffman to **HB 1735** by striking the SECTION of the amendment that amends Section 162.014(b), Election Code, and substituting the following appropriately numbered SECTION:

SECTION _____. Section 162.014, Election Code, is amended by amending Subsection (b) and adding Subsections (c) and (d) to read as follows:

(b) Except as provided by Subsections (c) and (d), an ~~An~~ offense under this section is a Class C misdemeanor.

(c) An offense under this section is a felony of the second degree if the conduct constituting an offense under Subsection (a) consists of knowingly voting in a primary election after having voted in a primary election of another party during the same voting year.

(d) An offense under this section is a state jail felony if the conduct constituting an offense under Subsection (a) consists of knowingly attempting to vote in a primary election after having voted in a primary election of another party during the same voting year.

HB 150 - HOUSE REFUSES TO CONCUR IN SENATE AMENDMENTS CONFERENCE COMMITTEE APPOINTED

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

HB 150, A bill to be entitled An Act relating to the exemption from ad valorem taxation of part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization for less than the market value of the residence homestead.

Representative Bell moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 150**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 150**: Bell, chair; Shine, Springer, Guillen, and J. Johnson.

HB 3632 - HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 3632, A bill to be entitled An Act relating to extension of the timeline for a parent to request a special education impartial due process hearing in certain circumstances.

Representative Moody moved to concur in the senate amendments to **HB 3632**.

The motion to concur in the senate amendments to **HB 3632** prevailed by (Record 1846): 142 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Paddie; Rodriguez, E.; VanDeaver.

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

Amend **HB 3632** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Subchapter A, Chapter 29, Education Code, is amended by adding Section 29.0163 to read as follows:

Sec. 29.0163. PROTECTION OF THE RIGHTS OF MILITARY FAMILIES WITH CHILDREN WITH DISABILITIES. (a) In this section, "servicemember" means a member of:

(1) the armed forces;
(2) the Commissioned Corps of the National Oceanic and Atmospheric Administration; or

(3) the Commissioned Corps of the United States Public Health Service.

(b) The agency must include in the notice of procedural safeguards that the statute of limitations for the parent of a student to request an impartial due process hearing under 20 U.S.C. Section 1415(b) may be tolled if the parent is an active-duty servicemember and 50 U.S.C. Section 3936 applies to the parent.

(c) The commissioner shall adopt rules to implement this section.

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, 2017.

**HB 1553 - HOUSE REFUSES TO CONCUR
 IN SENATE AMENDMENTS
 CONFERENCE COMMITTEE APPOINTED**

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

HB 1553, A bill to be entitled An Act relating to permitting a school district that has failed to satisfy performance standards to partner with an institution of higher education to improve district performance.

Representative Lozano moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 1553**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 1553**: Lozano, chair; K. King, Morrison, Gooden, and Ashby.

**HB 1290 - HOUSE REFUSES TO CONCUR
 IN SENATE AMENDMENTS
 CONFERENCE COMMITTEE APPOINTED**

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

HB 1290, A bill to be entitled An Act relating to the required repeal of a state agency rule before adoption of a new state agency rule.

Representative Roberts moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 1290**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 1290**: Roberts, chair; Price, Cook, Darby, and Longoria.

HOUSE AT EASE

At 5 p.m., the chair announced that the house would stand at ease.

(Speaker in the chair)

The speaker called the house to order at 5:41 p.m.

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 1).

HB 931 - MOTION TO CONCUR IN SENATE AMENDMENTS

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

HB 931, A bill to be entitled An Act relating to liability of certain electric utilities and political subdivisions that contract for certain uses of land that the electric utility owns, occupies, or leases.

HB 931 - POINT OF ORDER

Representative Gooden raised a point of order against further consideration of **HB 931** under Rule 11, Section 2 and Rule 11, Section 3 of the House Rules and Article III, Section 30, Article III, Section 35, and Article III, Section 56 of the Texas Constitution on the grounds that the senate amendments are not germane to the bill and the senate amendments would change the original purpose of the bill.

The speaker overruled the point of order and submitted the following statement:

Article III, Section 35 of the Texas Constitution requires bills to contain only one subject. Rule 11, Section 2 of the House Rules states that "No motion or proposition on a subject different from the subject under consideration shall be admitted as an amendment or as a substitute for the motion or proposition under debate." Rule 11, Section 3, prohibits a bill from being "amended in its passage through either house so as to change its original purpose." Article III, Section 35 of the Texas Constitution contains a similar provision. Article III, Section 56 of the Texas Constitution is a prohibition on local and special laws.

HB 931, which did not authorize any of the 30 prohibited acts set out in Article III, Section 56, was a bill that effected the liability of certain electrical utilities for specific allowable land uses that the electric utility owns, occupies, or

leases. It applied to a number of counties in the state. When the bill returned from committee, it was expanded to becoming statewide in nature but it did not change the intended purpose of the bill which was related to the liability of certain electric utilities for allowable land uses that the electric utility owns, occupies, or leases and did not violate the rules related to germaneness.

Because the bill's subject is broad, and the amendment falls within the bill's subject without altering its prescribed purpose, the amendment is germane to the bill. The point of order is respectfully overruled.

Representative Miller moved to concur in the senate amendments to **HB 931**.

The motion to concur in the senate amendments to **HB 931** was lost by (Record 1847): 63 Yeas, 78 Nays, 1 Present, not voting.

Yeas — Anderson, C.; Anderson, R.; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Cyrier; Dale; Elkins; Fairecloth; Fallon; Frank; Goldman; Hefner; Huberty; Isaac; Keough; King, P.; Klick; Koop; Krause; Landgraf; Lang; Larson; Laubenberg; Leach; Lozano; Metcalf; Meyer; Miller; Morrison; Murphy; Murr; Oliverson; Paul; Phelan; Price; Raney; Raymond; Rinaldi; Sanford; Schaefer; Schofield; Schubert; Shaheen; Simmons; Springer; Stephenson; Stickland; Stucky; Swanson; Thompson, E.; Tinderholt; White; Wilson; Workman; Wray; Zedler; Zerwas.

Nays — Allen; Alonzo; Alvarado; Anchia; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Canales; Clardy; Coleman; Collier; Cook; Cortez; Cospere; Craddick; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Farrar; Flynn; Geren; Gervin-Hawkins; Giddings; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Hinojosa; Holland; Howard; Israel; Johnson, E.; Johnson, J.; Kacal; King, K.; King, T.; Kuempel; Lambert; Longoria; Lucio; Martinez; Moody; Muñoz; Neave; Nevárez; Oliveira; Ortega; Paddie; Parker; Perez; Pickett; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sheffield; Shine; Smithee; Thierry; Turner; Uresti; VanDeaver; Villalba; Vo; Wu.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Minjarez; Walle.

Absent — Biedermann; Capriglione; Frullo; Hunter; Phillips; Thompson, S.

STATEMENTS OF VOTE

When Record No. 1847 was taken, I was shown voting no. I intended to vote yes.

Bell

When Record No. 1847 was taken, I was shown voting no. I intended to vote yes.

Flynn

When Record No. 1847 was taken, I was in the house but away from my desk. I would have voted yes.

Hunter

When Record No. 1847 was taken, I was shown voting no. I intended to vote yes.

Lambert

When Record No. 1847 was taken, I was shown voting yes. I intended to vote no.

Meyer

When Record No. 1847 was taken, I was shown voting no. I intended to vote yes.

Parker

**HB 931 - HOUSE REFUSES TO CONCUR
IN SENATE AMENDMENTS
CONFERENCE COMMITTEE APPOINTED**

Representative Miller moved that the house not concur in the senate amendments and that a conference committee be requested to adjust the differences between the two houses on **HB 931**.

The motion prevailed.

The chair announced the appointment of the following conference committee, on the part of the house, on **HB 931**: Miller, chair; Cook, E. Rodriguez, K. King, and Paddie.

**HB 3136 - HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

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

HB 3136, A bill to be entitled An Act relating to the creation of the Windsor Hills Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments.

Representative Wray moved to concur in the senate amendments to **HB 3136**.

The motion to concur in the senate amendments to **HB 3136** prevailed by (Record 1848): 145 Yeas, 2 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez;

Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Nays — Rinaldi; Shaheen.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Minjarez; Walle.

Senate Committee Substitute

CSHB 3136, A bill to be entitled An Act relating to the creation of the Windsor Hills Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3946 to read as follows:

CHAPTER 3946. WINDSOR HILLS MUNICIPAL MANAGEMENT

DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3946.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Midlothian, Texas.

(3) "Commission" means the Texas Commission on Environmental

Quality.

(4) "Development agreement" means a development agreement between the city and One Windsor Hills, L.P., that establishes the standards that apply to development in the district and includes zoning provisions for the district that allow a maximum of 545 residential units.

(5) "Director" means a board member.

(6) "District" means the Windsor Hills Municipal Management District

No. 1.

(7) "Finance plan" means a finance plan between the city and the district that includes a general description of proposed improvement projects that will be financed by the district, an estimate of the costs for the proposed improvement projects, and the means of financing costs related to the planning, design, construction, and improvement of the proposed improvement projects.

Sec. 3946.002. PRECONDITION; EXPIRATION. (a) The district may not exercise any powers under this chapter until the development agreement and finance plan are executed.

(b) This chapter, including Section 3946.052, expires September 1, 2019, if the development agreement and finance plan are not executed by that date.

Sec. 3946.003. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3946.004. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the city services provided in the district.

Sec. 3946.005. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to further the public purposes of:

- (1) developing and diversifying the economy of the state;
- (2) eliminating unemployment and underemployment;
- (3) providing quality residential housing; and
- (4) developing or expanding transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a residential community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 3946.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to contract;

(3) authority to borrow money or issue any type of bonds or other obligations for a purpose for which the district is created;

(4) right to impose or collect an assessment, or collect other revenue; or

(5) legality or operation.

Sec. 3946.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3946.008. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3946.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3946.052, directors serve staggered four-year terms, with two or three directors' terms expiring May 31 of each even-numbered year.

Sec. 3946.052. INITIAL DIRECTORS. (a) The initial board consists of:

(1) John Malloy;

(2) Jon Hendrickson;

(3) Suzanne Disette;

(4) Katie Martin Brown; and

(5) Christopher Alan Cain.

(b) Initial directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3946.008; or

(2) June 1, 2021.

(c) If permanent directors have not been elected and the terms of the initial directors have expired, successor directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 3946.008; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor directors the five persons named in the petition. The commission shall appoint as successor directors the five persons named in the petition.

Sec. 3946.053. ELIGIBILITY. To be qualified to serve as a director, a person must meet the qualifications prescribed by Section 375.063, Local Government Code.

Sec. 3946.054. EX OFFICIO DIRECTORS. (a) The following persons serve ex officio as nonvoting directors:

(1) the city manager of the city; and

(2) the chief financial officer of the city.

(b) An ex officio director is entitled to speak on a matter before the board.

Sec. 3946.055. VACANCY. A vacancy on the board shall be filled by the remaining members of the board for the unexpired term.

Sec. 3946.056. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Sec. 3946.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Sec. 3946.058. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses in the manner provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 3946.059. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;

(2) actions and activities taken by the district; or

(3) the actions of others acting on behalf of the district.

Sec. 3946.060. CONFLICTS OF INTEREST. Chapter 171, Local Government Code, governs conflicts of interest of directors.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3946.101. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter D.

(b) An improvement project authorized under this chapter may be located inside or outside the district.

Sec. 3946.102. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district; or

(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities.

(b) The district may enforce its rules by injunctive relief.

Sec. 3946.103. NAME CHANGE; NOTICE. (a) The board by resolution may change the district's name.

(b) The board shall give written notice of a name change to the city.

Sec. 3946.104. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary.

Sec. 3946.105. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3946.151. IMPROVEMENT PROJECTS AND SERVICES. Except as otherwise provided by this chapter, the district may provide, or contract with a governmental or private entity to provide, water, wastewater, drainage, or roadway projects, or related projects and services.

Sec. 3946.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project is necessary to accomplish a public purpose of the district.

Sec. 3946.153. CITY REQUIREMENTS. (a) An improvement project must comply with any applicable city construction codes and construction ordinances.

(b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way, or easements without the consent of the city.

Sec. 3946.154. ADDITIONAL CITY POWERS REGARDING IMPROVEMENT PROJECTS. (a) Except as otherwise provided by an agreement between the district and the city, the city may:

(1) by ordinance, order, resolution, or other directive require that title to all or any portion of an improvement project vest in the city; or

(2) by ordinance, order, resolution, or other directive authorize the district to own, encumber, maintain, and operate an improvement project or convey the project to the city at a later date.

(b) The district shall immediately comply with any city ordinance or resolution adopted under this section.

SUBCHAPTER E. CONTRACTS

Sec. 3946.201. GENERAL CONTRACT POWERS. The district may contract with any person to accomplish any district purpose.

Sec. 3946.202. CONTRACT TERMS. A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including an obligation to issue a negotiable or nonnegotiable note or warrant payable to the city or any other person.

Sec. 3946.203. REIMBURSEMENT OF COSTS. The district may contract with any person for the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost.

Sec. 3946.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The district may contract with any person for the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project.

(b) The district may apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project.

Sec. 3946.205. NO FURTHER CONTRACT AUTHORIZATION REQUIRED. Any person, including the city, may contract with the district to carry out the purposes of this chapter without further statutory or other kind of authorization.

SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

Sec. 3946.251. DEVELOPMENT AGREEMENT REQUIRED TO BORROW MONEY OR IMPOSE ASSESSMENTS. Before the district may issue bonds, impose assessments, or borrow money, the district must obtain from the city confirmation that no defaults under the development agreement are known.

Sec. 3946.252. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for a district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from assessments or any other district revenue.

Sec. 3946.253. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from assessments in the manner provided by Subchapter J, Chapter 375, Local Government Code.

(b) If the improvements financed by an obligation will be conveyed to or operated and maintained by a municipality or retail utility provider pursuant to an agreement between the district and the municipality or retail utility provider entered into before the issuance of the obligation, the obligation may be issued in the manner provided by Subchapter A, Chapter 372, Local Government Code.

(c) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(d) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

Sec. 3946.254. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Sec. 3946.255. ISSUER POWERS FOR CERTAIN PUBLIC IMPROVEMENTS. The district may exercise any power of an issuer under Chapter 1371, Government Code.

Sec. 3946.256. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or debt by:

(1) a lease, installment purchase contract, or other agreement; or
(2) any other revenue or resources of the district or other revenue authorized by the city, including revenue from a tax increment reinvestment zone created by the city.

Sec. 3946.257. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay the cost of any authorized district improvement or to pay the costs of establishing and operating the district in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or
(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) An assessment may not exceed the equivalent of 43 cents per \$100 of valuation on the average residential lot in the district.

(c) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed; and
(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(d) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of the lien's payment under the applicable assessment ordinance or order.

(e) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Sec. 3946.258. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the city, all or part of the cost of an improvement project, including an improvement project that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Sec. 3946.259. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Sec. 3946.260. NO IMPACT FEES. The district may not impose an impact fee.

Sec. 3946.261. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

SUBCHAPTER G. DISSOLUTION

Sec. 3946.301. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district.

(b) The city may not dissolve the district until:

(1) the district's outstanding debt or other obligations have been repaid, assumed, or discharged, including the defeasance of any outstanding bonds or other obligations through the issuance of debt by the city; and

(2) each party to the development agreement fulfills the party's obligations under the agreement and the plan, including a district obligation to reimburse a developer or owner for the costs of an improvement project or service.

Sec. 3946.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Sec. 3946.303. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

SECTION 2. The Windsor Hills Municipal Management District No. 1 initially includes all the territory contained in the following area:

TRACT ONE

BEING a tract of land out of the JOSEPH STEWART Survey, Abstract Number 961, M.E.P. & P.R.R. COMPANY Survey, Abstract Number 761, JAMES JONES Survey, Abstract Number 583, ALLEN REEVES Survey, Abstract Number 939 and the B.F. BERRY Survey, Abstract Number 1547 and being part of a tract of land described to One Windsor Hills L.P. as recorded in

Volume 2199, Page 2425, Volume 2181, Page 1640 and Volume 2206, Page 1415, Deed Records, Ellis County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the northwesterly corner of a tract of land described to One Windsor Hills L.P. in Volume 2206, Page 1415, Deed Records, Ellis County, Texas, and the southwesterly corner of a tract of land described to Suburban Residential, L.P. as recorded in Volume 2061, Page 1487, Deed Records, Ellis County, Texas, said point also being in the easterly right-of-way of U.S. Highway Number 287 (a variable width right-of-way).

THENCE North 59°34'56" East along said common line and departing said east right-of-way line passing at a distance of 223.98 feet the easterly line of said Suburban Residential, L.P. tract and the westerly line of said tract of land described to One Windsor Hills, L.P. in Volume 2181, Page 1640 in all a total distance of 2878.85 feet to a point for corner;

THENCE North 30°22'31" West, a distance of 623.90 feet to a point for corner;

THENCE North 81°43'06" East, a distance of 488.08 feet to a point for corner;

THENCE North 72°00'40" East, a distance of 320.19 feet to a point for corner;

THENCE North 71°30'14" East, a distance of 275.16 feet to a point for corner;

THENCE North 60°21'33" East, a distance of 306.11 feet to a point for corner;

THENCE North 60°52'42" East, a distance of 324.51 feet to a point for corner;

THENCE North 62°51'56" East, a distance of 737.24 feet to a point for corner;

THENCE North 77°31'00" East, a distance of 184.84 feet to a point for corner;

THENCE South 54°36'52" East, a distance of 94.36 feet to a point for corner;

THENCE South 45°11'54" East, a distance of 143.80 feet to a point for corner;

THENCE North 00°06'23" East, a distance of 2809.23 feet to a point for corner, said point being at the beginning of tangent curve to the right whose chord bears North 04°50'09" East, and a chord length of 454.89;

THENCE in a northeasterly direction with said curve to the right having a central angle 09°53'05", with a radius of 2640.00 feet, an arc length of 455.45 feet to a point for corner, said point being in the northeasterly line of said tract of land described to One Windsor Hills, L.P. in Volume 2199, Page 2425, and southerly line of a tract of land described to JAS Holdings, L.L.C. as recorded in Volume 2051, Page 2082, Deed Records, Ellis County, Texas;

THENCE North 88°55'17" East, along said common line a distance of 627.82 feet to a point for corner;

THENCE South 01°20'17" East continuing along said common line a distance of 491.92 feet to a point for corner;

THENCE North 87°52'20" East continuing along said common line a distance of 765.58 feet to a point for corner;

THENCE North 89°07'31" East continuing along said common line a distance of 1045.64 feet to a point for corner said point being in the apparent westerly line of Quarry Road (a variable width right-of-way);

THENCE along said Quarry Road the following calls: South 00°31'02" East, a distance of 2176.51 feet to a point for corner; South 00°12'55" West, a distance of 619.03 feet to a point for corner; South 00°11'45" West, a distance of 2361.69 feet to a point for corner, said point being the northerly line of a tract of land described to Fulson Midlothian Partners L.P., in Volume 2220, Page 0194, Deed Records, Ellis County, Texas;

THENCE South 73°40'45" West, departing said Quarry Road, a distance of 1024.70 feet to a point for corner, said point being in the easterly line of said tract of land described to One Windsor Hills, L.P. in Volume 2206, Page 1415, and the northerly line of said Fulson Midlothian Partners L.P. tract;

THENCE South 30°37'38" East, continuing along said common line a distance of 350.99 feet to a point for corner;

THENCE South 59°15'58" West, continuing along said common line a distance of 3738.60 feet to a point for corner;

THENCE South 00°20'54" West, continuing along said common line a distance of 423.54 feet to a point for corner, said point being in the said northerly right-of-way line of U.S. Highway Number 287;

THENCE along said northerly right-of-way line of U.S. Highway Number 287 the following calls: North 63°06'06" West, a distance of 291.86 feet to a point for corner; North 59°56'14" West, a distance of 490.32 feet to a point for corner; North 57°00'04" West, a distance of 447.27 feet to a point for corner; North 56°34'07" West, a distance of 486.37 feet to a point for corner; North 50°47'17" West, a distance of 387.41 feet to a point for corner; North 49°12'36" West, a distance of 604.08 feet to a point for corner; North 48°29'20" West, a distance of 123.15 feet to a point for corner, said point being in the southeasterly line of a tract of land described to City of Midlothian, Cause Number 04-C-3616 County Court of Law, Ellis County, Texas;

THENCE North 41°28'19" East, departing the said northerly right-of-way line of U.S. Highway 287, a distance of 100.00 feet to a point for corner;

THENCE North 48°53'44" West continuing along said common line a distance of 99.72 feet to a point for corner;

THENCE South 41°38'09" West continuing along said common line a distance of 99.36 feet to a point for corner, said point being in the said northerly right-of-way line of U.S. Highway 287;

THENCE along said northerly right-of-way line of U.S. Highway Number 287 the following calls: North 48°36'14" West, a distance of 247.58 feet to a point for corner; North 42°50'51" West, a distance of 458.34 feet to a point for corner; North 51°04'02" West, a distance of 466.39 feet to a point for corner; North 27°30'07" West, a distance of 3.46 feet to the POINT OF BEGINNING, containing 29,532,612 square feet or 677.97 acres, more or less.

TRACT TWO

BEING a tract of land out of the ALLEN REEVES Survey, Abstract Number 939 and being part of a tract of land described to One Windsor Hills L.P. as recorded in Volume 2202, Page 2425, Deed Records, Ellis County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the southeasterly corner of a tract of land described to One Windsor Hills L.P. Tract 2 in Volume 2202, Page 1295, Deed Records, Ellis County, Texas, said point also being in the southwesterly line of a tract of land

described to City of Midlothian in Volume 491, Page 081, Deed Records, Ellis County, Texas, said point also being in the apparent northerly line of Auger Road (a variable width right-of-way);

THENCE along said northerly line of Auger Road the following calls: South $81^{\circ}59'52''$ West, a distance of 520.79 feet to a point for corner; North $84^{\circ}51'18''$ West, a distance of 617.43 feet to a point for corner; South $79^{\circ}50'03''$ West, a distance of 442.41 feet to a point for corner, said point also being in the apparent easterly line of Quarry Road (a variable width right-of-way) and also being in the westerly line of said One Windsor Hills, L.P. Tract Two;

THENCE North $00^{\circ}09'14''$ West, a distance of 2342.31 feet to a point for corner, said point being in the southwesterly line of a tract of land described to North Texas Cement Company in Volume 846, Page 138, Deed Records, Ellis County, Texas;

THENCE North $88^{\circ}56'09''$ East departing said easterly line of Quarry Road and continuing along said common line a distance of 563.53 feet to a point for corner;

THENCE North $00^{\circ}21'10''$ West, continuing along said common line a distance of 250.88 feet to a point for corner;

THENCE North $89^{\circ}56'37''$ East, a distance of 2097.82 feet to appoint for corner, said point being in the westerly line of a tract of land described to City of Midlothian in Volume 2451, Page 0414, Deed Records, Ellis County, Texas;

THENCE South $00^{\circ}22'22''$ East, continuing along said common line a distance of 1414.75 feet to a point for corner;

THENCE South $89^{\circ}25'13''$ West, a distance of 563.27 feet to a point for corner;

THENCE South $36^{\circ}57'24''$ West, a distance of 156.39 feet to a point for corner;

THENCE South $42^{\circ}37'28''$ West, a distance of 220.86 feet to a point for corner;

THENCE South $17^{\circ}07'08''$ West, a distance of 110.49 feet to a point for corner;

THENCE South $29^{\circ}56'28''$ West, a distance of 283.81 feet to a point for corner;

THENCE South $83^{\circ}24'38''$ West, a distance of 135.84 feet to a point for corner.

THENCE South $02^{\circ}33'31''$ East, a distance of 435.91 feet to the POINT OF BEGINNING, containing 5,604,605 square feet or 128.66 acres, more or less.

TRACT THREE

BEING a tract of land out of the ALLEN REEVES Survey, Abstract Number 939 and being part of a tract of land described to Jas Holdings, LLC, as recorded in Volume 2051, Page 2082, Deed Records, Ellis County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the northwesterly line of said Holdings tract, said point being at the intersection of the southerly line of Gifco Road and the westerly line of Quarry Road;

THENCE South $06^{\circ}40'47''$ West, a distance of 443.05 feet to a point for corner;

THENCE South $06^{\circ}09'13''$ East, a distance of 220.20 feet to a point for corner;

THENCE South $10^{\circ}13'13''$ East, a distance of 536.49 feet to a point for corner;

THENCE South 08°58'47" West, a distance of 136.00 feet to a point for corner;

THENCE South 10°19'36" West, a distance of 210.10 feet to a point for corner;

THENCE South 00°07'52" East, a distance of 565.79 feet to a point for corner, said point being in the southerly line of said Holdings tract and the northerly line of a tract of land described to One Windsor Hills, L.P. as recorded in Volume 2199, Page 2425, Deed Records, Ellis County, Texas;

THENCE with said common line the following calls: South 89°07'31" West, a distance of 1045.64 feet to a point for corner; South 87°52'20" West, a distance of 765.58 feet to a point for corner; North 01°20'17" West, a distance of 491.92 feet to a point for corner; South 88°55'27" West, a distance of 627.82 feet to a point for corner, said point being at the beginning of a non-tangent curve to the right whose chord bears North 31°16'58" East, a distance of 1935.46 feet;

THENCE in a northeasterly direction with said non-tangent curve to the right having a central angle of 43°00'28", with a radius of 2640.00 feet, an arc length of 1981.66 feet to a point for corner, said point being in the northerly line of said Holdings tract;

THENCE North 89°50'10" East, along the northerly line of said Holdings tract a distance of 1436.81 feet to the POINT OF BEGINNING, containing 4,273,854 square feet or 98.11 acres, more or less.

SECTION 3. (a) The legislature finds that the Windsor Hills Municipal Management District No. 1 created under Chapter 3907, Special District Local Laws Code, as added by Chapter 858 (**HB 3836**), Acts of the 82nd Legislature, Regular Session, 2011, did not execute a development agreement and finance plan by September 1, 2012. Therefore, Chapter 3907, Special District Local Laws Code, expired by operation of Section 3907.002(b), Special District Local Laws Code, on September 1, 2012.

(b) The legislature finds that the Windsor Hills Municipal Management District No. 1 created under Chapter 3907A, Special District Local Laws Code, as added by Chapter 253 (**HB 518**), Acts of the 83rd Legislature, Regular Session, 2013, did not execute a development agreement and finance plan by September 1, 2015. Therefore, Chapter 3907A, Special District Local Laws Code, expired by operation of Section 3907A.002(b), Special District Local Laws Code, on September 1, 2015.

SECTION 4. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 5. This Act takes effect September 1, 2017.

**HB 1278 - RETURNED TO SENATE
BY THE SPEAKER**

Pursuant to Rule 13, Section 5A of the House Rules, the speaker returned **HB 1278** with senate amendments to the senate and submitted the following statement:

Pursuant to Rule 13, Section 5A of the House Rules, 85th Legislature, I am returning the attached house bill to the Texas Senate for further action because the amendments the senate adopted to the bill are not germane for the following reasons:

As **HB 1278** left the house, the sole subject of the bill was to add current or former district or county attorneys whose jurisdiction includes criminal law or child protective services to a list of people, under 552.117 of the Government Code, whose home address, home telephone number, emergency contact information, or social security number are exempted from public information requests. The senate added two nongermane amendments.

Amendment No. 1 added current and former employees of the Department of Family and Protective Services (DFPS) to the protected list as well. DFPS employees do not fall within the same subject of **HB 1278**, protecting personal information of prosecutors. The amendment is not germane to **HB 1278**.

Amendment No. 2 added Chapter 1952 code enforcement officers to the protected list from disclosure of information under the Tax Code, not the Open Records Act. Similar to Amendment No. 1, Amendment No. 2 does not fall within the subject of **HB 1278**, protecting personal information of prosecutors. The amendment is not germane to **HB 1278**.

**ADDRESS BY REPRESENTATIVE CANALES
ON A MATTER OF PERSONAL PRIVILEGE**

The speaker recognized Representative Canales who addressed the house on a matter of personal privilege, speaking as follows:

I've never given a personal privilege speech on this floor, and I don't take the fact that I rise to do so lightly, but I rise today to cast light on what I call a public villain, someone who dwells in the shadows of corporate greed and would blind the public from its fundamental right to know. During the interim, McAllen, Texas held a holiday parade and a concert, and from that concert ensued a controversy which would ripple across our state and make national news. The issue was transparency—the public's right to know how their government spends their tax dollars, the public's tax dollars. The City of McAllen had spent and lost hundreds of thousands of taxpayer dollars on a concert—a concert. Local news outlets such as the McAllen *Monitor* requested documents and contracts to try to confirm what we knew. They appealed that request to the attorney general, and citing the language from the *Boeing* case from the Texas Supreme Court, stated that the information would put them at a competitive disadvantage.

The public was outraged. I was outraged and rightfully so. How could a city or any local state government hide how much they had paid for a concert? For government exists by and for the people. Chapter 552 of our Government Code

states that government is the servant of the people and not the other way around. To this day, almost a year and a half later, we don't have any idea how much that municipality spent, how many hundreds of thousands of dollars were lost to artist Enrique Iglesias or whatever his name is.

In response to this egregious violation of the public's right to know how government spends its tax dollars, I filed **HB 349**. My bill merely said that when the public expends funds on parades and concerts it has to be privy to open records. The bill was voted unanimously out of the transparency committee, unanimously out of the senate transparency committee, and right across the desk of a senator who we later learned had bigger plans for my bill, who dwells in the darkest parts of corporate conspiracy. They didn't want my bill because it was an attack on the precious *Boeing* rule. It was a nick. It was a chink in the armor on how government spends your tax dollars, my tax dollars. That senator removed the transparency bill from the uncontested calendar, essentially bending to corporate greed. The senator will tell you he probably had other reasons, but make no mistake, he will be unmasked.

This session I've had the privilege of working with champions for public transparency like Representative Capriglione and Senator Kirk Watson. Texas has a long history of being a leader in public transparency but I'm afraid that is no longer the case. What will we do to prevent another sharp sound? Chapter 552, again, states: "The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know." Yet in this chamber and across the hall in the senate, members conspire to keep contracts between government corporations secret and the people in the dark. Some say ignorance is bliss. I say information is power. I stand here before you standing not only for Texans but all Americans, and I implore you, members, if you don't have the spine to stand for transparency, you don't stand for the fundamental principles that make us Texas and make us one of the greatest nations in the world.

REMARKS ORDERED PRINTED

Representative Nevárez moved to print remarks by Representative Canales.

The motion prevailed.

Representative Turner moved to print remarks between Representative Price and Representative Turner on **HB 13**.

The motion prevailed.

SB 527 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Cook submitted the conference committee report on **SB 527**.

Representative Cook moved to adopt the conference committee report on **SB 527**.

The motion to adopt the conference committee report on **SB 527** prevailed by (Record 1849): 145 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Wu; Zedler; Zerwas.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Minjarez; Walle.

Absent — Faircloth; Rodriguez, E.

STATEMENT OF VOTE

When Record No. 1849 was taken, I was in the house but away from my desk. I would have voted yes.

Faircloth

SB 21 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative P. King submitted the conference committee report on **SB 21**.

Representative P. King moved to adopt the conference committee report on **SB 21**.

The motion to adopt the conference committee report on **SB 21** prevailed by (Record 1850): 113 Yeas, 31 Nays, 1 Present, not voting.

Yeas — Anderson, C.; Anderson, R.; Ashby; Bailes; Bell; Biedermann; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Dean; Deshotel; Elkins; Faircloth; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; Gooden; Guerra; Gutierrez; Hefner; Holland; Huberty; Hunter; Isaac; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Lozano; Metcalf; Meyer; Miller; Morrison; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Rinaldi; Roberts; Rodriguez, E.; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee;

Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Uresti; VanDeaver; Villalba; White; Wilson; Workman; Wray; Zedler; Zerwas.

Nays — Allen; Alonzo; Alvarado; Anchia; Arévalo; Bernal; Blanco; Collier; Davis, Y.; Dukes; Dutton; Farrar; González; Hernandez; Hinojosa; Howard; Israel; Johnson, E.; Longoria; Lucio; Martinez; Moody; Ortega; Raymond; Reynolds; Rodriguez, J.; Romero; Rose; Turner; Vo; Wu.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Minjarez; Walle.

Absent — Guillen; Herrero; Muñoz.

STATEMENT OF VOTE

When Record No. 1850 was taken, I was in the house but away from my desk. I would have voted yes.

Herrero

HB 284 - HOUSE DISCHARGES CONFEREES HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 284, A bill to be entitled An Act relating to authorization for certain health care facilities to secure residents with wheelchair self-release seat belts.

Representative Springer moved to discharge the conferees and concur in the senate amendments to **HB 284**.

The motion to discharge the conferees and concur in the senate amendments to **HB 284** prevailed by (Record 1851): 130 Yeas, 12 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Elkins; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Kacal; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Rinaldi; Roberts; Rodriguez, E.; Rodriguez, J.; Rose; Schofield; Schubert; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Workman; Wray; Wu; Zerwas.

Nays — Biedermann; Cain; Faircloth; Keough; Krause; Sanford; Schaefer; Stickland; Swanson; Tinderholt; Wilson; Zedler.

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

Absent, Excused — Minjarez; Walle.

Absent — Dukes; Johnson, J.; Romero; Shaheen.

STATEMENT OF VOTE

When Record No. 1851 was taken, I was shown voting no. I intended to vote yes.

Faircloth

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

Amend **HB 284** (senate committee report) in SECTION 1 of the bill as follows:

(1) In the heading for added Section 322.0515, Health and Safety Code (page 1, line 25), between "BELT" and the underlined period, insert "EXCEPTION".

(2) In added Section 322.0515, Health and Safety Code (page 1, line 25), strike "Notwithstanding" and substitute "(a) Except as provided by Subsection (b) and notwithstanding".

(3) Immediately after added Section 322.0515, Health and Safety Code (page 1, between lines 34 and 35), insert the following:

(b) A facility that advertises as a restraint-free facility is not required to comply with Subsection (a) if the facility:

(1) provides to current and prospective residents a written disclosure stating the facility is restraint-free and is not required to comply with a request under Subsection (a); and

(2) makes all reasonable efforts to accommodate the concerns of a resident who requests a seat belt under Subsection (a).

HB 2995 - HOUSE DISCHARGES CONFEREES HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

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

HB 2995, A bill to be entitled An Act relating to the creation and operations of health care provider participation programs in certain counties.

Representative Ashby moved to discharge the conferees and concur in the senate amendments to **HB 2995**.

The motion to discharge the conferees and concur in the senate amendments to **HB 2995** prevailed by (Record 1852): 139 Yeas, 7 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anchia; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, G.; Burkett; Burns; Burrows; Button; Canales; Capriglione; Clardy; Coleman;

Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Faircloth; Fallon; Farrar; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; White; Wilson; Workman; Wray; Zedler; Zerwas.

Nays — Bonnen, D.; Cain; Rinaldi; Schaefer; Stickland; Swanson; Tinderholt.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Minjarez; Walle.

Absent — Wu.

Senate Committee Substitute

CSHB 2995, A bill to be entitled An Act relating to the creation and operations of health care provider participation programs in certain counties.

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

SECTION 1. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 291A to read as follows:

CHAPTER 291A. COUNTY HEALTH CARE PROVIDER PARTICIPATION
PROGRAM IN CERTAIN COUNTIES
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 291A.001. DEFINITIONS. In this chapter:

(1) "Institutional health care provider" means a nonpublic hospital that provides inpatient hospital services.

(2) "Paying hospital" means an institutional health care provider required to make a mandatory payment under this chapter.

(3) "Program" means the county health care provider participation program authorized by this chapter.

Sec. 291A.002. APPLICABILITY. This chapter applies only to:

(1) a county that:

(A) is not served by a hospital district or a public hospital;

(B) has a population of more than 75,000; and

(C) borders or includes a portion of the Sam Rayburn Reservoir;

and

(2) a county that has a population of more than 200,000 and less than 220,000.

Sec. 291A.003. COUNTY HEALTH CARE PROVIDER PARTICIPATION PROGRAM; PARTICIPATION IN PROGRAM. (a) A county health care provider participation program authorizes a county to collect a mandatory payment from each institutional health care provider located in the county to be deposited in a local provider participation fund established by the county. Money in the fund may be used by the county to fund certain intergovernmental transfers and indigent care programs as provided by this chapter.

(b) The commissioners court may adopt an order authorizing a county to participate in the program, subject to the limitations provided by this chapter.

SUBCHAPTER B. POWERS AND DUTIES OF COMMISSIONERS COURT

Sec. 291A.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY PAYMENT. The commissioners court of a county may require a mandatory payment authorized under this chapter by an institutional health care provider in the county only in the manner provided by this chapter.

Sec. 291A.052. MAJORITY VOTE REQUIRED. The commissioners court of a county may not authorize the county to collect a mandatory payment authorized under this chapter without an affirmative vote of a majority of the members of the commissioners court.

Sec. 291A.053. RULES AND PROCEDURES. After the commissioners court has voted to require a mandatory payment authorized under this chapter, the commissioners court may adopt rules relating to the administration of the mandatory payment.

Sec. 291A.054. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING; INSPECTION OF RECORDS. (a) The commissioners court of a county that collects a mandatory payment authorized under this chapter shall require each institutional health care provider to submit to the county a copy of any financial and utilization data required by and reported to the Department of State Health Services under Sections 311.032 and 311.033 and any rules adopted by the executive commissioner of the Health and Human Services Commission to implement those sections.

(b) The commissioners court of a county that collects a mandatory payment authorized under this chapter may inspect the records of an institutional health care provider to the extent necessary to ensure compliance with the requirements of Subsection (a).

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 291A.101. HEARING. (a) Each year, the commissioners court of a county that collects a mandatory payment authorized under this chapter shall hold a public hearing on the amounts of any mandatory payments that the commissioners court intends to require during the year.

(b) Not later than the fifth day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county.

(c) A representative of a paying hospital is entitled to appear at the time and place designated in the public notice and to be heard regarding any matter related to the mandatory payments authorized under this chapter.

Sec. 291A.102. DEPOSITORY. (a) The commissioners court of each county that collects a mandatory payment authorized under this chapter by resolution shall designate one or more banks located in the county as the depository for mandatory payments received by the county.

(b) All income received by a county under this chapter, including the revenue from mandatory payments remaining after discounts and fees for assessing and collecting the payments are deducted, shall be deposited with the county depository in the county's local provider participation fund and may be withdrawn only as provided by this chapter.

(c) All funds under this chapter shall be secured in the manner provided for securing county funds.

Sec. 291A.103. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) Each county that collects a mandatory payment authorized under this chapter shall create a local provider participation fund.

(b) The local provider participation fund of a county consists of:

(1) all revenue received by the county attributable to mandatory payments authorized under this chapter, including any penalties and interest attributable to delinquent payments;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer from the county to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to the local provider participation fund may be used only to:

(1) fund intergovernmental transfers from the county to the state to provide:

(A) the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor waiver program authorizing similar Medicaid supplemental payment programs; or

(B) payments to Medicaid managed care organizations that are dedicated for payment to hospitals;

(2) subsidize indigent programs;

(3) pay the administrative expenses of the county solely for activities under this chapter;

(4) refund a portion of a mandatory payment collected in error from a paying hospital; and

(5) refund to paying hospitals the proportionate share of money received by the county that is not used to fund the nonfederal share of Medicaid supplemental payment program payments.

(d) Money in the local provider participation fund may not be commingled with other county funds.

(e) An intergovernmental transfer of funds described by Subsection (c)(1) and any funds received by the county as a result of an intergovernmental transfer described by that subsection may not be used by the county or any other entity to expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152).

SUBCHAPTER D. MANDATORY PAYMENTS

Sec. 291A.151. MANDATORY PAYMENTS BASED ON PAYING HOSPITAL NET PATIENT REVENUE. (a) Except as provided by Subsection (e), the commissioners court of a county that collects a mandatory payment authorized under this chapter may require an annual mandatory payment to be assessed on the net patient revenue of each institutional health care provider located in the county. The commissioners court may provide for the mandatory payment to be assessed quarterly. In the first year in which the mandatory payment is required, the mandatory payment is assessed on the net patient revenue of an institutional health care provider as determined by the data reported to the Department of State Health Services under Sections 311.032 and 311.033 in the fiscal year ending in 2015 or, if the institutional health care provider did not report any data under those sections in that fiscal year, as determined by the institutional health care provider's Medicare cost report submitted for the 2015 fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report. The county shall update the amount of the mandatory payment on an annual basis.

(b) The amount of a mandatory payment authorized under this chapter must be uniformly proportionate with the amount of net patient revenue generated by each paying hospital in the county. A mandatory payment authorized under this chapter may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

(c) The commissioners court of a county that collects a mandatory payment authorized under this chapter shall set the amount of the mandatory payment. The amount of the mandatory payment required of each paying hospital may not exceed six percent of the paying hospital's net patient revenue.

(d) Subject to the maximum amount prescribed by Subsection (c), the commissioners court of a county that collects a mandatory payment authorized under this chapter shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the county for activities under this chapter, to fund an intergovernmental transfer described by Section 291A.103(c)(1), and to pay for indigent programs, except that the amount of revenue from mandatory payments used for administrative expenses of the county for activities under this chapter in a year may not exceed the lesser of four percent of the total revenue generated from the mandatory payment or \$20,000.

(e) A paying hospital may not add a mandatory payment required under this section as a surcharge to a patient.

Sec. 291A.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter.

Sec. 291A.153. INTEREST, PENALTIES, AND DISCOUNTS. Interest, penalties, and discounts on mandatory payments required under this chapter are governed by the law applicable to county ad valorem taxes.

Sec. 291A.154. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE. (a) The purpose of this chapter is to generate revenue by collecting from institutional health care providers a mandatory payment to be used to provide the nonfederal share of a Medicaid supplemental payment program.

(b) To the extent any provision or procedure under this chapter causes a mandatory payment authorized under this chapter to be ineligible for federal matching funds, the county may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for Medicare and Medicaid Services.

SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

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, 2017.

**HB 4064 - RETURNED TO SENATE
BY THE SPEAKER**

Pursuant to Rule 13, Section 5A of the House Rules, the speaker returned **HB 4064** with senate amendments to the senate and submitted the following statement:

Pursuant to Rule 13, Section 5A of the House Rules, 85th Legislature, I am returning the attached house bill to the Texas Senate for further action because the amendments the senate adopted to the bill are not germane for the following reasons:

As **HB 4064** left the house, the sole subject of the bill was the staff development and continuing education requirements for public school educators regarding digital education methods. The senate added five amendments to **HB 4064**. Amendment Nos. 1-3 were germane; however, Amendment Nos. 4 and 5 are not germane to **HB 4064**.

Amendment No. 4 makes substantive changes to staff development to education, policy that is not related in any way to continuing education requirements for public school educators. The amendment is not germane to **HB 4064**.

Amendment No. 5 makes a substantive change to when a school can decline to make a payment for the cost of a student taking yearlong electronic courses. This amendment is not related in any way to continuing education requirements for public school educators. The amendment is not germane to **HB 4064** and introduces an impermissible second subject.

PROVIDING FOR ADJOURNMENT

At 6:42 p.m., Representative Geren moved that, at the conclusion of the reading of bills and resolutions on first reading and referral to committees, the receipt of messages from the senate, and administrative duties, the house adjourn until 11 a.m. tomorrow.

The motion prevailed.

HR 2544 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f) of the House Rules, the speaker announced the introduction of **HR 2544**, suspending the limitations on the conferees for **SB 1**.

(Howard in the chair)

ADJOURNMENT

In accordance with a previous motion, the house, at 10:40 a.m. Friday, May 26, adjourned until 11 a.m. today.

ADDENDUM

SIGNED BY THE SPEAKER

The following bills and resolutions were today signed in the presence of the house by the speaker:

House List No. 32

HB 10, HB 45, HB 238, HB 280, HB 490, HB 505, HB 785, HB 1075, HB 1099, HB 1151, HB 1217, HB 1260, HB 1298, HB 1455, HB 1469, HB 1472, HB 1492, HB 1494, HB 1644, HB 1724, HB 1787, HB 1866, HB 1877, HB 1904, HB 1917, HB 1944, HB 1983, HB 2015, HB 2070, HB 2087, HB 2119, HB 2157, HB 2220, HB 2252, HB 2334, HB 2369, HB 2559, HB 2578, HB 2610, HB 2908, HB 3019, HB 3024, HB 3046, HB 3055, HB 3056, HB 3125, HB 3218, HB 3391, HB 3423, HB 3442, HB 3765, HB 3803, HB 3859, HB 3907, HB 3921, HB 3952, HB 4038, HB 4147, HJR 100

MESSAGES FROM THE SENATE

The following messages from the senate were today received by the house:

Message No. 1

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Thursday, May 25, 2017 - 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 CONCURRED IN THE HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SB 36	(30 Yeas, 1 Nay)
SB 39	(31 Yeas, 0 Nays)
SB 81	(29 Yeas, 2 Nays)
SB 190	(31 Yeas, 0 Nays)
SB 213	(30 Yeas, 0 Nays)
SB 317	(30 Yeas, 0 Nays)
SB 721	(31 Yeas, 0 Nays)
SB 725	(31 Yeas, 0 Nays)
SB 920	(31 Yeas, 0 Nays)
SB 924	(31 Yeas, 0 Nays)
SB 1232	(31 Yeas, 0 Nays)

THE SENATE HAS REFUSED TO CONCUR IN THE HOUSE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

SB 5

Senate Conferees: Huffman - Chair/Bettencourt/Hughes/Lucio/Nelson

SB 11

Senate Conferees: Schwertner - Chair/Birdwell/Campbell/Nelson/Uresti

SB 30

Senate Conferees: West - Chair/Birdwell/Hughes/Perry/Whitmire

SB 224

Senate Conferees: Watson - Chair/Campbell/Nelson/Schwertner/Uresti

SB 277

Senate Conferees: Campbell - Chair/Estes/Hall/Hinojosa/Hughes

SB 302

Senate Conferees: Watson - Chair/Hughes/Nichols/Schwertner/Taylor, Van

SB 303

Senate Conferees: Watson - Chair/Hughes/Nichols/Schwertner/Taylor, Van

SB 319

Senate Conferees: Watson - Chair/Hinojosa/Nichols/Perry/Taylor, Van

SB 416

Senate Conferees: Watson - Chair/Huffman/Hughes/Nelson/West

SB 715

Senate Conferees: Campbell - Chair/Creighton/Hinojosa/Huffines/Nichols

SB 813

Senate Conferees: Hughes - Chair/Bettencourt/Lucio/Perry/Watson

SB 894

Senate Conferees: Buckingham - Chair/Burton/Hinojosa/Perry/Schwertner

SB 968

Senate Conferees: Watson - Chair/Campbell/Hughes/Lucio/Nelson

SB 999

Senate Conferees: West - Chair/Kolkhorst/Perry/Schwertner/Uresti

SB 1148

Senate Conferees: Buckingham - Chair/Campbell/Hinojosa/Schwertner/Taylor,
Van

SB 1172

Senate Conferees: Perry - Chair/Creighton/Estes/Hinojosa/Kolkhorst

SB 1248

Senate Conferees: Buckingham - Chair/Campbell/Estes/Hancock/Lucio

SB 1329

Senate Conferees: Huffman - Chair/Hinojosa/Nelson/Schwertner/Zaffirini

SB 1511

Senate Conferees: Perry - Chair/Estes/Hinojosa/Kolkhorst/Seliger

SB 1539

Senate Conferees: Watson - Chair/Bettencourt/Hancock/Seliger/Taylor, Larry

SB 1625

Senate Conferees: Uresti - Chair/Buckingham/Schwertner/Taylor, Van/Watson

SB 1633

Senate Conferees: Perry - Chair/Buckingham/Burton/Schwertner/Uresti

SB 1831

Senate Conferees: Buckingham - Chair/Birdwell/Nelson/Schwertner/Watson

SB 1913

Senate Conferees: Zaffirini - Chair/Burton/Hughes/Menéndez/Perry

SB 2131

Senate Conferees: West - Chair/Hall/Hughes/Taylor, Larry/Uresti

SB 2227

Senate Conferees: Hinojosa - Chair/Hall/Kolkhorst/Nichols/Perry

Respectfully,

Patsy Spaw

Secretary of the Senate

APPENDIX

ENROLLED

May 24 - HB 10, HB 45, HB 238, HB 280, HB 490, HB 505, HB 785, HB 1075, HB 1099, HB 1151, HB 1217, HB 1260, HB 1298, HB 1455, HB 1469, HB 1472, HB 1492, HB 1494, HB 1644, HB 1724, HB 1787, HB 1866, HB 1877, HB 1904, HB 1917, HB 1944, HB 1983, HB 2015, HB 2070, HB 2087, HB 2119, HB 2157, HB 2220, HB 2252, HB 2334, HB 2369, HB 2559, HB 2578, HB 2610, HB 2908, HB 3019, HB 3024, HB 3046, HB 3055, HB 3056, HB 3125, HB 3218, HB 3391, HB 3423, HB 3442, HB 3765, HB 3803, HB 3859, HB 3907, HB 3921, HB 3952, HB 4038, HB 4147, HJR 100

SENT TO THE GOVERNOR

May 24 - HB 25, HB 66, HB 129, HB 431, HB 626, HB 651, HB 655, HB 657, HB 678, HB 789, HB 791, HB 834, HB 871, HB 874, HB 932, HB 938, HB 965, HB 998, HB 1103, HB 1117, HB 1449, HB 1625, HB 1645, HB 1699, HB 1704, HB 1729, HB 1921, HB 2067, HB 2180, HB 2788, HB 2927, HB 3049, HB 3101, HB 3481, HB 3903, HCR 30, HCR 45, HCR 56, HCR 105, HCR 122

SENT TO THE SECRETARY OF THE STATE

May 24 - HJR 37

RECOMMENDATIONS FILED WITH THE SPEAKER

May 24 - HB 4319, HB 4320, HB 4321, HB 4323, HB 4324, HB 4325, HB 4327, HB 4331, HB 4332, HB 4333, HB 4334, HB 4335, HB 4336

