

SENATE JOURNAL

EIGHTIETH LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-SEVENTH DAY

(Friday, May 25, 2007)

The Senate met at 10:45 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Averitt, Brimer, Carona, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Harris, Hegar, Hinojosa, Jackson, Janek, Lucio, Nelson, Nichols, Ogden, Patrick, Seliger, Shapiro, Shapleigh, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Williams, Zaffirini.

Absent-excused: Gallegos.

The President announced that a quorum of the Senate was present.

The Reverend Enda McKenna, Saint Leo the Great Catholic Church, San Antonio, offered the invocation as follows:

God, almighty creator, You are our shepherd; we shall not want. In verdant pastures You give us repose, near restful waters You lead us. You refresh our spirits, even though we walk in the dark valley, we fear no evil. (Psalm 23) As we approach the end of another legislative session, we give You thanks for the freedom to initiate just laws for the well-being of our great state. We thank You for the plentiful resources of our land. Celebrating memorial weekend, we pray for those who have served generously with their lives. May we always be mindful that in the dark valleys of our lives that You are by our sides. May our spirits always be refreshed and have the courage to do what is right. All this and more we pray in Your holy name. Amen.

Senator Whitmire moved that the reading of the Journal of the proceedings of yesterday be dispensed with and the Journal be approved as printed.

The motion prevailed without objection.

LEAVE OF ABSENCE

On motion of Senator Whitmire, Senator Gallegos was granted leave of absence for today on account of illness.

CO-AUTHOR OF SENATE RESOLUTION 1158

On motion of Senator Hinojosa, Senator Lucio will be shown as Co-author of **SR 1158**.

CO-SPONSOR OF HOUSE BILL 1267

On motion of Senator Seliger, Senator Ellis will be shown as Co-sponsor of **HB 1267**.

CO-SPONSOR OF HOUSE BILL 1919

On motion of Senator Van de Putte, Senator Ellis will be shown as Co-sponsor of **HB 1919**.

MESSAGES FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

May 25, 2007

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS CONCURRED IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 2 (86 Yeas, 53 Nays, 1 Present, not voting)

HB 2074 (140 Yeas, 1 Nays, 1 Present, not voting)

HB 2138 (146 Yeas, 0 Nays, 1 Present, not voting)

HB 4069 (143 Yeas, 1 Nays, 1 Present, not voting)

HB 4110 (145 Yeas, 0 Nays, 1 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 2034 (non-record vote)

House Conferees: England - Chair/Haggerty/Madden/McReynolds/Oliveira

HB 4139 (non-record vote)

House Conferees: Flynn - Chair/Berman/Cook, Robby/Hartnett/Hopson

THE HOUSE HAS GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 12 (non-record vote)

House Conferees: Bonnen - Chair/Driver/Hancock/Ritter/Taylor

SB 199 (non-record vote)

House Conferees: Rose - Chair/Davis, John/King, Susan/Parker/Pierson

SB 218 (non-record vote)

House Conferees: Hartnett - Chair/Davis, John/Dutton/Hughes/Parker

SB 1123 (non-record vote)

House Conferees: Miles - Chair/Coleman/Heflin/Hodge/Veasey

SB 1383 (non-record vote)

House Conferees: Smithee - Chair/Darby/Gonzalez Toureilles/Morrison/Swinford

THE HOUSE HAS TAKEN THE FOLLOWING OTHER ACTION:

HB 3249

The House refuses to concur in Senate Amendments and requests the appointment of a conference committee with instructions to adjust the differences between the two houses.

House Conferees: Truitt - Chair/Cook, Byron/Flynn/Kolkhorst/McClendon

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

HCR 265, Honoring Major James R. Stegall (Ret.) of Austin for his service to his country and recommending that he be inducted into the Texas Aviation Hall of Fame.

HCR 272, Instructing the enrolling clerk of the house to make corrections in H.B. No. 4061.

HCR 273, Paying tribute to the life of Dr. Hector P. Garcia on the third Wednesday of September in 2007 and in 2008.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

PHYSICIANS OF THE DAY

Senator Hinojosa was recognized and presented Dr. Rick Edwards and Dr. Barbara Estment of Corpus Christi as the Physicians of the Day.

The Senate welcomed Dr. Edwards and Dr. Estment and thanked them for their participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

SENATE RESOLUTION 1150

Senator West offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize Beverly Day Humphrey for her many accomplishments as a coach and as director of athletics with Lancaster Independent School District; and

WHEREAS, As an athlete at Lincoln High School in Dallas, Beverly set a record in the 100-yard dash that still stands; she accepted a scholarship to Prairie View A&M University, where she was a member of several national championship teams; she also qualified for the United States Olympic team in the 100-meter, 200-meter, and 400-meter races; and

WHEREAS, Beverly Humphrey began her coaching career as the head volleyball and track coach at Greenville High School, where her volleyball team made the playoffs in only her second season; it was the first time in Greenville High School history a girls team had made the state playoffs; and

WHEREAS, After amassing a 45-14 record at Greenville High School, Coach Humphrey joined the staff of Lancaster High School, and became the first African American head coach in the school's history; her volleyball and track teams have had remarkable success through the years; her track team recently won its seventh consecutive University Interscholastic League Class 4A state championship title; and

WHEREAS, Coach Humphrey has received many honors during her illustrious career; she was named the *Dallas Morning News* Coach of the Year, the Texas High School Girls Coaches Association Coach of the Year, and the United States Federation of National High School Coaches Association Coach of the Year for the State of Texas 2005; members of her teams have been awarded approximately 200 scholarships during her service as a coach; and

WHEREAS, Coach Humphrey has set an indelible example for countless young women with her hard work and dedication to excellence; she is truly deserving of recognition for her many accomplishments; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 80th Legislature, hereby commend Coach Beverly Day Humphrey for her outstanding career as a coach and an athletic director and extend to her best wishes in all her future endeavors; and, be it further

RESOLVED, That a copy of this Resolution be prepared for her as an expression of high regard from the Texas Senate.

SR 1150 was read and was adopted without objection.

GUEST PRESENTED

Senator West was recognized and introduced to the Senate Beverly Day Humphrey, coach and Director of Athletics of the Lancaster Independent School District.

The Senate welcomed its guest.

SENATE RESOLUTION 1151

Senator West offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize the Lancaster High School Lady Tigers track team for winning the University Interscholastic League Class 4A state championship title; and

WHEREAS, The Lady Tigers won their seventh consecutive state title before a crowd of 16,357 at Mike A. Myers Stadium on the campus of The University of Texas at Austin, making history at the local, state, and national level; and

WHEREAS, These young athletes have demonstrated great talent and perseverance throughout the school year; team members can take great pride in their outstanding performance; and

WHEREAS, Under the superior leadership and expertise of Coach Beverly Day Humphrey, the Lady Tigers have developed exceptional teamwork and discipline; and

WHEREAS, Lancaster High School and the City of Lancaster are proud of the Lady Tigers for their hard work, their impressive skills, and their fine sportsmanship; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 80th Legislature, hereby commend the Lancaster High School Lady Tigers track team on their successful season and extend congratulations to them on winning the University Interscholastic League Class 4A state championship title; and, be it further

RESOLVED, That a copy of this Resolution be prepared for the team as an expression of esteem from the Texas Senate.

SR 1151 was read and was adopted without objection.

GUESTS PRESENTED

Senator West was recognized and introduced to the Senate members of the girls track team of Lancaster High School, winners of the 2007 Class 4A state championship, accompanied by their coaches.

The Senate welcomed its guests.

(Senator Carona in Chair)

SENATE RESOLUTION 1158

Senator Hinojosa offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to pay tribute to the life of John William Spencer and to recognize his descendants on the grand occasion of their 2007 family reunion; and

WHEREAS, The first expedition to the Presidio territory was led by the Spaniard Cabeza de Vaca in 1536; the founding of the Mexican Presidio settlement for Spain in 1581 by Fray Juan Dominguez de Mendoza and Padre Fray Nicholas Lopez led to the establishment of the present City of Presidio, which is located at the confluence of Cibolo Creek, the Concho River, and the Rio Grande; and

WHEREAS, In 1746, the Spanish explorers were the first to build, administer, and control the Presidio; they stationed a garrison of men at Presidio de Belen in 1760; and

WHEREAS, In the spring of 1848 John William Spencer entered Texas at Indianola; he traveled throughout South Texas and Mexico, and upon settling in Presidio, he became one of the first settlers and entrepreneurs of the Presidio Valley; and

WHEREAS, John William Spencer and Ben Leaton contributed to the development of local and regional commerce by opening a retail business in Presidio that served the settlers arriving in the Presidio Valley; and

WHEREAS, In 1860, John William Spencer established the Spencer Brothers General Store, from which he sold dry goods and provisions to the communities of the Presidio Valley and Ojinaga, Chihuahua, Mexico, thus serving the border region of the United States and Mexico; and

WHEREAS, On April 5, 1861, the Honorable Edward Clark, governor of the State of Texas, appointed John William Spencer to the Office of Notary Public in and for the County of El Paso; and

WHEREAS, John William Spencer was a man of strong character, generosity, and integrity who instilled these traits in his children and grandchildren; he was known for his charitable deeds on behalf of those families of few resources who resided in the border region; and

WHEREAS, In 1883, John William Spencer discovered areas rich with silver ore in the Chinati Mountains, samples of which he took to General William R. Shafter, who was garrisoned at Shafter, Texas; and

WHEREAS, In 1885, the Presidio Mining Company was organized by John William Spencer and General Shafter; the company continued to operate until the early 1900s, contributing significantly to the economy of Texas and regions of Mexico; and

WHEREAS, Over the years, John William Spencer's descendants have generously contributed to their respective communities, the State of Texas, and our country through their military service and their hard work as attorneys, health professionals, educators, civil servants, law enforcement officials, and entrepreneurs; and

WHEREAS, The descendants of John William Spencer and members of their families are hosting a family reunion October 27 through 29, 2007, in the Presidio Valley and in Ojinaga, Chihuahua, Mexico, at which they will celebrate the good deeds and achievements of one of Presidio Valley's first settlers and entrepreneurs, John William Spencer; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 80th Legislature, hereby honor the life of John William Spencer and express appreciation for the numerous accomplishments of the Spencer family members and their many contributions to their state and nation; and, be it further

RESOLVED, That a copy of this Resolution be prepared for the descendants of John William Spencer as an expression of esteem from the Texas Senate.

GALLEGOS
HINOJOSA
LUCIO

SR 1158 was read.

On motion of Senator Lucio and by unanimous consent, the names of the Lieutenant Governor and Senators were added to the resolution as signers thereof.

On motion of Senator Hinojosa, the resolution was adopted without objection.

GUESTS PRESENTED

Senator Hinojosa, joined by Senators Lucio and Shapleigh, was recognized and introduced to the Senate descendants of John Willam Spencer: Marti Castillo-Coffey, Frank Spencer III, Joe Spencer, and Dr. Max Castillo, President of the University of Houston-Downtown.

The Senate welcomed its guests.

GUEST PRESENTED

Senator Shapiro was recognized and introduced to the Senate Everson Walls of Dallas, an organ donor and former Dallas Cowboys football player.

The Senate welcomed its guest.

REMARKS ORDERED PRINTED

On motion of Senator Lucio and by unanimous consent, the remarks regarding Everson Walls were ordered reduced to writing and printed in the *Senate Journal* as follows:

Senator Shapiro: Thank you Mr. President. Members, I'd like everybody's attention, if you would, this is a pretty special recognition, and I'm very proud of this. Mr. President and Members, you may know him as a former Dallas Cowboy defensive back, Everson Walls, but you may remember that he has a 13-season NFL career. He was named four times to the Pro Bowl. He's led the league in interceptions in 1981, 1982, and 1985. He was recognized as one of the top cornerbacks in the game during his day. He was inducted into the Grambling State University Athletic Hall of Fame. He was also sent to the Louisiana Sports Hall of Fame and to the Texas Black Sports Hall of Fame. He also was Southwestern Athletic Conference Hall of Fame. Every one of those, obviously, are huge, tremendous honors that Everson Walls accomplished during his life. But today, I want you to meet Everson Walls the hero. I want you to meet Everson Walls, who saw a teammate in need and offered the ultimate helping hand. I want you to meet Everson Walls, the man who donated a kidney. Members, individuals who give of themselves to help those in difficult circumstances are, indeed, deserving of admiration and praise, and Everson Walls is just one of these individuals. In February this year, when his friend, Ron Springs, fell ill because of complications caused by diabetes, Everson Walls stepped up and donated one of his kidneys for a transplant. The surgery was successful, and he has greatly improved the prognosis for Ron Springs, helped him to walk again, helped him to regain the use of his hands, and even ended his dialysis treatment. Members and Mr. President, this is a tremendous story. It's a story not unlike many of the stories we hear but now we see a living, breathing hero, an example for all of us in the State of Texas to be a shining example for friendship, for kindness, for selflessness, and for compassion, all of those things that each and every one of us admire. I am so proud to represent Everson Walls as one of my constituents in Senate District 8, and I hope that all of you will join me in honoring this true hero, in my books, one of the greatest heroes that we know. Please join me in welcoming Everson Walls to the State Capitol and to the Texas Senate.

Senator West: Mr. President and Members, Everson Walls was born in Dallas, Texas, in 1959. I don't know him just as Everson, I know him as Cubby Walls, I've been knowing him for a long time. And I just wanted to say, in conjunction with what Senator Shapiro's already said, your act towards your friend, Ron Springs, should set an example for all of us and make certain that they understand what the true meaning of friendship is. Yes, you have a bunch of accolades as an athlete. You get into a lot of doors because of all of the things that you have done. But, Cubby, that act of friendship, we should measure you, and when we look at you as a role model, we should not only look at you as an athlete but that particular act shows exactly what type of person you are. And I join with Senator Shapiro in saying, as a friend of yours, you know, job well done, and I'm so very proud to call you a friend, and I'm so very proud to look up to you as a role model for all Texans.

Senator Deuell: Thank you Mr. President. I, too, want to speak to the resolution. I always think of you as Cubby, too, someone who bleeds blue and silver. What you did was just remarkable and showed friendship, and we in the Senate well know what transplants can mean to people, with one of our own Members having a liver transplant. And, Members, I'd also like to remind the people that can hear these words that, think about checking the little box on your driver's license and, under more tragic circumstances, consider being an organ donor. And yours was a different situation but it also raises awareness of the importance of that, and thank you for being here, Sir.

Senator Lucio: Thank you Mr. President. Members, you know, the Senators from the Dallas area don't own him exclusively. I think we own, we carried a big part of this great Texan, this great American down in the Valley and Brownsville, McAllen, in the area far south. My dad felt very comfortable, he passed on last September, but he felt very comfortable when he heard your name and that you were on America's team. Knowing that you played a very integral part, not only with the Dallas Cowboys but especially now, you know, we feel that there's a giant that continues to walk among us in your person. So I, too, want to, on behalf of all the people that admire you, the state will tell you that we're so proud and so fortunate to have lived in an era that had your name in it. And I'm sure that we will continue to follow your lead in anything you do in life because you do it to the ultimate for mankind. Thank you.

Presiding Officer: Mr. Walls, on behalf of the Texas Senate, we welcome you, and I speak for Lieutenant Governor Dewhurst in doing so, thank you for being here today.

Senator Shapiro: Mr. President, one more very brief thing that's just been handed to me, I think it's very important. Southwest Transplant is in the auditorium today signing up donors, so if you have not become a donor, a transplant donor, please, anybody that's within hearing distance go to the auditorium and sign up right now, perfect example of how to save a life. Thank you so much.

SENATE RESOLUTION 1149

Senator Duncan offered the following resolution:

WHEREAS, Teri Evelyn Flack begins a new chapter of her life with her retirement on May 31 after 26 years of outstanding service to the state; and

WHEREAS, After graduating magna cum laude from Southwest Texas State University with a degree in history and political science, Teri Flack worked for the Consumer Protection Division of the Office of the Attorney General; her responsibilities included investigating violations of the Consumer Protection Act, leading investigative teams, managing the Consumer Protection Legislative Program, and training investigative staff; and

WHEREAS, While serving in that capacity, she rendered outstanding service to consumers and the people of Texas, particularly by working with the Texas Legislature to end telemarketing abuses and to end abuse in the psychiatric hospital industry; and

WHEREAS, During her tenure, she returned to college and received a master's degree in business administration from Southwest Texas State University; and

WHEREAS, Teri then joined the staff of the Texas Higher Education Coordinating Board as director of Governmental Relations and Public Information; she acted as the board's liaison to the Texas Legislature and executive branch, developed policy and negotiated among competing parties, drafted legislation, and provided resource information; and

WHEREAS, She worked closely with the Texas Legislature in 1999 in creating the TEXAS Grant program, which has helped tens of thousands of needy students attend college and will pay dividends for future generations of Texans; and

WHEREAS, Teri Flack's growing expertise in policy and budget matters regarding higher education resulted in her selection as deputy commissioner of the board in 2000; in this position, she acted as the organization's chief operating officer and expanded her role in developing and implementing higher education policy and in championing the goals of *Closing the Gaps by 2015*, the state's higher education plan; and

WHEREAS, During the past three legislative sessions in particular, Teri Flack has demonstrated her expertise on the intricacies of the coordinating board budget and her ability to answer questions in detail on myriad issues, such as financial aid, research, tuition revenue bonds, graduate medical education, loan programs, academic programs, higher education finance, facilities, accountability, enrollments, and college readiness; and

WHEREAS, For more than a quarter of a century, Teri Flack has contributed her exceptional skills to the State of Texas and through her distinguished service has been an invaluable asset to Texas consumers, to students enrolled in Texas higher education, and to the field of higher education throughout the Lone Star State; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 80th Legislature, hereby congratulate Teri Evelyn Flack on her outstanding career and extend to her best wishes for a rewarding retirement; and, be it further

RESOLVED, That a copy of this Resolution be prepared for Teri Flack as an expression of high regard from the Texas Senate.

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|----------|-----------|--------------|
| DUNCAN | JANEK | VAN DE PUTTE |
| ELLIS | OGDEN | WEST |
| ELTIFE | SHAPIRO | ZAFFIRINI |
| HINOJOSA | SHAPLEIGH | |

SR 1149 was read and was adopted without objection.

GUESTS PRESENTED

Senator Duncan was recognized and introduced to the Senate Teri Evelyn Flack; her husband, Tom Graham; her sister, Dana Hackemack; her friend, Lora Weber; and Commissioner of Higher Education Raymund Paredes.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Uresti was recognized and introduced to the Senate students from Our Lady of Refuge School in Eagle Pass, accompanied by their teachers and Senate Messenger Zyanya Lopez.

The Senate welcomed its guests.

SENATE CONCURRENT RESOLUTION 80

The Presiding Officer, Senator Carona in Chair, laid before the Senate the following resolution:

WHEREAS, The 80th Legislature of the State of Texas is pleased to recognize the Texas State Board of Pharmacy on the auspicious occasion of its 100th anniversary; and

WHEREAS, The Texas State Board of Pharmacy was established on July 12, 1907, and the first board meeting occurred on August 27, 1907; the board has served the state for 100 years by promoting and protecting the health, safety, and welfare of Texas citizens through its outstanding work with the state's pharmacists; and

WHEREAS, An effective innovator in the field of health regulation, it was one of the first pharmacy boards in the nation to implement an online pharmacist licensure renewal program, to establish a comprehensive and easily accessible website, and to use legislation to establish drug therapy management and immunizations by pharmacists; and

WHEREAS, The organization has received a certificate of appreciation from the United States Drug Enforcement Administration for outstanding contributions in the field of drug law enforcement and an outstanding program award from the National Council on Licensure, Enforcement, and Regulation; and

WHEREAS, The Texas State Board of Pharmacy has encouraged the provision of high-quality pharmaceutical care through the regulation of the practice of pharmacy for the past 100 years; now, therefore, be it

RESOLVED, That the 80th Legislature of the State of Texas hereby commend the Texas State Board of Pharmacy for 100 years of exemplary service to the citizens of Texas and extend best wishes for a celebratory centennial; and, be it further

RESOLVED, That a copy of this resolution be prepared for the members of the board as an expression of high regard from the Texas Legislature.

VAN DE PUTTE

SCR 80 was read.

On motion of Senator Van de Putte and by unanimous consent, the resolution was considered immediately and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of the resolution except as follows:

Absent-excused: Gallegos.

GUESTS PRESENTED

Senator Van de Putte was recognized and introduced to the Senate representatives of the Texas State Board of Pharmacy: Michael Brimberry, President; Gay Dodson, Executive Director; and Fred Brinkley, former Executive Director.

The Senate welcomed its guests.

SENATE RESOLUTION 1148

Senator Lucio offered the following resolution:

WHEREAS, The Rio Grande Valley Partnership serves a chamber of commerce for Cameron, Hidalgo, Starr, and Willacy Counties of South Texas and unites a distinguished roster of membership for the general good and advancement of the entire region; and

WHEREAS, By fostering relationships and coordinating programs that advance regional economic development since 1944, the partnership has created a prestigious legacy that benefits every part of the Rio Grande Valley; and

WHEREAS, Administered by only seven staff members, the partnership executes a varied program that cultivates progress and prosperity across the four counties it serves and its international neighbor, the State of Tamaulipas, Mexico; and

WHEREAS, The staff, which includes Fawn Foudray-Golich, Angelica Plascencia, Veronica Salazar, Bill Summers, Mel Valdez, Patricia Villaseñor, and Elizabeth Walker, works tirelessly toward the success of the organization, its membership, and the greater community; and

WHEREAS, Their efforts, conducted diligently through the partnership, are clearly evident and much appreciated by the industries and neighborhoods; now, therefore be it

RESOLVED, That the Senate of the State of Texas, 80th Legislature, hereby pay tribute to the Rio Grande Valley Partnership and its membership, board of directors, and staff members, and extend to them best wishes for continued success; and, be it further

RESOLVED, That a copy of this Resolution be prepared for the partnership as an expression of esteem from the Texas Senate.

SR 1148 was read and was adopted without objection.

GUESTS PRESENTED

Senator Lucio was recognized and introduced to the Senate Bill Summers, President and Chief Executive Officer of the Rio Grande Valley Partnership in Weslaco, accompanied by his staff.

The Senate welcomed its guests.

SENATE RESOLUTION 1152

Senator Deuell offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize the Legislative Reference Library for its outstanding work in serving the reference and research needs of the Texas Legislature; and

WHEREAS, The Legislative Reference Library was created in 1969 by the 61st Legislature as a resource for the legislative community; and

WHEREAS, The library's collection includes 47,377 titles and 126,150 volumes, including statutes from all 50 states and a wide-ranging selection of periodicals, including more than 500 magazines, law reviews, and newsletters; and

WHEREAS, The library offers many services, including the daily clipping service, a bill status hotline for constituents, subject indexing of every bill and resolution, professional and confidential research, and tracking appointments for the Senate Nominations Committee; its staff is particularly helpful in answering late-night questions from the House and Senate floors during legislative sessions, as the library remains open during all hours that either body is convened; and

WHEREAS, The library is responsible for the timely entry of data into the Legislative Information System; for posting and reviewing information for committee referrals, committee actions, and reports from committees; and for tracking each action taken on the floor of the House of Representatives and the Texas Senate; and

WHEREAS, Under the expert leadership of director Mary Camp and with the able assistance of librarians Scott Adair, Jane Bitter, Marsha Cerny, Penelope Dukes-Williams, Nancy Fisher, Melanie Harshman, Becky Johnson, Kay Schlueter, Ana Sifuentes-Martinez, Addy Sonder, Holly South, Carol Winship, Ia Wood, and Catherine Wusterhausen and library assistants Logan Buchanan, Natasha Rogers, and Adrienne Tramel, the library has proven to be an invaluable resource for legislators and their staff as they perform their duties on behalf of the citizens of Texas; and

WHEREAS, With the support of administration members Donald Brower, Katie Chaiken, Heidi Herndon, Michelle Martinez, Julia Walden, and Rachel Wright-Stafford, clipping service staff members David Wood, Kathy Powell, and Susan Floyd, and bill status staff members Christine Manson, Elizabeth Cross, Judy Foley, Renee England, Sandra Malarcher, and Wayne Decker, the library carries out its work with exemplary professionalism and skill; and

WHEREAS, The Legislative Reference Library is an unsung yet vital component of the governmental process of our state, and it deserves recognition for the important role it plays; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 80th Legislature, hereby commend the librarians and staff members of the Legislative Reference Library for their exemplary service to our state; and, be it further

RESOLVED, That a copy of this Resolution be prepared for the library as an expression of high regard from the Texas Senate.

SR 1152 was read and was adopted without objection.

GUESTS PRESENTED

Senator Deuell was recognized and introduced to the Senate Mary Camp, Director of the Legislative Reference Library, and Julia Walden, Legislative Assistant, accompanied by staff members.

The Senate welcomed its guests.

(Senator Eltife in Chair)

CONCLUSION OF MORNING CALL

The Presiding Officer at 11:49 a.m. announced the conclusion of morning call.

**VOTES RECONSIDERED ON
HOUSE BILL 2510**

On motion of Senator Hinojosa and by unanimous consent, the vote by which **HB 2510** was finally passed was reconsidered:

HB 2510, Relating to the creation, administration, powers, duties, operations, and financing of a commuter rail district; granting the authority to issue bonds; granting the power of eminent domain.

Question — Shall **HB 2510** be finally passed?

On motion of Senator Hinojosa and by unanimous consent, the vote by which **HB 2510** was passed to third reading was reconsidered.

Question — Shall **HB 2510** be passed to third reading?

On motion of Senator Hinojosa and by unanimous consent, the vote by which Floor Amendment No. 2 was adopted was reconsidered.

Question — Shall Floor Amendment No. 2 to **HB 2510** be adopted?

Senator Hinojosa withdrew Floor Amendment No. 2.

On motion of Senator Hinojosa and by unanimous consent, the vote by which Floor Amendment No. 1 was adopted was reconsidered.

Question — Shall Floor Amendment No. 1 to **HB 2510** be adopted?

Senator Hinojosa withdrew Floor Amendment No. 1.

HB 2510 was again passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Absent-excused: Gallegos.

HOUSE BILL 2510 ON THIRD READING

Senator Hinojosa again moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2510** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

The bill was read third time and was again finally passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1896 ADOPTED**

Senator Lucio called from the President's table the Conference Committee Report on **SB 1896**. The Conference Committee Report was filed with the Senate on Tuesday, May 22, 2007.

On motion of Senator Lucio, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1993 ADOPTED**

Senator Nichols called from the President's table the Conference Committee Report on **SB 1993**. The Conference Committee Report was filed with the Senate on Tuesday, May 22, 2007.

On motion of Senator Nichols, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 27 WITH HOUSE AMENDMENT

Senator Nelson called **SB 27** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 27** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly: SECTION _____. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02443 to read as follows:

Sec. 531.02443. IMPLEMENTATION OF COMMUNITY LIVING OPTIONS INFORMATION PROCESS AT STATE INSTITUTIONS FOR CERTAIN ADULT RESIDENTS. (a) In this section:

(1) "Adult resident" means a person with mental retardation who:

(A) is at least 22 years of age; and

(B) resides in a state school.

(2) "Department" means the Department of Aging and Disability Services.

(3) "Legally authorized representative" has the meaning assigned by Section 241.151, Health and Safety Code.

(4) "Local mental retardation authority" has the meaning assigned by Section 531.002, Health and Safety Code.

(5) "State school" has the meaning assigned by Section 531.002, Health and Safety Code.

(b) This section applies only to the community living options information process for an adult resident.

(c) The department shall contract with local mental retardation authorities to implement the community living options information process required by Section 531.02442 for an adult resident.

(d) The contract with the local mental retardation authority must:

(1) delegate to the local mental retardation authority the department's duties under Section 531.02442 with regard to the implementation of the community living options information process at a state school;

(2) include performance measures designed to assist the department in evaluating the effectiveness of a local mental retardation authority in implementing the community living options information process; and

(3) ensure that the local mental retardation authority provides service coordination and relocation services to an adult resident who chooses, is eligible for, and is recommended by the interdisciplinary team for a community living option to facilitate a timely, appropriate, and successful transition from the state school to the community living option.

(e) The department, with the advice and assistance of the interagency task force on ensuring appropriate care settings for persons with disabilities and representatives of family members or legally authorized representatives of adult residents, persons with mental retardation, state schools, and local mental retardation authorities, shall:

(1) develop an effective community living options information process;

(2) create uniform procedures for the implementation of the community living options information process; and

(3) minimize any potential conflict of interest regarding the community living options information process between a state school and an adult resident, an adult resident's legally authorized representative, or a local mental retardation authority.

(f) A state school shall:

(1) allow a local mental retardation authority to participate in the interdisciplinary planning process involving the consideration of community living options for an adult resident;

(2) to the extent not otherwise prohibited by state or federal confidentiality laws, provide a local mental retardation authority with access to an adult resident and an adult resident's records to assist the authority in implementing the community living options information process; and

(3) provide the adult resident or the adult resident's legally authorized representative with accurate information regarding the risks of moving the adult resident to a community living option.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 27**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 763 ADOPTED

Senator Duncan called from the President's table the Conference Committee Report on **SB 763**. The Conference Committee Report was filed with the Senate on Wednesday, May 23, 2007.

On motion of Senator Duncan, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1729 WITH HOUSE AMENDMENTS

Senator Carona called **SB 1729** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1729** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the regulation of elevators, escalators, and related equipment.

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

SECTION 1. Sections 754.011(5), (6), and (8), Health and Safety Code, are amended to read as follows:

(5) "ASCE Code 21" means the American Society of Civil Engineers Code 21 for people movers operated by cables, as it existed on January 1, 2004, or any subsequent revision of that code adopted after a review by the commission, as required by law.

(6) "ASME Code A17.1" means the American Society of Mechanical Engineers Safety Code for Elevators and Escalators (Bi-national standard with CSA B44-2007), ASME A17.1/CSA-B44, as it existed on January 1, 2004, or any subsequent revision of that code adopted after a review by the commission, as required by law [A17.1].

(8) "ASME Code A18.1" means the American Society of Mechanical Engineers Safety Code for Platform Lifts and Stairway Chairlifts A18.1, as it existed on January 1, 2004, or any subsequent revision of that code adopted after a review by the commission, as required by law.

SECTION 2. Section 754.014, Health and Safety Code, is amended by adding Subsections (l) and (m) to read as follows:

(l) Standards adopted by the commission may include and be guided by revised versions of ASME Code A17.1, ASME Code A18.1, and ASCE Code 21, as appropriate. The commission may not adopt a version of ASME Code A17.3 revised after January 1, 2004.

(m) The executive director may on application of a person and in accordance with procedures adopted by the commission, grant a variance to allow the installation of new technology if the new component, system, subsystem, function, or device is equivalent or superior to the standards adopted by the commission.

SECTION 3. Section 754.015(d), Health and Safety Code, is amended to read as follows:

(d) The executive director may charge a reasonable fee as set by the commission for:

- (1) registering or renewing registration of an inspector;
- (2) registering or renewing registration of a contractor;
- (3) applying for a certificate of compliance;
- (4) filing an inspection report as required by Section 754.019(a)(3), 30 days or more after the date the report is due, for each day the report remains not filed after the date the report is due;
- (5) applying for a waiver, variance, or delay; and
- (6) attending a continuing education program sponsored by the department for registered QEI-1 inspectors.

SECTION 4. Section 754.011(11), Health and Safety Code, is repealed.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 1729** in SECTION 2 of the bill, in proposed Section 754.014(l), Health and Safety Code (House committee report, page 2, lines 2 through 3), by striking "The commission may not adopt a version of ASME Code A17.3 revised after January 1, 2004.".

The amendments were read.

Senator Carona moved to concur in the House amendments to **SB 1729**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1624 WITH HOUSE AMENDMENT

Senator Watson called **SB 1624** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer, Senator Eltife in Chair, laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1624** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to genetic testing in proceedings to declare heirship; providing a criminal penalty.

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

SECTION 1. Chapter III, Texas Probate Code, is amended by adding Sections 53A, 53B, 53C, 53D, and 53E to read as follows:

Sec. 53A. ORDER FOR GENETIC TESTING AUTHORIZED. (a) In a proceeding to declare heirship under this chapter, the court may, on the court's own motion, and shall, on the request of a party to the proceeding, order one or more specified individuals to submit to genetic testing as provided for in Subchapter F, Chapter 160, Family Code. If two or more individuals are ordered to be tested, the court may order that the testing of those individuals be done concurrently or sequentially. The court may enforce an order under this subsection by contempt.

(b) Subject to any assessment of costs following the proceeding in accordance with Rule 131, Texas Rules of Civil Procedure, the cost of genetic testing ordered under Subsection (a) of this section must be advanced:

- (1) by a party to the proceeding who requests the testing;
- (2) as agreed by the parties and approved by the court; or
- (3) as ordered by the court.

(c) Subject to Subsection (d) of this section, the court shall order genetic testing subsequent to the testing conducted under Subsection (a) of this section if:

(1) a party to the proceeding contests the results of the genetic testing ordered under Subsection (a) of this section; and

(2) the party contesting the results requests that additional testing be conducted.

(d) If the results of the genetic testing ordered under Subsection (a) of this section identify a tested individual as an heir of the decedent, the court may order additional genetic testing in accordance with Subsection (c) of this section only if the party contesting those results pays for the additional testing in advance.

(e) If a sample of an individual's genetic material that could identify another individual as the decedent's heir is not available for purposes of conducting genetic testing under this section, the court, on a finding of good cause and that the need for genetic testing outweighs the legitimate interests of the individual to be tested, may order any of the following other individuals to submit a sample of genetic material for the testing under circumstances the court considers just:

(1) a parent, sibling, or child of the individual whose genetic material is not available; or

(2) any other relative of that individual, as necessary to conduct the testing.

(f) On good cause shown, the court may order:

(1) genetic testing of a deceased individual under this section; and

(2) if necessary, removal of the remains of the deceased individual as provided by Section 711.004, Health and Safety Code, for that testing.

(g) An individual commits an offense if the individual intentionally releases an identifiable sample of the genetic material of another individual that was provided for purposes of genetic testing ordered under this section, the release is for a purpose not related to the proceeding to declare heirship, and the release was not ordered by the court or done in accordance with written permission obtained from the individual who provided the sample. An offense under this subsection is a Class A misdemeanor.

Sec. 53B. RESULTS OF GENETIC TESTING; ADMISSIBILITY. (a) A report of the results of genetic testing ordered under Section 53A of this chapter:

(1) must comply with the requirements for a report prescribed by Section 160.504, Family Code; and

(2) is admissible in a proceeding to declare heirship under this chapter as evidence of the truth of the facts asserted in the report.

(b) The presumption under Section 160.505, Family Code, applies to the results of genetic testing ordered under this section, and the presumption may be rebutted as provided by that section.

(c) A party to the proceeding who contests the results of genetic testing may call one or more genetic testing experts to testify in person or by telephone, videoconference, deposition, or another method approved by the court. Unless otherwise ordered by the court, the party offering the testimony bears the expense for the expert testifying.

Sec. 53C. USE OF GENETIC TESTING RESULTS IN CERTAIN PROCEEDINGS TO DECLARE HEIRSHIP. (a) This section applies in a proceeding to declare heirship of a decedent only with respect to an individual who:

(1) petitions the court for a determination of right of inheritance as authorized by Section 42(b) of this code; and

(2) claims to be a biological child of the decedent, but with respect to whom a parent-child relationship with the decedent was not established as provided by Section 160.201, Family Code, or who claims inheritance through a biological child of the decedent, if a parent-child relationship between the individual through whom the inheritance is claimed and the decedent was not established as provided by Section 160.201, Family Code.

(b) Unless the results of genetic testing of another individual who is an heir of the decedent are admitted as rebuttal evidence, the court shall find that the individual described by Subsection (a) of this section is an heir of the decedent if the results of genetic testing ordered under Section 53A of this chapter identify a tested individual who is an heir of the decedent as the ancestor of the individual described by Subsection (a) of this section.

(c) Unless the results of genetic testing of another individual who is an heir of the decedent are admitted as rebuttal evidence, the court shall find that the individual described by Subsection (a) of this section is not an heir of the decedent if the results of genetic testing ordered under Section 53A of this chapter exclude a tested individual who is an heir of the decedent as the ancestor of the individual described by Subsection (a) of this section.

(d) If the results of genetic testing ordered under Section 53A of this chapter do not identify or exclude a tested individual as the ancestor of the individual described by Subsection (a) of this section:

(1) the court may not dismiss the proceeding to declare heirship; and

(2) the results of the genetic testing and other relevant evidence are admissible in the proceeding.

Sec. 53D. ADDITIONAL ORDERS AUTHORIZED. On the request of an individual determined by the results of genetic testing to be the heir of a decedent and for good cause shown, the court may:

(1) order the name of the individual to be changed; and

(2) if the court orders a name change under Subdivision (1) of this section, order the bureau of vital statistics to issue an amended birth record for the individual.

Sec. 53E. PROCEEDINGS AND RECORDS PUBLIC. A proceeding under this chapter involving genetic testing is open to the public as in other civil cases, and papers and records in the proceeding are available for public inspection.

SECTION 2. Sections 53A, 53B, 53C, 53D, and 53E, Texas Probate Code, as added by this Act, apply to a proceeding to declare heirship that is pending or commenced on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2007.

The amendment was read.

Senator Watson moved to concur in the House amendment to **SB 1624**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

HOUSE CONCURRENT RESOLUTION 96

Senator Williams moved to suspend Senate Rule 8.01 to take up for consideration **HCR 96** at this time.

The motion prevailed.

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Article 2.12, Code of Criminal Procedure, delineates who are peace officers in the State of Texas; since its enactment in 1967, the article has been amended 51 times and now includes a list of 34 classes of individuals who have been designated peace officers under the law; and

WHEREAS, Law enforcement authority for these peace officers is derived from two sources: the Texas Constitution grants permanent authority to sheriffs, constables, marshals, and police officers, among others; alternatively, peace officers are commissioned by a governmental entity or state agency to carry out a specific law enforcement purpose under the limited purview of the commissioning entity; and

WHEREAS, As a consequence of the manner in which these commissioned peace officers are authorized under Article 2.12, there are no statewide standards to provide for the oversight of a commissioning entity, liability for a peace officer's action, or management of geographic or functional overlaps in jurisdiction; and

WHEREAS, To prevent any compromises to law enforcement efforts that may arise from this lack of coordinated effort, it would behoove the state to study the development of our peace officer ranks and future additions to Article 2.12, Code of Criminal Procedure; now, therefore, be it

RESOLVED, That the 80th Legislature of the State of Texas observe a moratorium on the statutory creation of new police agencies, except for any new law enforcement authority the legislature deems necessary for the Texas Youth Commission, the Texas Juvenile Probation Commission, and the Texas Health and Human Services Commission Office of Inspector General, until the issue can be studied and fully assessed by the 81st Texas Legislature.

WILLIAMS

HCR 96 was read.

On motion of Senator Williams and by unanimous consent, the resolution was considered immediately and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of the resolution except as follows:

Absent-excused: Gallegos.

SENATE JOINT RESOLUTION 65 WITH HOUSE AMENDMENT

Senator Williams called **SJR 65** from the President's table for consideration of the House amendment to the resolution.

The Presiding Officer laid the resolution and the House amendment before the Senate.

Committee Amendment No. 1

Amend **SJR 65** (engrossed version) on page 2, line 3, by striking "Prairie View A&M University" and substituting "the Texas School for the Deaf".

The amendment was read.

Senator Williams moved to concur in the House amendment to **SJR 65**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1912 WITH HOUSE AMENDMENT

Senator Shapleigh called **SB 1912** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1912** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to certification of educators from outside the state.

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

SECTION 1. Section 21.052, Education Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) The board may issue a temporary certificate under this section to an educator who holds a degree required by Subsection (a)(1) and a certificate or other credential required by Subsection (a)(2) but who has not satisfied the requirements prescribed by Subsection (a)(3). Subject to Subsection (f), the board may specify the term of a temporary certificate issued under this subsection.

(f) A temporary certificate issued under Subsection (e) to an educator employed by a school district that has constructed or expanded at least one instructional facility as a result of increased student enrollment due to actions taken under the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section 2687) may not expire before the first anniversary of the date on which the board completes the review of the educator's credentials and informs the educator of the examination or examinations under Section 21.048 on which the educator must perform successfully to receive a standard certificate.

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, 2007.

The amendment was read.

Senator Shapleigh moved to concur in the House amendment to **SB 1912**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

MESSAGE FROM THE HOUSE**HOUSE CHAMBER**

Austin, Texas

May 25, 2007

The Honorable President of the Senate

Senate Chamber

Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS CONCURRED IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 147 (139 Yeas, 0 Nays, 1 Present, not voting)

HB 191 (140 Yeas, 0 Nays, 1 Present, not voting)

HB 460 (136 Yeas, 0 Nays, 1 Present, not voting)

HB 586 (140 Yeas, 0 Nays, 1 Present, not voting)

HB 1141 (141 Yeas, 0 Nays, 1 Present, not voting)

HB 1205 (141 Yeas, 0 Nays, 1 Present, not voting)

HB 1541 (138 Yeas, 0 Nays, 1 Present, not voting)

HB 1551 (143 Yeas, 0 Nays, 1 Present, not voting)

HB 1563 (125 Yeas, 0 Nays, 1 Present, not voting)

HB 1633 (137 Yeas, 1 Nays, 1 Present, not voting)

HB 1786 (137 Yeas, 0 Nays, 1 Present, not voting)

HB 1886 (128 Yeas, 1 Nays, 1 Present, not voting)

HB 2060 (126 Yeas, 11 Nays, 1 Present, not voting)

HB 2426 (122 Yeas, 1 Nays, 1 Present, not voting)

HB 2734 (138 Yeas, 0 Nays, 1 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 624 (non-record vote)

House Conferees: King, Phil - Chair/Dutton/Latham/Riddle/Taylor

HB 772 (non-record vote)

House Conferees: Dutton - Chair/Ferrar/Hartnett/Phillips/Thompson

HB 1146 (non-record vote)

House Conferees: Bonnen - Chair/Berman/Castro/Flynn/Hardcastle

HB 2120 (non-record vote)

House Conferees: Deshotel - Chair/Dukes/Kolkorst/Strama/Veasey

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 930 ADOPTED**

Senator Uresti called from the President's table the Conference Committee Report on **HB 930**. The Conference Committee Report was filed with the Senate on Wednesday, May 23, 2007.

On motion of Senator Uresti, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 2020 WITH HOUSE AMENDMENT

Senator Seliger called **SB 2020** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 2020** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the creation of the Randall County Municipal Utility District No. 1; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

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

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8248 to read as follows:

CHAPTER 8248. RANDALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 1SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8248.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Randall County Municipal Utility District No. 1.

Sec. 8248.002. NATURE OF DISTRICT. The district is a municipal utility district in Randall County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8248.003. FINDING OF PUBLIC USE AND BENEFIT. The district is created to serve a public use and benefit.

Sec. 8248.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8248.023 before September 1, 2011:

- (1) the district is dissolved September 1, 2011, except that the district shall:

(A) pay any debts incurred;
(B) transfer to Randall County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 8248.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

[Sections 8248.006-8248.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8248.021. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) William G. Pernell;

(2) Jerry D. Billington;

(3) Gaylord T. Hughey, Jr.;

(4) Casey S. Cobb; and

(5) Michael R. Pugh.

(b) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy. If at any time there are fewer than three qualified temporary directors, the Texas Commission on Environmental Quality shall appoint the necessary number of persons to fill all vacancies on the board.

(c) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8248.023; or

(2) the date this chapter expires under Section 8248.004.

Sec. 8248.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the organizational meeting shall be at the Randall County Courthouse.

Sec. 8248.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

Sec. 8248.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8248.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8248.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 8248.026-8248.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8248.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8248.052-8248.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8248.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8248.102. ANNEXATION. The district or any new district formed by the division of the district may not annex the property of a landowner before obtaining written consent from the landowner. The annexation of the property must be completed by the district not later than one year after the district's receipt of the landowner's written consent. A landowner may revoke the landowner's consent to annexation before annexation by notifying the district in writing that the consent is revoked. A landowner's petition for annexation that meets the requirements of Chapter 49 or 54, Water Code, shall be considered as the landowner's written consent for the purposes of this section.

Sec. 8248.103. ROAD PROJECTS. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads in the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by resolution.

Sec. 8248.104. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

[Sections 8248.105-8248.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8248.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8248.201.

[Sections 8248.152-8248.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8248.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Sections 8248.101 and 8248.103.

(b) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8248.103 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 8248.103 may not exceed one-fourth of the assessed value of the real property in the district.

[Sections 8248.202-8248.250 reserved for expansion]

SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8248.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by taxes or net revenue, the district may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or

(2) a motion by the board.

(d) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and

(2) prepare a metes and bounds description for each proposed district.

(e) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter. After its creation, a new district may annex property in accordance with this chapter.

Sec. 8248.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8248.251(d), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election in the same manner required for other district elections prescribed by the Water Code and Election Code.

(c) If a majority of the votes cast are in favor of the division:

(1) the district is divided; and

(2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:

(A) the Texas Commission on Environmental Quality;

(B) the attorney general;

(C) the commissioners court of each county in which a new district is located; and

(D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Sec. 8248.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and

(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, the appointed board shall hold an election to elect five directors in each district for which directors were appointed under Subsection (a)(2). The elected directors shall draw lots to determine which two shall serve until the next regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8248.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8248.251(d).

(c) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Sec. 8248.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or

(2) any other matter the boards of the new districts consider appropriate.

SECTION 2. The Randall County Municipal Utility District No. 1 initially includes all the territory contained in the following described area:

A 1087.96 ACRE TRACT OF LAND BEING SITUATED IN SECTIONS 5, 6, 27, 28 & 37, BLOCK 6, I. & G.N. R.R. COMPANY SURVEY AND SECTION 5, BLOCK 8, I. & G.N. R.R. COMPANY SURVEY, RANDALL COUNTY, TEXAS, AND SAID TRACT BEING FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A KELLEY CAP FOUND FOR THE MOST SOUTHERLY CORNER OF THIS TRACT, WHENCE A K-CAP FOUND FOR THE SOUTHEAST CORNER OF SECTION 38, BLOCK 6, I. & G.N. R.R. COMPANY SURVEY, SAME BEING THE SOUTHWEST CORNER OF SECTION 37 BEARS S 00°23'28" E - 3272.73 FEET;

THENCE N 00°23'28" W ON THE WEST LINE OF SECTION 37 FOR A DISTANCE OF 2000.85 FEET TO A KELLEY CAP FOUND FOR THE COMMON CORNER OF SECTIONS 27, 28, 37 & 38;

THENCE N 89°48'00" W ON THE SOUTH LINE OF SECTION 27 FOR A DISTANCE OF 3342.50 FEET TO A KELLEY CAP FOUND IN THE SOUTH LINE OF SECTION 27;

THENCE N 44°40'28" E FOR A DISTANCE OF 99.02 FEET TO AN APEX CAP;

THENCE N 76°38'25" E FOR A DISTANCE OF 57.88 FEET TO AN APEX CAP;

THENCE N 50°00'01" W FOR A DISTANCE OF 78.28 FEET TO AN APEX CAP;

THENCE N 22°09'18" W FOR A DISTANCE OF 64.02 FEET TO AN APEX CAP;

THENCE N 77°41'45" W FOR A DISTANCE OF 34.65 FEET TO AN APEX CAP;

THENCE N 04°29'02" W FOR A DISTANCE OF 185.26 FEET TO A "+" IN ROCK, WHENCE AN APEX CAP FOUND FOR A WITNESS BEARS S 62°32'10" E - 14.16 FEET;

THENCE N 66°06'17" E FOR A DISTANCE OF 100.78 FEET TO AN APEX CAP;

THENCE N 08°39'50" E FOR A DISTANCE OF 166.72 FEET TO AN APEX CAP;

THENCE N 61°31'02" E FOR A DISTANCE OF 193.26 FEET TO AN APEX CAP;

THENCE N 28°22'02" E FOR A DISTANCE OF 132.64 FEET TO AN APEX CAP;

THENCE N 59°44'16" E FOR A DISTANCE OF 39.73 FEET TO AN APEX CAP;

THENCE N 04°05'55" E FOR A DISTANCE OF 129.27 FEET TO AN APEX CAP;

THENCE N 05°20'38" E FOR A DISTANCE OF 131.75 FEET TO AN APEX CAP;

THENCE N 19°58'02" E FOR A DISTANCE OF 59.71 FEET TO AN APEX CAP;

THENCE N 04°01'14" E FOR A DISTANCE OF 63.32 FEET TO AN APEX CAP;

THENCE S 77°47'01" W FOR A DISTANCE OF 125.15 FEET TO AN APEX CAP;

THENCE S 88°06'42" W FOR A DISTANCE OF 102.30 FEET TO AN APEX CAP;

THENCE S 38°30'02" W FOR A DISTANCE OF 102.92 FEET TO AN APEX CAP;

THENCE S 29°41'04" W FOR A DISTANCE OF 213.55 FEET TO A "+" IN ROCK;

THENCE N 85°00'28" W FOR A DISTANCE OF 52.16 FEET TO AN APEX CAP;

THENCE S 12°20'15" W FOR A DISTANCE OF 26.80 FEET TO AN APEX CAP;

THENCE S 67°05'48" W FOR A DISTANCE OF 118.83 FEET TO A "+" IN ROCK;

THENCE S 46°35'44" W FOR A DISTANCE OF 204.96 FEET TO A "+" IN ROCK, WHENCE AN APEX CAP FOUND FOR A WITNESS BEARS N 04°14'31" W - 105.94 FEET;

THENCE N 67°50'23" W FOR A DISTANCE OF 24.67 FEET TO A "+" IN ROCK, WHENCE AN APEX CAP FOUND FOR A WITNESS BEARS N 08°51'16" E - 97.51 FEET;

THENCE N 30°48'55" W FOR A DISTANCE OF 88.60 FEET TO A "+" IN ROCK, WHENCE AN APEX CAP FOUND FOR A WITNESS BEARS N 71°27'37" E - 63.70 FEET; K-CAP;

THENCE N 09°09'35" E FOR A DISTANCE OF 48.42 FEET TO AN APEX CAP;

THENCE N 28°49'25" W FOR A DISTANCE OF 106.48 FEET TO AN APEX CAP;

THENCE N 04°31'51" E FOR A DISTANCE OF 203.57 FEET TO AN APEX CAP;

THENCE N 48°51'26" W FOR A DISTANCE OF 74.68 FEET TO AN APEX CAP;

THENCE S 64°32'16" W FOR A DISTANCE OF 50.05 FEET TO AN APEX CAP;

THENCE S 48°30'53" W FOR A DISTANCE OF 217.99 FEET TO AN APEX CAP;

THENCE S 86°18'33" W FOR A DISTANCE OF 128.86 FEET TO AN APEX CAP;

THENCE N 54°56'24" W FOR A DISTANCE OF 86.09 FEET TO AN APEX CAP;

THENCE S 68°44'04" W FOR A DISTANCE OF 184.93 FEET TO AN APEX CAP;

THENCE N 59°44'29" W FOR A DISTANCE OF 55.74 FEET TO AN APEX CAP;

THENCE N 38°47'51" W FOR A DISTANCE OF 99.15 FEET TO AN APEX CAP;

THENCE N 03°11'32" W FOR A DISTANCE OF 101.52 FEET TO AN APEX CAP;

THENCE N 54°46'33" W FOR A DISTANCE OF 204.30 FEET TO AN APEX CAP;

THENCE N 28°07'57" W FOR A DISTANCE OF 67.83 FEET TO AN APEX CAP;

THENCE N 22°12'55" W FOR A DISTANCE OF 218.67 FEET TO AN APEX CAP;

THENCE N 44°11'34" W FOR A DISTANCE OF 55.20 FEET TO AN APEX CAP;

THENCE N 42°56'18" W FOR A DISTANCE OF 607.43 FEET TO AN APEX CAP;

THENCE N 22°18'04" W FOR A DISTANCE OF 80.09 FEET TO AN APEX CAP;

THENCE N 01°11'26" E FOR A DISTANCE OF 129.54 FEET TO AN APEX CAP;

THENCE N 12°55'55" E FOR A DISTANCE OF 258.90 FEET TO AN APEX CAP;

THENCE N 41°31'04" E FOR A DISTANCE OF 121.47 FEET TO AN APEX CAP;

THENCE N 15°51'42" E FOR A DISTANCE OF 110.52 FEET TO AN APEX CAP;

THENCE N 14°36'09" W FOR A DISTANCE OF 100.15 FEET TO AN APEX CAP;

THENCE N 55°19'38" W FOR A DISTANCE OF 73.14 FEET TO AN APEX CAP;

THENCE N 18°08'27" E FOR A DISTANCE OF 173.44 FEET TO AN APEX CAP;

THENCE N 25°17'03" E FOR A DISTANCE OF 64.19 FEET TO AN APEX CAP;

THENCE N 07°25'02" W FOR A DISTANCE OF 185.72 FEET TO A 3/4" IRON PIPE;

THENCE N 03°59'14" E FOR A DISTANCE OF 139.03 FEET TO A KELLEY CAP;

THENCE N 36°25'00" E FOR A DISTANCE OF 533.06 FEET TO A KELLEY CAP;

THENCE N 60°15'00" E FOR A DISTANCE OF 23.05 FEET TO A KELLEY CAP;

THENCE N 37°36'00" E FOR A DISTANCE OF 618.61 FEET TO A KELLEY CAP;

THENCE N 37°45'00" W FOR A DISTANCE OF 228.06 FEET TO A KELLEY CAP;

THENCE N 32°29'20" E FOR A DISTANCE OF 903.35 FEET TO A 3/4" IRON PIPE;

THENCE N 31°55'00" E FOR A DISTANCE OF 3083.61 FEET TO A KELLEY CAP;

THENCE EAST FOR A DISTANCE OF 601.11 FEET TO A K-CAP NEAR A 4" IRON PIPE FENCE CORNER;

THENCE N 00°21'27" W FOR A DISTANCE OF 2639.46 FEET TO A K-CAP SET IN THE NORTH LINE OF SECTION 6 FOR THE NORTHWEST CORNER OF THIS TRACT;

THENCE N 89°25'58" E ALONG THE COMMON LINE BETWEEN SECTIONS 6, BLK.6 AND SECTION 6, BLOCK 8, 1741.29 FEET TO A 1/2" REBAR;

THENCE N 00°32' 00" W ALONG THE WEST LINE OF SECTION 5, BLOCK 8, I. & G.N. R.R COMPANY SURVEY FOR A DISTANCE OF 2633.91 FEET TO A POINT IN THE SOUTHWESTERLY R.O.W. LINE OF F.M. HIGHWAY NO. 1258, SAME BEING A POINT ON A CURVE, WHOSE CENTER BEARS N 71°55'51" E - 1004.93 FEET;

THENCE SOUTHEASTERLY ALONG SAID CURVE, TO THE LEFT, A DISTANCE OF 159.72 FEET TO A POINT;

THENCE S 00°32'00" E PARALLEL WITH AND 60 FEET EAST OF THE WEST LINE OF SECTION 5, BLOCK 8, A DISTANCE OF 2485.96 FEET TO A 1/2" REBAR IN THE SOUTH LINE OF SECTION 5;

THENCE N 89°25'58" E ALONG THE COMMON LINE BETWEEN SECTION 5, BLOCK 8, I.&G.N. R.R. COMPANY SURVEY AND SECTION 5, BLOCK 6, I.& G.N. R.R. COMPANY SURVEY FOR A DISTANCE OF 2669.32 FEET TO A 1/2" REBAR FOUND AT THE NORTH 1/4 CORNER OF SAID SECTION 5, BLOCK 6, THE NORTHEAST CORNER OF THIS TRACT;

THENCE S 00°31'38" E ALONG THE EAST LINE OF THE NORTHWEST 1/4 OF SECTION 5, A DISTANCE OF 2661.08 FEET TO K-CAP FOR THE CENTER 1/4 CORNER OF SECTION 5;

THENCE S 89°56'09" W ALONG THE SOUTH LINE OF THE NORTHWEST 1/4 OF SECTION 5, A DISTANCE OF 2735.88 FEET TO A K-CAP SET IN THE COMMON LINE BETWEEN SECTIONS 5 AND 6 FOR THE WEST 1/4 CORNER OF SECTION 5;

THENCE S 00°23'28" E ALONG THE COMMON LINE BETWEEN SECTIONS 5 AND 6, A DISTANCE OF 2637.06 FEET TO A 1" IRON PIPE FOUND IN THE CENTERLINE OF AN EAST/WEST LANE AT THE COMMON CORNER OF SECTIONS 5, 6, 27 AND 28;

THENCE S 00°23'28" E ALONG THE COMMON LINE BETWEEN SECTIONS 27 AND 28. A DISTANCE OF 2284.52 FEET TO A K-CAP SET NEAR A FENCE CORNER POST;

THENCE N 89°56'52" E FOR A DISTANCE OF 350.00 FEET TO A K-CAP;
THENCE S 00°03'08" E FOR A DISTANCE OF 432.00 FEET TO A K-CAP;
THENCE S 32°12'39" W FOR A DISTANCE OF 129.71 FEET TO A K-CAP;
THENCE S 45°20'01" E FOR A DISTANCE OF 52.82 FEET TO A K-CAP;
THENCE S 02°38'09" W FOR A DISTANCE OF 68.38 FEET TO A K-CAP;
THENCE S 46°29'21" E FOR A DISTANCE OF 43.52 FEET TO A K-CAP;
THENCE S 04°32'49" E FOR A DISTANCE OF 103.29 FEET TO A K-CAP;
THENCE S 46°56'38" E FOR A DISTANCE OF 114.26 FEET TO A K-CAP;
THENCE S 89°51'01" E FOR A DISTANCE OF 47.06 FEET TO A K-CAP;
THENCE S 45°05'24" E FOR A DISTANCE OF 162.02 FEET TO A K-CAP;
THENCE S 78°40'20" E FOR A DISTANCE OF 101.71 FEET TO A K-CAP;
THENCE S 46°28'00" E FOR A DISTANCE OF 96.76 FEET TO A K-CAP;
THENCE S 54°37'40" W FOR A DISTANCE OF 49.44 FEET TO A K-CAP;
THENCE N 65°15'23" W FOR A DISTANCE OF 101.00 FEET TO A K-CAP;
THENCE N 86°05'23" W FOR A DISTANCE OF 57.16 FEET TO A K-CAP;
THENCE S 84°08'31" W FOR A DISTANCE OF 140.89 FEET TO A K-CAP;
THENCE S 14°38'28" W FOR A DISTANCE OF 47.00 FEET TO A K-CAP;
THENCE S 12°08'54" E FOR A DISTANCE OF 299.59 FEET TO A K-CAP;
THENCE S 67°32'47" E FOR A DISTANCE OF 123.17 FEET TO A K-CAP;
THENCE S 28°24'11" E FOR A DISTANCE OF 150.00 FEET TO A K-CAP;
THENCE N 68°07'38" E FOR A DISTANCE OF 121.18 FEET TO A K-CAP;
THENCE S 00°00'16" E FOR A DISTANCE OF 88.01 FEET TO A K-CAP;
THENCE S 26°19'00" W FOR A DISTANCE OF 101.57 FEET TO A K-CAP;
THENCE S 85°13'32" E FOR A DISTANCE OF 132.72 FEET TO A K-CAP;
THENCE S 42°05'53" E FOR A DISTANCE OF 69.90 FEET TO A K-CAP;
THENCE S 41°41'34" W FOR A DISTANCE OF 133.14 FEET TO A K-CAP;
THENCE S 34°59'57" W FOR A DISTANCE OF 229.26 FEET TO A K-CAP;

THENCE S 26°14'28" E FOR A DISTANCE OF 42.25 FEET TO A K-CAP;
THENCE S 88°28'34" E FOR A DISTANCE OF 95.37 FEET TO A K-CAP;
THENCE N 70°27'47" E FOR A DISTANCE OF 261.14 FEET TO A K-CAP;
THENCE N 50°49'03" E FOR A DISTANCE OF 48.90 FEET TO A K-CAP;
THENCE N 76°29'34" E FOR A DISTANCE OF 76.31 FEET TO A K-CAP;
THENCE S 76°32'46" E FOR A DISTANCE OF 95.39 FEET TO A K-CAP;
THENCE S 46°42'53" E FOR A DISTANCE OF 38.90 FEET TO A K-CAP;
THENCE S 18°53'12" W FOR A DISTANCE OF 31.25 FEET TO A K-CAP;
THENCE S 59°26'41" W FOR A DISTANCE OF 90.08 FEET TO A K-CAP;
THENCE S 40°38'08" W FOR A DISTANCE OF 106.86 FEET TO A K-CAP;
THENCE S 12°43'17" W FOR A DISTANCE OF 69.26 FEET TO A K-CAP;
THENCE S 56°30'05" W FOR A DISTANCE OF 42.97 FEET TO A K-CAP;
THENCE N 69°21'08" W FOR A DISTANCE OF 96.67 FEET TO A K-CAP;
THENCE S 54°45'18" W FOR A DISTANCE OF 175.20 FEET TO A K-CAP;
THENCE S 78°32'15" W FOR A DISTANCE OF 105.34 FEET TO A K-CAP;
THENCE S 37°48'11" W FOR A DISTANCE OF 168.73 FEET TO A K-CAP;
THENCE S 11°57'39" E FOR A DISTANCE OF 207.24 FEET TO A K-CAP;
THENCE S 40°37'50" E FOR A DISTANCE OF 207.44 FEET TO A K-CAP;
THENCE S 51°20'07" E FOR A DISTANCE OF 163.43 FEET TO A K-CAP;
THENCE S 07°41'51" E FOR A DISTANCE OF 18.04 FEET TO A K-CAP;
THENCE S 10°26'56" W FOR A DISTANCE OF 31.99 FEET TO A K-CAP;
THENCE S 21°48'35" W FOR A DISTANCE OF 22.29 FEET TO A K-CAP;
THENCE S 78°03'22" W FOR A DISTANCE OF 20.18 FEET TO A K-CAP;
THENCE N 66°40'54" W FOR A DISTANCE OF 83.79 FEET TO A K-CAP;
THENCE S 83°04'25" W FOR A DISTANCE OF 128.01 FEET TO A K-CAP;
THENCE S 59°42'01" W FOR A DISTANCE OF 37.70 FEET TO A K-CAP;
THENCE S 45°34'56" W FOR A DISTANCE OF 92.09 FEET TO A K-CAP;
THENCE S 13°48'56" W FOR A DISTANCE OF 149.92 FEET TO A K-CAP;
THENCE S 66°56'48" W FOR A DISTANCE OF 95.54 FEET TO A K-CAP;
THENCE S 53°32'57" W FOR A DISTANCE OF 176.20 FEET TO A K-CAP;
THENCE S 17°58'30" W FOR A DISTANCE OF 158.91 FEET TO A K-CAP;
THENCE S 07°02'45" W FOR A DISTANCE OF 119.39 FEET TO K-CAP;
THENCE S 13°30'46" E FOR A DISTANCE OF 121.24 FEET TO A K-CAP;
THENCE S 49°49'52" E FOR A DISTANCE OF 66.39 FEET TO A K-CAP;
THENCE N 49°18'14" E FOR A DISTANCE OF 163.05 FEET TO A K-CAP;
THENCE S 68°07'44" E FOR A DISTANCE OF 92.45 FEET TO A K-CAP;
THENCE N 77°41'35" E FOR A DISTANCE OF 27.32 FEET TO A K-CAP;
THENCE N 35°19'59" E FOR A DISTANCE OF 141.14 FEET TO A K-CAP;
THENCE S 55°23'41" E FOR A DISTANCE OF 195.32 FEET TO A K-CAP;
THENCE N 89°52'44" E FOR A DISTANCE OF 124.59 FEET TO A K-CAP;
THENCE S 44°09'05" E FOR A DISTANCE OF 104.74 FEET TO A K-CAP;
THENCE N 78°37'04" E FOR A DISTANCE OF 279.46 FEET TO A K-CAP;
THENCE S 59°12'56" E FOR A DISTANCE OF 81.83 FEET TO A K-CAP;
THENCE N 80°16'44" E FOR A DISTANCE OF 79.65 FEET TO A K-CAP;
THENCE S 37°16'30" E FOR A DISTANCE OF 107.98 FEET TO A K-CAP;
THENCE S 22°32'44" W FOR A DISTANCE OF 147.88 FEET TO A K-CAP;

THENCE S 89°22'44" E FOR A DISTANCE OF 233.56 FEET TO A K-CAP;
THENCE S 28°50'50" W FOR A DISTANCE OF 97.20 FEET TO A K-CAP;
THENCE S 08°58'03" W FOR A DISTANCE OF 77.35 FEET TO A K-CAP;
THENCE S 80°26'02" W FOR A DISTANCE OF 197.76 FEET TO K-CAP;
THENCE S 75°01'26" E FOR A DISTANCE OF 116.74 FEET TO A K-CAP;
THENCE S 11°05'28" W FOR A DISTANCE OF 32.02 FEET TO A K-CAP;
THENCE S 81°15'27" E FOR A DISTANCE OF 208.30 FEET TO A K-CAP;
THENCE S 45°47'27" W FOR A DISTANCE OF 145.24 FEET TO A K-CAP;
THENCE S 05°31'58" W FOR A DISTANCE OF 102.19 FEET TO A K-CAP;
THENCE N 66°24'11" W FOR A DISTANCE OF 142.14 FEET TO A K-CAP;
THENCE S 88°37'16" W FOR A DISTANCE OF 128.02 FEET TO A K-CAP;
THENCE S 23°44'13" E FOR A DISTANCE OF 58.29 FEET TO A K-CAP;
THENCE S 32°40'19" E FOR A DISTANCE OF 120.27 FEET TO A K-CAP;
THENCE N 76°53'07" W FOR A DISTANCE OF 194.46 FEET TO A K-CAP;
THENCE S 54°43'26" E FOR A DISTANCE OF 422.11 FEET TO A K-CAP;
THENCE S 79°22'23" W FOR A DISTANCE OF 67.84 FEET TO A K-CAP;
THENCE S 45°04'26" W FOR A DISTANCE OF 66.71 FEET TO A K-CAP;
THENCE N 77°02'40" W FOR A DISTANCE OF 90.32 FEET TO A K-CAP;
THENCE S 34°59'05" W FOR A DISTANCE OF 150.03 FEET TO A K-CAP;
THENCE N 28°14'51" W FOR A DISTANCE OF 160.35 FEET TO A K-CAP;
THENCE S 87°27'58" W FOR A DISTANCE OF 168.67 FEET TO A K-CAP;
THENCE S 23°01'44" W FOR A DISTANCE OF 178.87 FEET TO A K-CAP;
THENCE S 70°37'10" W FOR A DISTANCE OF 92.57 FEET TO A K-CAP;
THENCE N 28°25'38" W FOR A DISTANCE OF 197.76 FEET TO A K-CAP;
THENCE S 58°29'53" W FOR A DISTANCE OF 278.35 FEET TO A K-CAP;
THENCE N 84°04'00" W FOR A DISTANCE OF 170.22 FEET TO A K-CAP;
THENCE N 58°27'11" W FOR A DISTANCE OF 60.41 FEET TO A K-CAP;
THENCE S 75°23'14" W FOR A DISTANCE OF 91.26 FEET TO A K-CAP;
THENCE S 85°55'17" W FOR A DISTANCE OF 94.30 FEET TO THE POINT
OF BEGINNING.

SAID TRACT CONTAINS 1087.96 ACRES OF LAND, MORE OR LESS.

SECTION 3. (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) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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 are fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

The amendment was read.

Senator Uresti moved to concur in the House amendment to **SB 2020**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 11 WITH HOUSE AMENDMENTS

Senator Carona called **SB 11** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 11** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to homeland security; providing penalties.

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

ARTICLE 1. CERTAIN DISASTER RESPONSE PROCEDURES FOR POLITICAL SUBDIVISIONS

SECTION 1.01. Section 418.004, Government Code, is amended by adding Subdivisions (10) through (14) to read as follows:

(10) "Local government entity" means a county, incorporated city, independent school district, emergency services district, other special district, joint board, or other entity defined as a political subdivision under the laws of this state that maintains the capability to provide mutual aid.

(11) "Mutual aid" means a homeland security activity, as defined by Section 421.001, performed under the system or a written mutual aid agreement.

(12) "Requesting local government entity" means a local government entity requesting mutual aid assistance under the system.

(13) "Responding local government entity" means a local government entity providing mutual aid assistance in response to a request under the system.

(14) "System" means the Texas Statewide Mutual Aid System.

SECTION 1.02. Subchapter E, Chapter 418, Government Code, is amended by adding Section 418.1015 to read as follows:

Sec. 418.1015. EMERGENCY MANAGEMENT DIRECTORS. (a) The presiding officer of the governing body of an incorporated city or a county or the chief administrative officer of a joint board is designated as the emergency management director for the officer's political subdivision.

(b) An emergency management director serves as the governor's designated agent in the administration and supervision of duties under this chapter. An emergency management director may exercise the powers granted to the governor under this chapter on an appropriate local scale.

(c) An emergency management director may designate a person to serve as emergency management coordinator. The emergency management coordinator shall serve as an assistant to the emergency management director for emergency management purposes.

SECTION 1.03. Subsection (c), Section 418.107, Government Code, is amended to read as follows:

(c) A local government entity [political subdivision or regional planning commission] may render mutual aid to other local government entities [political subdivisions or regional planning commissions] under mutual aid agreements or the system.

SECTION 1.04. The heading to Section 418.109, Government Code, is amended to read as follows:

Sec. 418.109. AUTHORITY TO RENDER MUTUAL AID ASSISTANCE.

SECTION 1.05. Subsection (d), Section 418.109, Government Code, is amended to read as follows:

(d) A local government entity or [municipality, county, emergency services district, fire protection agency, regional planning commission,] organized volunteer group[or other emergency services entity] may provide mutual aid assistance on request from another local government entity or [municipality, county, emergency services district, fire protection agency, regional planning commission,] organized volunteer group[or other emergency services entity]. The chief or highest ranking officer of the entity from which assistance is requested, with the approval and consent of the presiding officer of the governing body of that entity, may provide that assistance while acting in accordance with the policies, ordinances, and procedures established by the governing body of that entity [and consistent with any mutual aid plans developed by the emergency management council].

SECTION 1.06. Section 418.110, Government Code, is amended to read as follows:

Sec. 418.110. STATEWIDE MUTUAL AID PROGRAM FOR FIRE EMERGENCIES. (a) The division, in consultation with state fire protection agencies and the Texas Commission on Fire Protection, may [shall] develop a statewide mutual aid program for fire emergencies.

(b) A program developed under this section:

(1) does not alter the legal obligations of a political subdivision participating in the system; and

(2) must be consistent with the state emergency management plan.

SECTION 1.07. Chapter 418, Government Code, is amended by adding Subchapter E-1 to read as follows:

SUBCHAPTER E-1. TEXAS STATEWIDE MUTUAL AID SYSTEM

Sec. 418.111. CREATION OF THE TEXAS STATEWIDE MUTUAL AID SYSTEM. (a) The Texas Statewide Mutual Aid System is established to provide integrated statewide mutual aid response capability between local government entities without a written mutual aid agreement.

(b) A request for mutual aid assistance between local government entities is considered to be made under the system, unless the requesting and responding entities are parties to a written mutual aid agreement in effect when the request is made.

(c) This subchapter does not affect a written mutual aid agreement between local government entities in effect on or before the effective date of this subchapter or restrict the ability of local government entities to enter into a written mutual aid agreement as otherwise authorized by statute after the effective date of this subchapter. If a request is made between local government entities that are parties to a written mutual aid agreement, the terms of that agreement control the rights and obligations of the parties.

Sec. 418.112. ADMINISTRATION BY DIVISION. The division shall administer the system. In administering the system, the division shall encourage and assist political subdivisions in planning and implementing comprehensive all-hazards emergency management programs, including assisting political subdivisions to ensure that the local emergency management plan of each subdivision adequately provides for the rendering and receipt of mutual aid.

Sec. 418.113. DISASTER DISTRICTS. (a) This state is divided into disaster districts to engage in homeland security preparedness and response activities. The boundaries of the disaster districts coincide with the geographic boundaries of the state planning regions established by the governor under Chapter 391, Local Government Code.

(b) A disaster district committee is established for each disaster district. Each committee is composed of local representatives of the state agencies, boards, and commissions and organized volunteer groups with representation on the emergency management council.

(c) Each disaster district committee shall coordinate with political subdivisions located in the disaster district to ensure that state and federal emergency assets are made available as needed to provide the most efficient and effective response possible.

(d) The public safety director of the Department of Public Safety of the State of Texas shall appoint a commanding officer from the Texas Highway Patrol to serve as chair of each disaster district committee. The chair shall:

(1) inform the state Director of Homeland Security on all matters relating to disasters and emergencies as requested by the state Director of Homeland Security; and

(2) inform the public safety director of the Department of Public Safety of the State of Texas on all matters as requested by the public safety director.

(e) Representatives of the emergency management council assigned to each district shall assist the chair of their disaster district committee and provide guidance, counsel, and administrative support as required.

Sec. 418.114. PROCEDURES FOR MUTUAL AID. (a) The political subdivisions in each state planning region established by the governor under Chapter 391, Local Government Code, shall agree on procedures that specify the manner in which mutual aid will be provided in response to a request from:

(1) a political subdivision in the region;

(2) a political subdivision in another region; or

(3) this state.

(b) A copy of the procedures must be provided to the division and the disaster district committee chair.

Sec. 418.115. REQUESTING AND PROVIDING MUTUAL AID ASSISTANCE. (a) A request for mutual aid assistance may be submitted verbally or in writing. If a request is submitted verbally, it must be confirmed in writing not later than the 30th day after the date the request was made.

(b) If a request for mutual aid assistance is made to a department or agency of a political subdivision, the chief or highest ranking officer of the department or agency, with the approval and consent of the presiding officer of the governing body of the political subdivision or that officer's designee, may provide the requested assistance in accordance with the policies, ordinances, and procedures established by the governing body of the political subdivision.

Sec. 418.1151. ASSESSMENT OF ABILITY TO RENDER ASSISTANCE.

(a) When contacted with a request for mutual aid assistance, a local government entity shall assess local resources to determine availability of personnel, equipment, and other assistance to respond to the request.

(b) A responding local government entity may provide assistance to the extent personnel, equipment, and resources are determined to be available. A local government entity is not required to provide mutual aid assistance unless the entity determines that the entity has sufficient resources to provide assistance, based on current or anticipated events in its jurisdiction.

Sec. 418.1152. SUPERVISION AND CONTROL. When providing mutual aid assistance under the system:

(1) the response effort must be organized and function in accordance with the National Incident Management System guidelines;

(2) the personnel, equipment, and resources of a responding local government entity being used in the response effort are under the operational control of the requesting local government entity unless otherwise agreed;

(3) direct supervision and control of personnel, equipment, and resources and personnel accountability remain the responsibility of the designated supervisory personnel of the responding local government entity;

(4) unless otherwise agreed in advance, an emergency medical service organization providing assistance under the system shall use the medical protocols authorized by the organization's medical director;

(5) the designated supervisory personnel of the responding local government entity shall:

(A) maintain daily personnel time records, material records, and a log of equipment hours;

(B) be responsible for the operation and maintenance of the equipment and other resources furnished by the responding local government entity; and

(C) report work progress to the requesting local government entity; and

(6) the responding local government entity's personnel and other resources are subject to recall at any time, subject to reasonable notice to the requesting local government entity.

Sec. 418.1153. DURATION OF AID. The provision of mutual aid assistance under the system may continue until:

(1) the services of the responding local government entity are no longer required; or

(2) the responding local government entity determines that further assistance should not be provided.

Sec. 418.116. RIGHTS AND PRIVILEGES. (a) A person assigned, designated, or ordered to perform duties by the governing body of the local government entity employing the person in response to a request under the system is entitled to receive the same wages, salary, pension, and other compensation and benefits, including injury or death benefits, disability payments, and workers' compensation benefits, for the performance of the duties under the system as though the services were rendered for the entity employing the person.

(b) The local government entity employing the person is responsible for the payment of wages, salary, pension, and other compensation and benefits associated with the performance of duties under the system.

Sec. 418.117. LICENSE PORTABILITY. If the assistance of a person who holds a license, certificate, permit, or other document evidencing qualification in a professional, mechanical, or other skill is requested by a local government entity under the system, the person is considered licensed, certified, permitted, or otherwise documented in the political subdivision in which the service is provided as long as the service is required, subject to any limitations imposed by the chief executive officer or the governing body of the requesting local government entity.

Sec. 418.118. REIMBURSEMENT OF COSTS: STATE REQUEST OR FEDERAL DISASTER DECLARATION. (a) The division shall administer all requests for reimbursement for costs associated with providing mutual aid assistance in response to a request made by the division for an incident resulting in the issuance of a disaster declaration by the president of the United States. A request for reimbursement made to the division must be made in accordance with procedures developed by the division.

(b) The division may directly request the provision of mutual aid assistance from any local government entity participating in the system. If the division requests the provision of assistance and the local government entity responds, the state shall reimburse the actual costs of providing assistance, including costs for personnel, operation and maintenance of equipment, damaged equipment, food, lodging, and transportation, incurred by the responding local government entity. The state shall pay reimbursements from available state money. If funds are made available from the disaster contingency fund, the division shall make reimbursement from the disaster contingency fund for eligible expenses to the extent that available state money is inadequate.

(c) If federal money is available to pay costs associated with the provision of mutual aid assistance in response to a request made by the division, the division shall make the claim for the eligible costs of the responding local government entity on the division's grant application and shall disburse the federal share of the money to the responding local government entity, with sufficient state funds to cover the actual costs incurred by the responding local government entity in providing the assistance.

Sec. 418.1181. REIMBURSEMENT OF COSTS: REQUEST BY LOCAL GOVERNMENT ENTITY. (a) If a local government entity requests mutual aid assistance from another local government entity under the system, the requesting local government entity shall reimburse the actual costs of providing mutual aid assistance

to the responding local government entity, including costs for personnel, operation and maintenance of equipment, damaged equipment, food, lodging, and transportation, incurred by the responding local government entity in response to a request for reimbursement. Local government entities with a mutual aid agreement when the request for mutual aid assistance is made are subject to the agreement's terms of reimbursement, as provided by Section 418.111.

(b) The requesting local government entity shall pay the reimbursement from available funds. If federal money is available to pay costs associated with the provision of mutual aid assistance, the requesting local government entity shall make the claim for the eligible costs of the responding local government entity on the requesting entity's subgrant application and shall disburse the federal share of the money to the responding local government entity, with sufficient local funds to cover the actual costs of the responding local government entity in providing assistance.

SECTION 1.08. Subdivision (9), Section 418.004, and Subsections (a), (b), and (c), Section 418.109, Government Code, are repealed.

SECTION 1.09. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.

ARTICLE 2. AMATEUR RADIO OPERATORS

SECTION 2.01. Subchapter Z, Chapter 661, Government Code, is amended by adding Section 661.919 to read as follows:

Sec. 661.919. AMATEUR RADIO OPERATORS. (a) A state employee who holds an amateur radio station license issued by the Federal Communications Commission may be granted leave not to exceed 10 days each fiscal year to participate in specialized disaster relief services without a deduction in salary or loss of vacation time, sick leave, earned overtime credit, or state compensatory time if the leave is taken:

(1) with the authorization of the employee's supervisor; and

(2) with the approval of the governor.

(b) The number of amateur radio operators who are eligible for leave under this section may not exceed 350 state employees at any one time during a state fiscal year. The division of emergency management in the governor's office shall coordinate the establishment and maintenance of the list of eligible employees.

SECTION 2.02. Subsection (c), Section 37.082, Education Code, is amended to read as follows:

(c) In this section, "paging device" means a telecommunications device that emits an audible signal, vibrates, displays a message, or otherwise summons or delivers a communication to the possessor. The term does not include an amateur radio under the control of an operator who holds an amateur radio station license issued by the Federal Communications Commission.

ARTICLE 3. CERTAIN OPEN MEETINGS PROVISIONS RELATED TO SCHOOLS AND GOVERNMENTAL BODIES; TEXAS SCHOOL SAFETY CENTER

SECTION 3.01. Subsection (b), Section 12.1051, Education Code, is amended to read as follows:

(b) With respect to the operation of an open-enrollment charter school, any requirement in Chapter 551 or 552, Government Code, or another law that concerns open meetings or the availability of information, that applies to a school district, the board of trustees of a school district, or public school students applies to an open-enrollment charter school, the governing body of a charter holder, the governing body of an open-enrollment charter school, or students attending an open-enrollment charter school.

SECTION 3.02. Subsection (c), Section 37.108, Education Code, is amended to read as follows:

(c) A school district shall report the results of the security audit conducted under Subsection (b) to the district's board of trustees and, in the manner required by the Texas School Safety Center, to the Texas School Safety Center.

SECTION 3.03. Subsection (a), Section 37.203, Education Code, is amended to read as follows:

(a) The center is advised by a board of directors composed of:

(1) the attorney general, or the attorney general's designee;

(2) the commissioner, or the commissioner's designee;

(3) the executive director of the Texas Juvenile Probation Commission, or the executive director's designee;

(4) the executive director of the Texas Youth Commission, or the executive director's designee;

(5) the commissioner of the ~~[Texas]~~ Department of State [Mental] Health Services [and Mental Retardation], or the commissioner's designee; ~~[and]~~

(6) the commissioner of higher education, or the commissioner's designee;

and

(7) the following members appointed by the governor with the advice and consent of the senate:

(A) a juvenile court judge;

(B) a member of a school district's board of trustees;

(C) an administrator of a public primary school;

(D) an administrator of a public secondary school;

(E) a member of the state parent-teacher association;

(F) a teacher from a public primary or secondary school;

(G) a public school superintendent who is a member of the Texas Association of School Administrators;

(H) a school district police officer or a peace officer whose primary duty consists of working in a public school; and

(I) two members of the public.

SECTION 3.04. Section 37.207, Education Code, is amended to read as follows:

Sec. 37.207. MODEL SAFETY AND SECURITY AUDIT PROCEDURE.

(a) The center shall develop a model safety and security audit procedure for use by school districts that includes:

(1) providing each district with guidelines and a training video showing proper audit procedures;

(2) reviewing each district audit, providing the results of the review to the district, and making recommendations for improvements based on the audit; and

(3) incorporating the findings of district audits in a statewide report on school safety made available by the center to the public.

(b) Each school district shall report the results of its audits to the center in the manner required by the center.

SECTION 3.05. Subchapter G, Chapter 37, Education Code, is amended by adding Section 37.213 to read as follows:

Sec. 37.213. INSTITUTIONS OF HIGHER EDUCATION. (a) In this section, "institution of higher education" has the meaning assigned by Section 61.003.

(b) An institution of higher education may use any appropriate model plan developed by the center under Section 37.205(4).

(c) The center may provide an institution of higher education with on-site technical assistance and safety training.

(d) The center may charge a fee to an institution of higher education for assistance and training provided under Subsection (c).

SECTION 3.06. Section 551.045, Government Code, is amended by adding Subsection (e) to read as follows:

(e) For purposes of Subsection (b)(2), the sudden relocation of a large number of residents from the area of a declared disaster to a governmental body's jurisdiction is considered a reasonably unforeseeable situation for a reasonable period immediately following the relocation. Notice of an emergency meeting or supplemental notice of an emergency item added to the agenda of a meeting to address a situation described by this subsection must be given to members of the news media as provided by Section 551.047 not later than one hour before the meeting.

SECTION 3.07. Section 551.076, Government Code, is amended to read as follows:

Sec. 551.076. DELIBERATION REGARDING SECURITY DEVICES, SECURITY AUDITS, OR EMERGENCY OPERATIONS PLANS; CLOSED MEETING. This chapter does not require a governmental body to conduct an open meeting to deliberate:

(1) the deployment, or specific occasions for implementation, of security personnel or devices;

(2) a security audit; or

(3) an emergency operations plan.

ARTICLE 4. PROVISIONS RELATED TO TOLL ROADS

SECTION 4.01. Subtitle G, Title 6, Transportation Code, is amended by adding Chapter 371 to read as follows:

CHAPTER 371. PROVISIONS APPLICABLE TO MORE THAN ONE TYPE OF TOLL PROJECT

Sec. 371.001. VEHICLES USED BY NONPROFIT DISASTER RELIEF ORGANIZATIONS. (a) In this section:

(1) "Toll project" means a toll project described by Section 201.001(b), regardless of whether the toll project is:

(A) a part of the state highway system; or

(B) subject to the jurisdiction of the department.

(2) "Toll project entity" means an entity authorized by law to acquire, design, construct, finance, operate, and maintain a toll project, including:

(A) the department under Chapter 227 or 228;

(B) a regional tollway authority under Chapter 366;

(C) a regional mobility authority under Chapter 370; or

(D) a county under Chapter 284.

(b) A toll project entity may not require a vehicle registered under Section 502.203 to pay a toll for the use of a toll project.

SECTION 4.02. Subsection (d), Section 228.058, Transportation Code, is repealed.

ARTICLE 5. OPERATION OF DESIGNATED EMERGENCY VEHICLES

SECTION 5.01. Section 418.013, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The emergency management council shall make recommendations to the Department of Public Safety as to which private emergency organizations, such as the American National Red Cross, the Salvation Army, Radio Amateur Civil Emergency Service, and other similar organizations with the capability to supplement the state's resources in disaster situations, should be authorized to operate certain vehicles as designated emergency vehicles in the case of a disaster.

SECTION 5.02. Subchapter A, Chapter 546, Transportation Code, is amended by adding Section 546.006 to read as follows:

Sec. 546.006. DESIGNATED EMERGENCY VEHICLE DURING DECLARED DISASTERS. (a) From recommendations made under Section 418.013(c), Government Code, the department shall designate which vehicles may be operated by which designated organizations as emergency vehicles during declared disasters.

(b) A vehicle designated under Subsection (a) may be operated by a designated organization as if the vehicle were an authorized emergency vehicle under this subtitle if:

(1) the governor declares a state of disaster under Section 418.014, Government Code;

(2) the department requests assistance from the designated organization; and

(3) the vehicle is operated by the designated organization or a member of the designated organization in response to the state of disaster.

(c) The department shall adopt rules as necessary to implement this section.

ARTICLE 6. INTERCEPTION OF WIRE, ORAL, OR ELECTRONIC COMMUNICATIONS

SECTION 6.01. Subdivision (1), Section 1, Article 18.20, Code of Criminal Procedure, is amended to read as follows:

(1) "Wire communication" means an aural transfer made in whole or in part through the use of facilities for the transmission of communications by the aid of wire, cable, or other like connection between the point of origin and the point of reception, including the use of such a connection in a switching station, furnished or operated by a person authorized to engage in providing or operating the facilities for the transmission of communications as a communications common carrier. ~~[The term includes the electronic storage of a wire communication.]~~

SECTION 6.02. Article 18.20, Code of Criminal Procedure, is amended by amending Section 4 and adding Section 9A to read as follows:

Sec. 4. OFFENSES FOR WHICH INTERCEPTIONS MAY BE AUTHORIZED. A judge of competent jurisdiction may issue an order authorizing interception of wire, oral, or electronic communications only if the prosecutor applying for the order shows probable cause to believe that the interception will provide evidence of the commission of:

- (1) a felony under Section 19.02, 19.03, or 43.26, Penal Code;
- (2) a felony under:

(A) Chapter 481, Health and Safety Code, other than felony possession of marihuana;

(B) Section 485.033, Health and Safety Code; or

(C) Chapter 483, Health and Safety Code; ~~or~~

- (3) an offense under Chapter 20, 20A, or 34, Penal Code; or

(4) an attempt, conspiracy, or solicitation to commit an offense listed in this section.

Sec. 9A. INTERCEPTION ORDER FOR COMMUNICATION BY SPECIFIED PERSON. (a) Notwithstanding Section 8(a)(2)(B), an application for an order authorizing the interception of a wire, oral, or electronic communication is not required to contain a particular description of the nature and location of the facilities from which or the place where the communication is to be intercepted if a judge of competent jurisdiction determines the person whose communications are to be intercepted is likely to circumvent the order by changing communication devices repeatedly or there are exigent circumstances requiring that the order:

(1) apply to any communication by the person whose communications are to be intercepted; and

(2) not be limited to a specific facility or place.

(b) A judge who makes a determination under Subsection (a) is not required to include in the order a description of the nature or location of the communications facility from which or the place where authority to intercept is granted, as required by Section 9(b)(2). As an alternative to including that description, the judge may authorize the interception of any communication made by a specified person while the person is present in the geographic jurisdiction of the court.

(c) This section does not place any additional legal obligation on a wire or electronic communications provider to identify or locate a person whose communications are to be intercepted.

SECTION 6.03. Subdivision (5), Section 1, Article 18.21, Code of Criminal Procedure, is amended to read as follows:

(5) "Mobile tracking device" means an electronic or mechanical device that permits tracking the movement of a person, vehicle, container, item, or object. ~~[The term does not include a device designed, made, adapted, or capable of:~~

~~[(A) intercepting the content of a communication; or~~

~~[(B) functioning as a pen register, ESN reader, trap and trace device, or similar equipment.]~~

SECTION 6.04. The change in law made by this article to Article 18.20, Code of Criminal Procedure, applies only to an application for an order authorizing the interception of a wire, oral, or electronic communication that is submitted on or after the effective date of this article. An application that was submitted before the effective date of this article is covered by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

SECTION 6.05. The change in law made by this article to Article 18.21, Code of Criminal Procedure, applies only to an application for an order authorizing the installation and use of a mobile tracking device that is submitted on or after the effective date of this article. An application that was submitted before the effective date of this article is covered by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

ARTICLE 7. EMERGENCY ALERT SYSTEM

SECTION 7.01. Subsection (a), Section 418.042, Government Code, is amended to read as follows:

(a) The division shall prepare and keep current a comprehensive state emergency management plan. The plan may include:

(1) provisions for prevention and minimization of injury and damage caused by disaster;

(2) provisions for prompt and effective response to disaster;

(3) provisions for emergency relief;

(4) provisions for energy emergencies;

(5) identification of areas particularly vulnerable to disasters;

(6) recommendations for zoning, building restrictions, and other land-use controls, safety measures for securing mobile homes or other nonpermanent or semipermanent structures, and other preventive and preparedness measures designed to eliminate or reduce disasters or their impact;

(7) provisions for assistance to local officials in designing local emergency management plans;

(8) authorization and procedures for the erection or other construction of temporary works designed to protect against or mitigate danger, damage, or loss from flood, fire, or other disaster;

(9) preparation and distribution to the appropriate state and local officials of state catalogs of federal, state, and private assistance programs;

(10) organization of manpower and channels of assistance;

(11) coordination of federal, state, and local emergency management activities;

(12) coordination of the state emergency management plan with the emergency management plans of the federal government;

(13) coordination of federal and state energy emergency plans; ~~and~~

(14) provisions for education and training of local officials on activation of the Emergency Alert System established under 47 C.F.R. Part 11; and

(15) other necessary matters relating to disasters.

ARTICLE 8. TEMPORARY CARDBOARD TAGS ON VEHICLES

SECTION 8.01. Section 503.005, Transportation Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) A dealer who submits information to the database under Section 503.0631 satisfies the requirement for the dealer to notify the department of the sale or transfer of a motor vehicle, trailer, or semitrailer under this section.

(d) The notice required under this section is in addition to the application for vehicle registration and certificate of title a dealer is required to submit under Section 501.0234.

SECTION 8.02. Subsection (d), Section 503.062, Transportation Code, is amended to read as follows:

(d) The department may not issue a dealer temporary cardboard tag or contract for the issuance of a dealer temporary cardboard tag but shall prescribe:

- (1) the specifications, form, and color of a dealer temporary cardboard tag; ~~and~~
- (2) procedures for a dealer to generate a vehicle-specific number using the database developed under Section 503.0626 and assign it to each tag;
- (3) procedures to clearly display the vehicle-specific number on the tag; and
- (4) the period for which a tag may be used for or by a charitable organization.

SECTION 8.03. Subsection (e), Section 503.0625, Transportation Code, is amended to read as follows:

(e) The department may not issue a converter temporary cardboard tag or contract for the issuance of a converter temporary cardboard tag but shall prescribe:

- (1) the specifications, form, and color of a converter temporary cardboard tag;
- (2) procedures for a converter to generate a vehicle-specific number using the database developed under Section 503.0626 and assign it to each tag; and
- (3) procedures to clearly display the vehicle-specific number on the tag.

SECTION 8.04. Subchapter C, Chapter 503, Transportation Code, is amended by adding Section 503.0626 to read as follows:

Sec. 503.0626. DEALER'S AND CONVERTER'S TEMPORARY TAG DATABASE. (a) The department shall develop and maintain a secure, real-time database of information on vehicles to which dealers and converters have affixed temporary cardboard tags. The database shall be managed by the vehicle titles and registration division of the department.

(b) The database must allow law enforcement agencies to use the vehicle-specific number assigned to and displayed on the tag as required by Section 503.062(d) or Section 503.0625(e) to obtain information about the dealer or converter that owns the vehicle.

(c) Before a dealer's or converter's temporary cardboard tag may be displayed on a vehicle, the dealer or converter must enter into the database through the Internet information on the vehicle and information about the dealer or converter as prescribed by the department. The department may not deny access to the database to any dealer who holds a general distinguishing number issued under this chapter or who is licensed under Chapter 2301, Occupations Code, or to any converter licensed under Chapter 2301, Occupations Code.

(d) The department shall adopt rules and prescribe procedures as necessary to implement this section.

SECTION 8.05. Section 503.063, Transportation Code, is amended by amending Subsections (a), (e), and (f) and adding Subsections (g) and (h) to read as follows:

(a) Except as provided by this section, a dealer shall ~~may~~ issue to a person who buys a ~~an unregistered~~ vehicle one temporary cardboard buyer's tag for the vehicle.

(e) The department may not issue a buyer's tag or contract for the issuance of a buyer's tag but shall prescribe:

(1) the specifications, color, and form of a buyer's tag; and

(2) procedures for a dealer to:

(A) generate a vehicle-specific number using the database developed under Section 503.0631 and assign it to each tag;

(B) generate a vehicle-specific number using the database developed under Section 503.0631 for future use for when a dealer is unable to access the Internet at the time of sale; and

(C) clearly display the vehicle-specific number on the tag.

(f) The department shall ensure that a dealer may generate in advance a sufficient amount of vehicle-specific numbers under Subsection (e)(2)(B) in order to continue selling vehicles for a period of up to one week in which a dealer is unable to access the Internet due to an emergency. The department shall establish an expedited procedure to allow affected dealers to apply for additional vehicle-specific numbers so they may remain in business during an emergency.

(g) Using the same vehicle-specific number generated under Subsection (e)(2)(A), a ~~A~~ dealer may issue an additional temporary cardboard buyer's tag to a person after the expiration of 20 working ~~21~~ days after the issue of a temporary cardboard buyer's tag, and the person may operate the vehicle for which the tag was issued on the additional temporary cardboard buyer's tag if the dealer has been unable to obtain on behalf of the vehicle's owner the necessary documents to obtain permanent metal license plates because the documents are in the possession of a lienholder who has not complied with the terms of Section 501.115(a) ~~of this code~~. An additional tag issued under the terms of this subsection is valid for a maximum of 20 working ~~21~~ days after the date of issue.

(h) For each buyer's temporary cardboard tag other than an additional temporary cardboard buyer's tag under Subsection (g), a dealer shall charge the buyer a registration fee of not more than \$5 as prescribed by the department to be sent to the comptroller for deposit to the credit of the state highway fund.

SECTION 8.06. Subchapter C, Chapter 503, Transportation Code, is amended by adding Sections 503.0631 and 503.0632 to read as follows:

Sec. 503.0631. BUYER'S TEMPORARY TAG DATABASE. (a) The department shall develop and maintain a secure, real-time database of information on persons to whom temporary buyer's tags are issued that may be used by a law enforcement agency in the same manner that the agency uses vehicle registration information. The database shall be managed by the vehicle titles and registration division of the department.

(b) The database must allow law enforcement agencies to use a vehicle-specific number assigned to and displayed on the tag as required by Section 503.063(e)(2) to obtain information about the person to whom the tag was issued.

(c) Except as provided by Subsection (d), before a buyer's temporary cardboard tag may be displayed on a vehicle, a dealer must enter into the database through the Internet information about the buyer of the vehicle for which the tag was issued as prescribed by the department and generate a vehicle-specific number for the tag as required by Section 503.063(e). The department may not deny access to the database to any dealer who holds a general distinguishing number issued under this chapter or who is licensed under Chapter 2301, Occupations Code.

(d) A dealer shall obtain 24-hour Internet access at its place of business, but if the dealer is unable to access the Internet at the time of the sale of a vehicle, the dealer shall complete and sign a form, as prescribed by the department, that states the dealer has Internet access, but was unable to access the Internet at the time of sale. The buyer shall keep the original copy of the form in the vehicle until the vehicle is registered to the buyer. Not later than the next business day after the time of sale, the dealer shall submit the information required under Subsection (c).

(e) The department shall adopt rules and prescribe procedures as necessary to implement this section.

Sec. 503.0632. NOTICE TO BUYER. (a) Each dealer shall provide a one-page written notice to a buyer that explains:

(1) the requirements of the law regarding a buyer's temporary cardboard tag;

(2) any criminal penalties relating to a buyer's temporary cardboard tag;

(3) any action the buyer is required to take concerning a buyer's temporary cardboard tag; and

(4) any other information related to the process of purchasing and registering a vehicle as prescribed by the department.

(b) The dealer shall require the buyer to sign a statement indicating the buyer received the notice under this section.

(c) The department shall adopt rules to:

(1) prescribe the specifications and form of the written notice and statement used under this section; and

(2) establish a procedure to determine dealer compliance with this section.

SECTION 8.07. The heading to Section 503.067, Transportation Code, is amended to read as follows:

Sec. 503.067. UNAUTHORIZED REPRODUCTION, PURCHASE, USE, OR SALE OF TEMPORARY CARDBOARD TAGS.

SECTION 8.08. Section 503.067, Transportation Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) A person [~~other than a dealer~~] may not produce or reproduce a [~~buyer's or dealer's~~] temporary cardboard tag or an item represented to be a temporary cardboard tag for the purpose of distributing the tag to someone other than a dealer or converter.

(c) A person other than a dealer or converter may not purchase a temporary cardboard tag.

(d) A person may not sell or distribute a temporary cardboard tag or an item represented to be a temporary cardboard tag unless the person is:

(1) a dealer issuing the tag in connection with the sale of a vehicle; or

(2) a printer or distributor engaged in the business of selling temporary cardboard tags solely for uses authorized under this chapter.

SECTION 8.09. Section 503.094, Transportation Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) Except as otherwise provided by this section, an [Aa] offense under this section is a misdemeanor punishable by a fine of not less than \$50 or more than \$5,000.

(d) An offense involving a violation of:

(1) Section 503.067(b) or (c) is a Class C misdemeanor;

(2) Section 503.067(d) is a Class A misdemeanor;

(3) Section 503.067(a) is a state jail felony; and

(4) Section 503.067(b), (c), or (d) is a state jail felony if the person who committed the offense criminally conspired to engage in organized criminal activity.

SECTION 8.10. Subsection (a), Section 2301.651, Occupations Code, is amended to read as follows:

(a) The board may deny an application for a license, revoke or suspend a license, place on probation a person whose license has been suspended, or reprimand a license holder if the applicant or license holder:

(1) is unfit under standards described in this chapter or board rules;

(2) makes a material misrepresentation in any application or other information filed under this chapter or board rules;

(3) violates this chapter or a board rule or order;

(4) violates any law relating to the sale, distribution, financing, or insuring of motor vehicles;

(5) fails to maintain the qualifications for a license;

(6) wilfully defrauds a purchaser; ~~[or]~~

(7) fails to fulfill a written agreement with a retail purchaser of a motor vehicle; or

(8) violates the requirements of Section 503.0631, Transportation Code.

SECTION 8.11. (a) As soon as practicable after the effective date of this Act, the Texas Department of Transportation shall adopt rules to implement Sections 503.0626 and 503.0631, Transportation Code, as added by this article.

(b) The Texas Department of Transportation may not enforce Section 503.0626 or 503.0631, Transportation Code, as added by this article, until the rules adopted under Subsection (a) of this section take effect and the databases are operational and available to dealers with a general distinguishing number or a converter's license issued under Chapter 2301, Occupations Code.

SECTION 8.12. The changes in law made by this article to Sections 503.067 and 503.094, Transportation Code, apply 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 was committed before that date.

ARTICLE 9. EMINENT DOMAIN AUTHORITY OF COMMON CARRIERS

SECTION 9.01. Section 2206.001, Government Code, is amended by amending Subsection (c) and adding Subsection (f) to read as follows:

(c) This section does not affect the authority of an entity authorized by law to take private property through the use of eminent domain for:

(1) transportation projects, including, but not limited to, railroads, airports, or public roads or highways;

(2) entities authorized under Section 59, Article XVI, Texas Constitution, including:

(A) port authorities;

(B) navigation districts; and

(C) any other conservation or reclamation districts that act as ports;

(3) water supply, wastewater, flood control, and drainage projects;

(4) public buildings, hospitals, and parks;

(5) the provision of utility services;

(6) a sports and community venue project approved by voters at an election held on or before December 1, 2005, under Chapter 334 or 335, Local Government Code;

(7) the operations of:

(A) a common carrier [~~subject to Chapter 111, Natural Resources Code, and Section B(3)(b), Article 2.01, Texas Business Corporation Act~~]; or

(B) an energy transporter, as that term is defined by Section 186.051, Utilities Code;

(8) a purpose authorized by Chapter 181, Utilities Code;

(9) underground storage operations subject to Chapter 91, Natural Resources Code;

(10) a waste disposal project; or

(11) a library, museum, or related facility and any infrastructure related to the facility.

(f) An exercise of eminent domain authority by a common carrier under Subsection (c)(7) is not invalid solely because the common carrier does not operate as a corporation under the laws of this state.

SECTION 9.02. The change in law made by this article applies to an exercise of eminent domain authority by a common carrier for which a condemnation petition is filed before, on, or after the effective date of this article.

SECTION 9.03. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2007.

ARTICLE 10. EFFECTIVE DATE

SECTION 10.01. Except as otherwise provided by this Act, this Act takes effect September 1, 2007.

Floor Amendment No. 3

Amend **CSSB 11** (House committee printing) by striking ARTICLES 6 and 9 from the bill and renumbering remaining ARTICLES accordingly.

Floor Amendment No. 4

Amend **CSSB 11** (House committee printing) as follows:

(1) In the recital to SECTION 1.01 of the bill (page 1, line 7), strike "through (14)" and substitute "through (15)".

(2) In SECTION 1.01 of the bill, immediately following proposed Subdivision (14), Section 418.004, Government Code (page 1, between lines 23 and 24), insert the following:

(15) "Public facility" has the meaning assigned by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5121 et seq.).

(3) Add the following appropriately numbered SECTION to Article 1 of the bill and renumber the subsequent SECTIONS of the article accordingly:

SECTION 1. ____ . Section 418.020, Government Code, is amended to read as follows:

Sec. 418.020. TEMPORARY HOUSING AND EMERGENCY SHELTER. (a) The governor may enter into purchase, lease, or other arrangements with an agency of the United States for temporary housing units to be occupied by disaster victims and may make units available to any political subdivision.

(b) The governor may assist a political subdivision that is the locus of temporary housing or emergency shelters for disaster victims to acquire sites necessary for temporary housing or emergency shelters and to do all things required to prepare the sites to receive and use temporary housing units or emergency shelters by:

(1) advancing or lending funds available to the governor from any appropriation made by the legislature or from any other source;

(2) allocating funds made available by a public or private agency; or

(3) becoming a copartner with the political subdivision for the execution and performance of any temporary housing or emergency shelter project for disaster victims.

(c) Under regulations prescribed by the governor, the governor may temporarily suspend or modify for a period of not more than 60 days any public health, safety, zoning, intrastate transportation, or other law or regulation if by proclamation the governor considers the suspension or modification essential to provide temporary housing or emergency shelter for disaster victims.

(d) Any political subdivision may temporarily or permanently acquire by lease, purchase, or other means sites required for installation of temporary housing units or emergency shelters for disaster victims and may enter into arrangements necessary to prepare or equip the sites to use the housing units or shelters, including arrangements for the purchase of temporary housing units and the payment of transportation charges.

(e) A political subdivision that is the locus of temporary housing or emergency shelters for persons moved or evacuated by recommendation or order of the governor shall be assisted by any resource available to the state to ensure the political subdivision receives an advance or reimbursement:

(1) of all expenses, including lost revenue, incurred by the political subdivision associated with the use of public facilities for temporary housing or emergency shelters; and

(2) of the amounts paid for salaries and benefits of permanently employed, straight-time and regular-time personnel of the political subdivision who perform duties associated with the movement or evacuation of persons into, out of, or through the political subdivision.

Floor Amendment No. 5

Amend **CSSB 11** (House committee report) by striking SECTION 4.02 in Article 4 of the bill and substituting the following:

SECTION 4.02. Section 228.058(d), Transportation Code, is amended to read as follows:

(d) Evidence obtained from technology approved by the department under Subsection (a) may not be used in the prosecution of an offense other than under Section 228.054 or 228.055 of this code, Section 20.03 or 20.04, Penal Code, or in the prosecution of a capital offense.

Floor Amendment No. 6

Amend **CSSB 11** as follows:

On page 28, between lines 7-8, insert a new subsection (f) to read as follows:

(f) The dealer may charge a reasonable fee not to exceed \$20 for costs associated with complying with this section.

Floor Amendment No. 7

Amend **CSSB 11** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 42, Penal Code, is amended by adding Section 42.063 to read as follows:

Sec. 42.063. UNAUTHORIZED USE OF EMERGENCY COMMUNICATIONS DEVICE. (a) In this section:

(1) "Emergency" means a condition or circumstance in which an individual is in imminent danger of serious bodily injury or in which property is in imminent danger of damage or destruction.

(2) "Emergency communications device" means any device that is:

(A) owned by a governmental entity and routinely used by first responders to communicate with each other and with employers of first responders; or

(B) capable of transmitting over a radio frequency that is routinely used by first responders to transmit or receive communications.

(3) "First responder" has the meaning assigned by Section 421.095, Government Code.

(b) A person commits an offense if the person, without authorization, intentionally, knowingly, or recklessly:

(1) uses an emergency communications device;

(2) transmits a communication by using an emergency communications device; or

(3) transmits over a radio frequency routinely used by first responders to transmit or receive communications through emergency communications devices.

(c) Except as provided by Subsection (d), an offense under this section is a Class A misdemeanor.

(d) An offense under this section is a felony of the third degree if, during the commission of the offense, the actor:

(1) interferes with the ability of a first responder to respond to an emergency; or

(2) diverts a first responder from a location with the intent to facilitate the commission of another criminal offense by any person.

(e) If conduct constituting an offense under this section also constitutes an offense under another section of this code, the actor may be prosecuted under either section or both sections.

Floor Amendment No. 8

Amend **CSSB 11** (House committee printing) by adding the following appropriately numbered SECTIONS to Article 1 of the bill and renumbering existing SECTIONS of Article 1 appropriately:

SECTION 1.____. Subchapter A, Chapter 418, Government Code, is amended by adding Section 418.005 to read as follows:

Sec. 418.005. EMERGENCY MANAGEMENT TRAINING. (a) This section applies only to:

(1) an elected public officer; and

(2) an appointed public officer:

(A) whose position description, job duties, or assignment includes emergency management responsibilities; or

(B) who plays a role in emergency preparedness, response, or recovery.

(b) Each person described by Subsection (a) shall complete a course of training provided or approved by the division of not less than three hours regarding the responsibilities of state and local governments under this chapter not later than the 180th day after the date the person:

(1) takes the oath of office, if the person is required to take an oath of office to assume the person's duties as an elected or appointed public officer; or

(2) otherwise assumes responsibilities as an elected or appointed public officer, if the person is not required to take an oath of office to assume the person's duties.

(c) The division shall develop and provide a training course related to the emergency management responsibilities of state-level officers and a training course related to the emergency management responsibilities of officers of political subdivisions. The division shall ensure that the training courses satisfy the requirements of Subsection (b).

(d) The division may provide the training and may also approve any acceptable course of training offered by a governmental body or other entity. The division shall ensure that at least one course of training approved or provided by the division is available on videotape or a functionally similar and widely available medium at no cost.

(e) The division or other entity providing the training shall provide a certificate of course completion to public officers who complete the training required by this section. A public officer who completes the training required by this section shall maintain and make available for public inspection the record of the public officer's completion of the training.

(f) The failure of one or more public officers of the state or a political subdivision to complete the training required by this section does not affect the validity of an action taken by the state or the political subdivision.

(g) The hours spent in a training course required by Subsection (b) may be applied toward the continuing education requirements for county commissioners under Section 81.0025, Local Government Code.

SECTION 1. _____. Not later than January 1, 2009, each public officer who has taken the oath of office for a state or local government office before January 1, 2008, and who is required to complete a course of training under Section 418.005, Government Code, as added by this Act, must complete the training.

Floor Amendment No. 9

Amend **CSSB 11** as follows:

(1) On page 16, line 12, strike "; (3) an emergency operations plan".

Floor Amendment No. 10

Amend **CSSB 11** by adding the following SECTION to the bill, appropriately numbered, and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 418.108, Government Code, is amended to read as follows:

Sec. 418.108. DECLARATION OF LOCAL DISASTER. (a) Except as provided by Subsection (e), the presiding officer of the governing body of a political subdivision may declare a local state of disaster.

(b) A declaration of local disaster may not be continued or renewed for a period of more than seven days except with the consent of the governing body of the political subdivision or the joint board as provided by Subsection (e), as applicable.

(c) An order or proclamation declaring, continuing, or terminating a local state of disaster shall be given prompt and general publicity and shall be filed promptly with the city secretary, the county clerk, or the joint board's official records, as applicable.

(d) A declaration of local disaster activates the recovery and rehabilitation aspects of all applicable local or interjurisdictional emergency management plans and authorizes the furnishing of aid and assistance under the declaration. The preparedness and response aspects of the plans are activated as provided in the plans and take effect immediately after the local state of disaster is declared.

(e) The chief administrative officer of a joint board has exclusive authority to declare that a local state of disaster exists within the boundaries of an airport operated or controlled by the joint board, regardless of whether the airport is located in or outside the boundaries of a political subdivision.

(f) The county judge or the mayor of a municipality may order the evacuation of all or part of the population from a stricken or threatened area under the jurisdiction and authority of the county judge or mayor if the county judge or mayor considers the action necessary for the preservation of life or other disaster mitigation, response, or recovery.

(g) The county judge or the mayor of a municipality may control ingress to and egress from a disaster area under the jurisdiction and authority of the county judge or mayor and control the movement of persons and the occupancy of premises in that area.

(h) For purposes of Subsections (f) and (g):

(1) the jurisdiction and authority of the county judge includes the incorporated and unincorporated areas of the county; and

(2) to the extent of a conflict between decisions of the county judge and the mayor, the decision of the county judge prevails.

(i) A declaration under this section may include any restriction authorized by Section 352.051, Local Government Code, but may not exceed the scope of such a restriction.

Floor Amendment No. 11

Amend **CSSB 11** by adding the following appropriately numbered article to the bill and renumbering subsequent articles and sections as appropriate:

ARTICLE ____ INFORMATION PROVIDED BY CRITICAL INFRASTRUCTURE ENTITIES

SECTION ____ .01. Subchapter B, Chapter 21, Property Code, is amended by adding Section 21.024 to read as follows:

Sec. 21.024. PRODUCTION OF INFORMATION BY CERTAIN ENTITIES CONSIDERED TO BE CRITICAL INFRASTRUCTURE. (a) A utility, a common carrier or a transporter of oil, gas or the products of oil or gas is considered to be within the definition of critical infrastructure under Government Code Section 421.001. Notwithstanding any other law, an entity which is considered critical infrastructure and which is authorized by law to take private property through the use of eminent domain is required to produce information as provided by this section if the information is requested by a person who owns property that is the subject of a proposed or existing eminent domain proceeding, but only if the information is related to the taking of the person's private property by the entity through the use of eminent domain.

(b) An entity described by Subsection (a) is required under this section only to produce information relating to the condemnation of the specific property owned by the requestor as described in the request. A request under this section must contain sufficient details to allow the entity to identify the specific tract of land in relation to which the information is sought.

(c) The entity shall respond to a request in accordance with the Texas Rules of Civil Procedure as if the request was made in a matter pending before a state district court.

(d) Exceptions to disclosure provided by this chapter and the Texas Rules of Civil Procedure apply to the disclosure of information under this section.

(e) Jurisdiction to enforce the provisions of this section resides in:

(1) the court in which the condemnation was initiated; or

(2) if the condemnation proceeding has not been initiated:

(A) a court that would have jurisdiction over a proceeding to condemn the requestor's property; or

(B) a court in the county in which the entity has its principal place of business that has jurisdiction over condemnation proceedings under this chapter.

(f) If the entity refuses to produce information requested in accordance with this section and the court determines the refusal violates this section, the court may award the requestor's reasonable attorney's fees incurred to compel the production of the information.

(g) If an entity that received a request in accordance with this section does not produce the requested information on or before the 30th day after the request is made, the attorney general may file an action in a court described by Subsection (e) to enforce this section on the request of the person who made the request for the information. If the court determines that the failure to produce the information is a violation of this section, the court may award the attorney general's reasonable expenses incurred to compel the production of the information.

(h) If the attorney general files an action under subsection (g), the person who requested that the attorney general file the action may not file a private action to enforce this section with respect to the same request for information.

(i) Section 552.0037, Government Code, is repealed as to those entities described in Subsection (a).

Floor Amendment No. 12

Amend **CSSB 11** by adding a new appropriately numbered SECTION to read as follows:

SECTION _____. Section 431.005, Government Code is amended to read as follows:

Sec. 431.005. LEAVE OF ABSENCE FOR PUBLIC OFFICERS AND EMPLOYEES.

(a) Except as provided by Subsection (b), a person who is an officer or employee of the state, a municipality, a county, or another political subdivision of the state and who is a member of the state military forces, ~~or~~ a reserve component of the armed forces or a member of a state or federally authorized Urban Search and Rescue Team is entitled to a paid leave of absence from the person's duties on a day on which the person is engaged in authorized training or duty ordered or authorized by proper authority for not more than 15 workdays in a federal fiscal year. During a leave of absence the person may not be subjected to loss of time, efficiency rating, personal time, sick leave, or vacation time.

(b) A member of the legislature is entitled to pay for all days that the member is absent from a session of the legislature and engaged in training and duty as provided by Subsection (a).

(c) A state employee who is a member of the state military Forces, ~~or~~ a reserve component of the armed forces or a member of a state or federally authorized Urban Search and Rescue Team and who is ordered to duty by proper authority is entitled, when relieved from duty, to be restored to the position that the employee held when ordered to duty.

Floor Amendment No. 13

Amend **CSSB 11** by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE ____ . ENHANCED DRIVER'S LICENSE OR PERSONAL IDENTIFICATION CERTIFICATE

SECTION ____ .01. Subchapter B, Chapter 521, Transportation Code, is amended by adding Section 521.032 to read as follows:

Sec. 521.032. ENHANCED DRIVER'S LICENSE OR PERSONAL IDENTIFICATION CERTIFICATE. (a) The department may issue an enhanced driver's license or personal identification certificate for the purposes of crossing the border between this state and Mexico to an applicant who provides the department with proof of United States citizenship, identity, and state residency. If the department issues an enhanced driver's license or personal identification certificate, the department shall continue to issue a standard driver's license and personal identification certificate and offer each applicant the option of receiving the standard or enhanced driver's license or personal identification certificate.

(b) The department shall implement a one-to-many biometric matching system for the enhanced driver's license or personal identification certificate. An applicant for an enhanced driver's license or personal identification certificate must submit a biometric identifier as designated by the department, which, notwithstanding any other law, may be used only to verify the identity of the applicant for purposes relating to implementation of the border crossing initiative established by this section. An applicant must sign a declaration acknowledging the applicant's understanding of the one-to-many biometric match.

(c) The enhanced driver's license or personal identification certificate must include reasonable security measures to protect the privacy of the license or certificate holders, including reasonable safeguards to protect against the unauthorized disclosure of information about the holders. If the enhanced driver's license or personal identification certificate includes a radio frequency identification chip or similar technology, the department shall ensure that the technology is encrypted or otherwise secure from unauthorized information access.

(d) The requirements of this section are in addition to any other requirements imposed on applicants for a driver's license or personal identification certificate. The department shall adopt rules necessary to implement this section. The department shall periodically review technological innovations related to the security of driver's licenses and personal identification certificates and amend the rules as appropriate, consistent with this section, to protect the privacy of driver's license and personal identification certificate holders.

(e) The department may set a fee for issuance of an enhanced driver's license or personal identification certificate in a reasonable amount necessary to implement and administer this section.

(f) The department may enter into a memorandum of understanding with any federal agency for the purposes of facilitating the crossing of the border between this state and Mexico. The department may enter into an agreement with Mexico, to the extent permitted by federal law, to implement a border crossing initiative authorized

by this section. The department shall implement a statewide education campaign to educate residents of this state about the border crossing initiative. The campaign must include information on:

(1) the forms of travel for which the existing and enhanced driver's license and personal identification certificate can be used; and

(2) relevant dates for implementation of laws that affect identification requirements at the border with Mexico.

(g) A person may not sell or otherwise disclose biometric information accessed from an enhanced driver's license or any information from an enhanced driver's license radio frequency identification chip or similar technology to another person or an affiliate of the person. This subsection does not apply to a financial institution described by Section 521.126(e).

Floor Amendment No. 14

Amend **CSSB 11** by adding the following appropriately numbered SECTIONS to ARTICLE 4 of the bill and renumbering subsequent SECTIONS of that article accordingly:

SECTION 4. __. Section 228.054(a), Transportation Code, is amended to read as follows:

(a) Except as provided by Subsection (e), the operator of a vehicle, other than an authorized emergency vehicle, as defined by Section 541.201, that is driven or towed through a toll collection facility shall pay the proper toll. The exemption from payment of a toll for an authorized emergency vehicle applies regardless of whether the vehicle is:

(1) responding to an emergency;

(2) displaying a flashing light; or

(3) marked as an emergency vehicle.

SECTION 4. __. Section 284.070, Transportation Code, is amended by adding Subsection (e) to read as follows:

(e) An authorized emergency vehicle, as defined by Section 541.201, is exempt from payment of a toll imposed under this chapter regardless of whether the vehicle is:

(1) responding to an emergency;

(2) displaying a flashing light; or

(3) marked as an emergency vehicle.

SECTION 4. __. Section 366.178(a), Transportation Code, is amended to read as follows:

(a) A motor vehicle other than an authorized emergency vehicle, as defined by Section 541.201, [~~a police or emergency vehicle~~] that passes through a toll collection facility, whether driven or towed, shall pay the proper toll. The exemption from payment of a toll for an authorized emergency vehicle applies regardless of whether the vehicle is:

(1) responding to an emergency;

(2) displaying a flashing light; or

(3) marked as a police or emergency vehicle.

SECTION 4. __. Section 370.177(a), Transportation Code, is amended to read as follows:

(a) Except as provided by Subsection (a-1), the operator of a vehicle, other than an authorized emergency vehicle as defined by Section 541.201, that is driven or towed through a toll collection facility of a turnpike project shall pay the proper toll. The operator of a vehicle who drives or tows a vehicle through a toll collection facility and does not pay the proper toll commits an offense. An offense under this subsection is a misdemeanor punishable by a fine not to exceed \$250. The exemption from payment of a toll for an authorized emergency vehicle applies regardless of whether the vehicle is:

- (1) responding to an emergency;
- (2) displaying a flashing light; or
- (3) marked as an emergency vehicle.

SECTION 4. __. Section 541.201, Transportation Code, is amended by adding Subdivision (13-a) to read as follows:

(13-a) "Police vehicle" means a vehicle of a governmental entity primarily used by a peace officer, as defined by Article 2.12, Code of Criminal Procedure, for law enforcement purposes.

Floor Amendment No. 15

Amend **CSSB 11** as follows:

(1) Add an appropriately numbered Article to the bill to read as follows:

ARTICLE __. PUBLIC SAFETY AGENCIES

SECTION __. __. Sections 411.003(b), (c), and (d), Government Code are amended to read as follows:

(b) The commission is composed of five ~~three~~ citizens of this state appointed by the governor with the advice and consent of the senate. Members must be selected because of their peculiar qualifications for the position[-] and must reflect the diverse geographic regions and population groups of this state. Appointments to the commission shall be made without regard to race, color, disability, sex, religion, age, or national origin. In making an appointment the governor shall consider, among other things, the person's knowledge of laws, experience in the enforcement of law, honesty, integrity, education, training, and executive ability.

(c) Members serve staggered six-year terms with the terms ~~term~~ of either one or two members ~~member~~ expiring January 1 of each even-numbered year.

(d) The governor shall designate one member of the commission as chairman of the commission to serve in that capacity at the pleasure of the governor. The commission shall meet at the times and places specified by commission rule or at the call of the chairman ~~[or any two members]~~. The chairman shall oversee the preparation of an agenda for each meeting and ensure that a copy is provided to each member at least seven days before the meeting.

SECTION __. __. Promptly after this article takes effect, the governor shall appoint two additional members to the Public Safety Commission. Of those members, the governor shall designate one to serve a term expiring January 1, 2010, and one to serve a term expiring January 1, 2012.

(2) Renumber the articles and sections of the bill appropriately.

Floor Amendment No. 16

Amend **CSSB 11** (House committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES and SECTIONS of the bill accordingly:

ARTICLE _____. LICENSE PLATES FOR THE MILITARY

SECTION _____. Subchapter D, Chapter 504, Transportation Code, is amended by adding Section 504.3011 to read as follows:

Sec. 504.3011. DESIGN OF CERTAIN LICENSE PLATES FOR THE MILITARY. (a) License plates issued under Section 504.303 must at a minimum bear a color depiction of the emblem of the appropriate branch of the United States armed forces.

(b) License plates issued under Section 504.308(a) or 504.315(e), (f), or (g) must at a minimum bear a color depiction of the appropriate medal.

(c) The department shall design license plates to which this section applies in consultation with veterans organizations.

Floor Amendment No. 17

Amend **CSSB 11** by adding the following appropriately numbered SECTIONS to the bill and renumbering existing SECTIONS of the bill accordingly:

SECTION _____. Section 51.212, Education Code, is amended to read as follows:

Sec. 51.212. ~~PEACE [SECURITY]~~ OFFICERS AT PRIVATE INSTITUTIONS.

(a) The governing boards of private institutions of higher education, including private junior colleges, are authorized to employ and commission peace officers ~~[campus security personnel]~~ for the purpose of enforcing:

(1) state law [the law of this state] on the campuses of private institutions of higher education; and

(2) state and local law, including applicable municipal ordinances, at other locations, as permitted by Subsection (b) or Section 51.2125.

(b) Any officer commissioned under the provisions of this section is vested with all the powers, privileges, and immunities of peace officers if the officer:

(1) is [while] on the property under the control and jurisdiction of the respective private institution of higher education or is otherwise performing [in the performance of his assigned] duties assigned to the officer by the institution, regardless of whether the officer is on property under the control and jurisdiction of the institution; or

(2) to the extent authorized by Section 51.2125, is:

(A) requested by another law enforcement agency to provide assistance in enforcing state or local law, including a municipal ordinance, and is acting in response to that request; or

(B) otherwise assisting another law enforcement agency in enforcing a law described by Paragraph (A).

(c) Any officer assigned to duty and commissioned shall take and file the oath required of peace officers, and shall execute and file a good and sufficient bond in the sum of \$1,000, payable to the governor, with two or more good and sufficient sureties, conditioned that the officer [he] will fairly, impartially, and faithfully perform

the duties as may be required of the officer ~~[him]~~ by law. The bond may be sued on from time to time in the name of the person injured until the whole amount is recovered.

(d) ~~[(b)]~~ The governing boards of private institutions of higher education are authorized to hire and pay on a regular basis peace ~~[law enforcement]~~ officers commissioned by an incorporated city. The officers shall be under the supervision of the hiring institution, but shall be subject to dismissal and disciplinary action by the city. An incorporated city is authorized to contract with a private institution of higher education for the use and employment of its commissioned officers in any manner agreed to, provided that there is no expense incurred by the city.

(e) ~~[(e)]~~ In this section, "private institution of higher education" means a private or independent institution of higher education as defined ~~[has the meaning assigned]~~ by Section 61.003 ~~[61.003(15) of this code]~~.

SECTION _____. Subchapter E, Chapter 51, Education Code, is amended by adding Sections 51.2125 and 51.2126 to read as follows:

Sec. 51.2125. PRIVATE INSTITUTIONS: AUTHORITY TO ENTER INTO MUTUAL ASSISTANCE AGREEMENT. (a) This section applies only to a private institution of higher education, as defined by Section 61.003, with a fall head count enrollment of more than 10,000 students.

(b) If the institution has under its control and jurisdiction property that is contiguous to, or located in any part within the boundaries of, a municipality with a population of more than one million, in addition to exercising the authority provided under Section 51.212(d), the governing board of a private institution of higher education to which this section applies and the governing body of each municipality, regardless of the municipality's population, that is contiguous to, or the boundaries of which contain any part of, property under the control and jurisdiction of the private institution of higher education may enter into a written mutual assistance agreement in which peace officers commissioned by the institution or the applicable municipality serve the public interest by assisting, without any form of additional compensation or other financial benefit, the peace officers of the other party to the agreement in enforcing state or local law, including applicable municipal ordinances. The agreement must be reviewed at least annually by the institution and the municipality and may be modified at that time by a written agreement signed by each party. The agreement may be terminated at any time by a party to the agreement on the provision of reasonable notice to the other party to the agreement.

(c) A mutual assistance agreement authorized by this section may designate the geographic area in which the campus peace officers are authorized to provide assistance to the peace officers of the municipality.

(d) This section does not affect a municipality's duty to provide law enforcement services to any location within the boundaries of the municipality.

(e) A peace officer providing assistance under a mutual assistance agreement authorized by this section may make arrests and exercise all other authority given to peace officers under other state law. The municipal law enforcement agency has exclusive authority to supervise any campus peace officer operating under the

agreement to assist the peace officers of the municipality. A municipal peace officer operating under the agreement to assist the campus peace officers remains under the supervision of the municipal law enforcement agency.

(f) In the same manner and to the same extent as a municipality is liable for an act or omission of a peace officer employed by the municipality, a private institution of higher education is liable for an act or omission of a campus peace officer operating under a mutual assistance agreement authorized by this section at a location other than property under the control and jurisdiction of the institution.

(g) This section does not limit the authority of a campus peace officer to make a warrantless arrest outside the officer's jurisdiction as described by Article 14.03(d), Code of Criminal Procedure.

Sec. 51.2126. APPEAL BY CAMPUS PEACE OFFICER OF DISCIPLINARY ACTION OR PROMOTIONAL BYPASS RELATED TO PROVISION OF ASSISTANCE UNDER MUTUAL ASSISTANCE AGREEMENT. (a) A campus peace officer acting under a mutual assistance agreement authorized by Section 51.2125 who is demoted, suspended, or terminated by the applicable private institution of higher education or who experiences a promotional bypass by the institution may elect to appeal the institution's action to an independent third party hearing examiner under this section.

(b) To elect to appeal to an independent third party hearing examiner under this section, the campus peace officer must submit to the head of the institution's law enforcement agency not later than the 30th day after the date of the action being appealed a written request stating the officer's decision to appeal to such a hearing examiner.

(c) The hearing examiner's decision is final and binding on all parties. If a campus peace officer elects to appeal the institution's action to an independent third party hearing examiner under this section, the officer or institution may appeal the examiner's decision to a district court only as provided by Subsection (j).

(d) If a campus peace officer elects to appeal to a hearing examiner, the officer and the head of the institution's law enforcement agency or their designees shall attempt to agree on the selection of an impartial hearing examiner. If the parties do not agree on the selection of a hearing examiner before the 10th day after the date the appeal is filed, the parties immediately shall request a list of seven qualified neutral arbitrators from the American Arbitration Association or the Federal Mediation and Conciliation Service, or their successors in function. The officer and the agency head or their designees may agree on one of the seven neutral arbitrators on the list. If the parties do not agree before the fifth business day after the date the parties receive the list, the parties or their designees shall alternate striking a name from the list, and the single name remaining after all other names have been struck is selected as the hearing examiner. The parties or their designees shall agree on a date for the hearing.

(e) The appeal hearing must begin as soon as an appearance by the hearing examiner can be scheduled. If the hearing examiner cannot begin the hearing before the 45th day after the date of selection, the campus peace officer may, within 48 hours after learning of that fact, call for the selection of a new hearing examiner using the procedure prescribed by Subsection (d).

(f) In a hearing conducted under this section, the hearing examiner has the same duties and powers that a civil service commission has in conducting a hearing or hearing an appeal under Chapter 143, Local Government Code, including the right to issue subpoenas. The hearing examiner may:

(1) order that the campus peace officer be reinstated to the same position or status in which the officer was employed immediately before the demotion, suspension, or termination or, in the case of a promotional bypass, to the position or status with respect to which the officer experienced the bypass; and

(2) award the officer lost wages and any other compensation lost as a result of the disciplinary action or promotional bypass, as applicable.

(g) In a hearing conducted under this section, the parties may agree to an expedited hearing procedure. Unless otherwise agreed by the parties, in an expedited procedure the hearing examiner shall issue a decision on the appeal not later than the 10th day after the date the hearing is completed.

(h) In an appeal that does not involve an expedited hearing procedure, the hearing examiner shall make a reasonable effort to issue a decision on the appeal not later than the 30th day after the later of the date the hearing is completed or the briefs are filed. The hearing examiner's inability to meet the time requirements imposed by this section does not affect the hearing examiner's jurisdiction, the validity of the disciplinary action or promotional bypass, or the hearing examiner's final decision.

(i) The hearing examiner's fees and expenses shall be paid in equal amounts by the parties. The costs of a witness shall be paid by the party who calls the witness.

(j) A district court may hear an appeal of a hearing examiner's decision only on the grounds that the hearing examiner was without jurisdiction or exceeded the examiner's jurisdiction or that the decision was procured by fraud, collusion, or other unlawful means. An appeal must be brought in the district court having jurisdiction in the municipality in which the institution is located.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 11** on third reading by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 161.0001, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivisions (1-a) and (1-b) to read as follows:

(1) "Data elements" means the information:

(A) a health care provider who administers a vaccine is required to record in a medical record under 42 U.S.C. Section 300aa-25, as amended, including:

(i) [~~(A)~~] the date the vaccine is administered;

(ii) [~~(B)~~] the vaccine manufacturer and lot number of the vaccine;

(iii) any adverse or unexpected events for a vaccine; and

(iv) [~~(C)~~] the name, the address, and if appropriate, the title of the health care provider administering the vaccine; and

(B) specified in rules adopted to implement Section 161.00705.

(1-a) "First responder" has the meaning assigned by Section 421.095, Government Code.

(1-b) "Immediate family member" means the parent, spouse, child, or sibling of a person who resides in the same household as the person.

SECTION _____. Subchapter A, Chapter 161, Health and Safety Code, is amended by adding Sections 161.00705, 161.00706, and 161.00707 to read as follows:

Sec. 161.00705. RECORDING ADMINISTRATION OF IMMUNIZATION AND MEDICATION FOR DISASTERS AND EMERGENCIES. (a) The department shall maintain a registry of persons who receive an immunization, antiviral, and other medication administered to prepare for a potential disaster, public health emergency, terrorist attack, hostile military or paramilitary action, extraordinary law enforcement emergency or in response to a declared disaster, public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency. A health care provider who administers an immunization, antiviral, or other medication shall provide the data elements to the department.

(b) The department shall maintain the registry as part of the immunization registry required by Section 161.007.

(c) The department shall track adverse reactions to an immunization, antiviral, and other medication administered to prepare for a potential disaster, public health emergency, terrorist attack, hostile military or paramilitary action, extraordinary law enforcement emergency or in response to a declared disaster, public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency. A health care provider who administers an immunization, antiviral, or other medication may provide data related to adverse reactions to the department.

(d) Sections 161.007, 161.0071, 161.0072, and 161.0074 apply to the data elements submitted to the department under this section, unless a provision in those sections conflicts with a requirement in this section.

(e) The executive commissioner of the Health and Human Services Commission by rule shall determine the period during which the information collected under this section must remain in the immunization registry following the end of the disaster, public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency.

(f) Unless an individual or, if a child, the child's parent, managing conservator, or guardian consents in writing to continued inclusion of the child's or other individual's information in the registry, the department shall remove the immunization records collected under this section from the registry on expiration of the period prescribed under Subsection (e).

(g) The immunization information of a child or other individual received by the department under this section, including individually identifiable information, may be released only:

(1) on consent of the individual or, if a child, the child's parent, managing conservator, or guardian; or

(2) to a state agency or health care provider consistent with the purposes of this subchapter or the purposes of aiding or coordinating communicable disease prevention and control efforts during a declared disaster, public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency.

(h) The report required under Section 161.0074 must also include the number of complaints received by the department related to the department's failure to remove information from the registry as required by Subsection (f).

(i) The executive commissioner of the Health and Human Services Commission shall adopt rules necessary to implement this section.

Sec. 161.00706. FIRST RESPONDER IMMUNIZATION INFORMATION.

(a) A person 18 years of age or older who is a first responder or an immediate family member of a first responder may:

(1) request that a health care provider who administers an immunization to the person provide data elements regarding the immunization to the department for inclusion in the immunization registry; or

(2) provide the person's immunization history directly to the department for inclusion in the immunization registry.

(b) A health care provider, on receipt of a request under Subsection (a)(1), shall submit the data elements to the department in a format prescribed by the department. The department shall verify the person's request before including the information in the immunization registry.

(c) The executive commissioner of the Health and Human Services Commission shall:

(1) develop rules to ensure that immunization history submitted under Subsection (a)(2) is medically verified immunization information;

(2) develop guidelines for use by the department in informing first responders about the registry; and

(3) adopt rules necessary for the implementation of this section.

(d) A person's immunization history or data received by the department under this section may be released only on consent of the person or to any health care provider licensed or otherwise authorized to administer vaccines.

(e) A person whose immunization records are included in the immunization registry as authorized by this section may request in writing that the department remove that information from the registry. Not later than the 10th day after receiving a request under this subsection, the department shall remove the person's immunization records from the registry.

(f) The report required under Section 161.0074 must also include the number of complaints received by the department related to the department's failure to comply with requests for removal of information from the registry under Subsection (e).

Sec. 161.00707. INFORMATION AND EDUCATION FOR FIRST RESPONDERS. The department shall develop a program for informing first responders about the immunization registry and educating first responders about the benefits of being included in the immunization registry, including:

(1) ensuring that first responders receive necessary immunizations to prevent the spread of communicable diseases to which a first responder may be exposed during a public health emergency, declared disaster, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency; and

(2) preventing duplication of vaccinations.

SECTION _____. Section 161.007, Health and Safety Code, is amended by amending Subsections (a), (b), and (j) and adding Subsections (b-1) and (b-2) to read as follows:

(a) The department, for the primary purpose [~~purposes~~] of establishing and maintaining a single repository of accurate, complete, and current immunization records to be used in aiding, coordinating, and promoting efficient and cost-effective childhood communicable disease prevention and control efforts, shall establish and maintain an [~~a childhood~~] immunization registry. The department by rule shall develop guidelines to:

(1) protect the confidentiality of patients in accordance with Section 159.002, Occupations Code;

(2) inform a parent, managing conservator, or guardian of each patient younger than 18 years of age about the registry;

(3) require the written consent of a parent, managing conservator, or guardian of a patient younger than 18 years of age before any information relating to the patient is included in the registry; [~~and~~]

(4) permit a parent, managing conservator, or guardian of a patient younger than 18 years of age to withdraw consent for the patient to be included in the registry; and

(5) determine the process by which consent is verified, including affirmation by a health care provider, birth registrar, regional health information exchange, or local immunization registry that consent has been obtained.

(b) The [~~childhood~~] immunization registry must contain information on the immunization history that is obtained by the department under:

(1) this section of each person who is younger than 18 years of age and for whom consent has been obtained in accordance with guidelines adopted under Subsection (a);

(2) Section 161.00705 of persons immunized to prepare for or in response to a declared disaster, public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency; and

(3) Section 161.00706 of first responders or their immediate family members.

(b-1) The department shall remove from the registry information for any person for whom consent has been withdrawn. The department may not retain individually identifiable information about any person:

(1) for whom consent has been withdrawn;

(2) for whom a consent for continued inclusion in the registry following the end of the declared disaster, public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency has not been received under Section 161.00705(f); or

(3) for whom a request to be removed from the registry has been received under Section 161.00706(e).

(b-2) Except as otherwise provided by this subchapter, the department shall retain the information in the registry until the person's death. Not later than the 180th day after the date a person whose immunization information is included in the registry

turns 18 years of age, the department shall notify the person that the information will remain in the registry unless the person withdraws consent to be included in the registry.

(j) Except as provided by Sections 161.00705, 161.00706, and ~~[Section]~~ 161.008, information obtained by the department for the immunization registry is confidential and may be disclosed only with the written consent of the individual or, if a child, the child's parent, managing conservator, or guardian.

SECTION _____. Subsections (a) and (c), Section 161.0073, Health and Safety Code, are amended to read as follows:

(a) Except as provided by Section 161.00705, [The] information that individually identifies a child or other individual that is received by the department for the immunization registry is confidential and may be used by the department for registry purposes only.

(c) A person required to report information to the department for registry purposes or authorized to receive information from the registry may not disclose the individually identifiable information of a child or other individual to any other person without written consent of the individual or, if a child, the parent, managing conservator, or guardian of the child, except as provided by Chapter 159, Occupations Code, or Section 602.053, Insurance Code.

SECTION _____. Section 161.0075, Health and Safety Code, is amended to read as follows:

Sec. 161.0075. IMMUNITY FROM LIABILITY. Except as provided by Section 161.009, the following persons subject to this subchapter that act in compliance with Sections 161.007, 161.00705, 161.00706, 161.0071, 161.0073, 161.0074, and 161.008 are not civilly or criminally liable for furnishing the information required under this subchapter:

- (1) a payor;
- (2) a health care provider who administers immunizations; and
- (3) an employee of the department.

SECTION _____. Subsection (a), Section 161.009, Health and Safety Code, is amended to read as follows:

(a) A person commits an offense if the person:

- (1) negligently releases or discloses immunization registry information in violation of Section 161.007, 161.0071, 161.0073, or 161.008;
- (2) fails to exclude a child's immunization information in violation of Section 161.0071; ~~[or]~~
- (3) fails to remove a person's immunization information in violation of Section 161.00705 or 161.00706; or

(4) negligently uses information in the immunization registry to solicit new patients or clients or for other purposes that are not associated with immunization or quality-of-care purposes, unless authorized under this section.

SECTION _____. Subchapter A, Chapter 161, Health and Safety Code, is amended by adding Section 161.0102 to read as follows:

Sec. 161.0102. DISASTER PREPARATION. The department shall consult with public health departments and appropriate health care providers to identify adult immunizations that may be necessary to respond to or prepare for a disaster or public health emergency, terrorist attack, hostile military or paramilitary action, or extraordinary law enforcement emergency.

SECTION _____. Subsection (a), Section 161.0105, Health and Safety Code, is amended to read as follows:

(a) A health care provider who acts in compliance with Sections 161.007, 161.00705, 161.00706, and 161.008 and any rules adopted under those sections is not civilly or criminally liable for furnishing the information required under those sections. This subsection does not apply to criminal liability established under Section 161.009.

SECTION _____. As soon as practicable after the effective date of this Act, the executive commissioner of the Health and Human Services Commission shall adopt the rules required under Sections 161.00705 and 161.00706, Health and Safety Code, as added by this Act.

SECTION _____. The change in law made by this Act to Section 161.009, Health and Safety Code, applies 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 covered by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For the purposes of this section, an offense was committed before the effective date of this Act if any element of the offense was committed before that date.

Floor Amendment No. 2 on Third Reading

Amend **CSSB 11** on third reading by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 644.102, Transportation Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) A municipality or county that engages in enforcement under this chapter:

- (1) shall pay all costs relating to the municipality's or county's enforcement;
- (2) may not be considered, in the context of a federal grant related to this

chapter:

(A) a party to a federal grant agreement, except as provided by Subsection (b-1); or

(B) a grantee under a federal grant to the department; and

- (3) must comply with the standards established under Subsection (a).

(b-1) Subsection (b) does not prohibit a municipality or county from receiving High Priority Activity Funds provided under the federal Motor Carrier Safety Assistance Program.

Floor Amendment No. 4 on Third Reading

Amend **CSSB 11** on third reading by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill accordingly:

ARTICLE ____ . DISEASE MANAGEMENT

SECTION ____ .01. Section 81.082, Health and Safety Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) A health authority may designate health care facilities within the health authority's jurisdiction that are capable of providing services for the examination, observation, quarantine, isolation, treatment, or imposition of control measures during a public health disaster or during an area quarantine under Section 81.085. A health authority may not designate a nursing home or other institution licensed under Chapter 242.

SECTION ____ .02. Section 81.083, Health and Safety Code, is amended by adding Subsections (k) and (l) to read as follows:

(k) If the department or a health authority has reasonable cause to believe that a group of five or more individuals has been exposed to or infected with a communicable disease, the department or health authority may order the members of the group to implement control measures that are reasonable and necessary to prevent the introduction, transmission, and spread of the disease in this state. If the department or health authority adopts control measures under this subsection, each member of the group is subject to the requirements of this section.

(l) An order under Subsection (k) must be in writing and be delivered personally or by registered or certified mail to each member of the group, or the member's parent, legal guardian, or managing conservator if the member is a minor. If the name, address, and county of residence of any member of the group is unknown at the time the order is issued, the department or health authority must publish notice in a newspaper of general circulation in the county that includes the area of the suspected exposure and any other county in which the department or health authority suspects a member of the group resides. The notice must contain the following information:

(1) that the department or health authority has reasonable cause to believe that a group of individuals is ill with, has been exposed to, or is the carrier of a communicable disease;

(2) the suspected time and place of exposure to the disease;

(3) a copy of any orders under Subsection (k);

(4) instructions to an individual to provide the individual's name, address, and county of residence to the department or health authority if the individual knows or reasonably suspects that the individual was at the place of the suspected exposure at the time of the suspected exposure;

(5) that the department or health authority may request that an application for court orders under Subchapter G be filed for the group, if applicable; and

(6) that a criminal penalty applies to an individual who:

(A) is a member of the group; and

(B) knowingly refuses to perform or allow the performance of the control measures in the order.

SECTION ____ .03. Section 81.151, Health and Safety Code, is amended by adding Subsection (e) to read as follows:

(e) A single application may be filed for a group if:

(1) the department or health authority reasonably suspects that a group of five or more persons has been exposed to or infected with a communicable disease; and

(2) each person in the group meets the criteria of this chapter for court orders for the management of a person with a communicable disease.

SECTION ____ .04. Subchapter G, Chapter 81, Health and Safety Code, is amended by adding Section 81.1511 to read as follows:

Sec. 81.1511. APPLICABILITY OF SUBCHAPTER TO GROUP. To the extent possible, and except as otherwise provided, if a group application is filed under Section 81.151(e), the provisions of this subchapter apply to the group in the same manner as they apply to an individual, except that:

(1) except as provided by Subdivision (2), any statement or determination regarding the conduct or status of a person must be made in regard to the majority of the members of the group;

(2) any finding or statement related to compliance with orders under Section 81.083 must be made for the entire group;

(3) any notice required to be provided to a person must:

(A) in addition to being sent to each individual in the group for whom the department or health authority has an address, be published in a newspaper of general circulation in the county that includes the area of the suspected contamination and any other county in which the department or health authority suspects a member of the group resides;

(B) state that the group is appointed an attorney but that a member of the group is entitled to the member's own attorney on request; and

(C) include instructions for any person who reasonably suspects that the person was at the place of the suspected exposure at the time of the suspected exposure to provide the person's name, address, and county of residence to the department or health authority; and

(4) an affidavit of medical evaluation for the group may be based on evaluation of one or more members of the group if the physician reasonably believes that the condition of the individual or individuals represents the condition of the majority of the members of the group.

SECTION ____ .05. Section 81.152, Health and Safety Code, is amended by adding Subsection (d) to read as follows:

(d) A group application must contain the following information according to the applicant's information and belief:

(1) a description of the group and the location where the members of the group may be found;

(2) a narrative of how the group has been exposed or infected;

(3) an estimate of how many persons are included in the group;

(4) to the extent known, a list containing the name, address, and county of residence in this state of each member of the group;

(5) if the applicant is unable to obtain the name and address of each member of the group:

(A) a statement that the applicant has sought each of the unknown names and addresses; and

(B) the reason that the names and addresses are unavailable; and
(6) a statement, to be included only in an application for inpatient treatment, that the members of the group fail or refuse to comply with written orders of the department or health authority under Section 81.083, if applicable.

SECTION _____.06. Subchapter G, Chapter 81, Health and Safety Code, is amended by adding Section 81.1531 to read as follows:

Sec. 81.1531. APPOINTMENT OF ATTORNEY FOR GROUP. (a) A judge shall appoint an attorney to represent a group identified in a group application under Section 81.151(e) and shall appoint an attorney for each person who is listed in the application if requested by a person in the group who does not have an attorney.

(b) To the extent possible, the provisions of this chapter that apply to an individual's attorney apply to a group's attorney.

SECTION _____.07. Subsection (a), Section 81.159, Health and Safety Code, is amended to read as follows:

(a) The commissioner shall designate health care facilities throughout the state that are capable of providing services for the examination, observation, isolation, or treatment of persons having or suspected of having a communicable disease. However, the commissioner may not designate:

(1) a nursing home or custodial care home required to be licensed under Chapter 242; or

(2) an intermediate care facility for the mentally retarded required to be licensed under Chapter 252.

SECTION _____.08. Section 81.162, Health and Safety Code, is amended by adding Subsections (f) and (g) to read as follows:

(f) Notwithstanding Section 81.161 or Subsection (c), a judge or magistrate may issue a temporary protective custody order before the filing of an application for a court order for the management of a person with a communicable disease under Section 81.151 if:

(1) the judge or magistrate takes testimony that an application under Section 81.151, together with a motion for protective custody under Section 81.161, will be filed with the court on the next business day; and

(2) the judge or magistrate determines based on evidence taken under Subsection (d) that there is probable cause to believe that the person presents a substantial risk of serious harm to himself or others to the extent that the person cannot be at liberty pending the filing of the application and motion.

(g) A temporary protective custody order issued under Subsection (f) may continue only until 4 p.m. on the first business day after the date the order is issued unless the application for a court order for the management of a person with a communicable disease and a motion for protective custody, as described by Subsection (f)(1), are filed at or before that time. If the application and motion are filed at or before 4 p.m. on the first business day after the date the order is issued, the temporary protective custody order may continue for the period reasonably necessary for the court to rule on the motion for protective custody.

SECTION _____.09. Subsections (b) and (d), Section 81.165, Health and Safety Code, are amended to read as follows:

(b) The hearing must be held not later than 72 hours after the time that the person was detained under the protective custody order. If the period ends on a Saturday, Sunday, or legal holiday, the hearing must be held on the next day that is not a Saturday, Sunday, or legal holiday. The judge or magistrate may postpone the hearing for an additional 24 hours if the judge or magistrate declares that an extreme emergency exists because of extremely hazardous weather conditions that threaten the safety of the person or another essential party to the hearing. If the area in which the person is found, or the area where the hearing will be held, is under a public health disaster, the judge or magistrate may postpone the hearing until the period of disaster is ended.

(d) The person and his attorney shall have an opportunity at the hearing to appear and present evidence to challenge the allegation that the person presents a substantial risk of serious harm to himself or others. If the health authority advises the court that the person must remain in isolation or quarantine and that exposure to the judge, jurors, or the public would jeopardize the health and safety of those persons and the public health, a magistrate or a master may order that a person entitled to a hearing for a protective custody order may not appear in person and may appear only by teleconference or another means the magistrate or master finds appropriate to allow the person to speak, to interact with witnesses, and to confer with the person's attorney.

SECTION ____ .10. Subsections (b) and (c), Section 81.167, Health and Safety Code, are amended to read as follows:

(b) A person under a protective custody order shall be detained in an appropriate inpatient health facility that has been designated by the commissioner or by a health authority and selected by the health authority under Section 81.159.

(c) A person under a protective custody order may be detained in a nonmedical facility used to detain persons who are charged with or convicted of a crime only with the consent of the medical director of the facility and only if the facility has respiratory isolation capability for airborne communicable diseases. The person may not be detained in a nonmedical facility under this subsection for longer than 72 hours, excluding Saturdays, Sundays, legal holidays, ~~and~~ the period prescribed by Section 81.165(b) for an extreme weather emergency, and the duration of a public health disaster. The person must be isolated from any person who is charged with or convicted of a crime.

SECTION ____ .11. Subsection (c), Section 81.168, Health and Safety Code, is amended to read as follows:

(c) The head of a facility shall discharge a person held under a protective custody order if:

(1) the head of the facility does not receive notice within 72 hours after detention begins, excluding Saturdays, Sundays, legal holidays, ~~and~~ the period prescribed by Section 81.165(b) for an extreme weather emergency, and the duration of a public health disaster, that a probable cause hearing was held and the person's continued detention was authorized;

(2) a final court order for the management of a person with a communicable disease has not been entered within the time prescribed by Section 81.154; or

(3) the health authority or commissioner determines that the person no longer meets the criteria for protective custody prescribed by Section 81.162.

SECTION ____ .12. Section 81.169, Health and Safety Code, is amended by adding Subsection (i) to read as follows:

(i) Notwithstanding Subsection (d), if the health authority advises the court that the person must remain in isolation or quarantine and that exposure to the judge, jurors, or the public would jeopardize the health and safety of those persons and the public health, a judge may order that a person entitled to a hearing may not appear in person and may appear only by teleconference or another means that the judge finds appropriate to allow the person to speak, to interact with witnesses, and to confer with the person's attorney.

SECTION ____ .13. Section 81.176, Health and Safety Code, is amended to read as follows:

Sec. 81.176. DESIGNATION OF FACILITY. In a court order for the temporary or extended management of a person with a communicable disease specifying inpatient care, the court shall commit the person to a health care facility designated by the commissioner or a health authority in accordance with Section 81.159.

SECTION ____ .14. Section 81.177, Health and Safety Code, is amended to read as follows:

Sec. 81.177. COMMITMENT TO PRIVATE FACILITY. (a) The court may order a person committed to a private health care facility at no expense to the state if the court receives:

(1) an application signed by the person or the person's guardian or next friend requesting that the person be placed in a designated private health care facility at the person's or applicant's expense; and

(2) a written agreement from the head of the private health care facility to admit the person and to accept responsibility for the person in accordance with this chapter.

(b) Consistent with Subsection (a), the court may order a person committed to a private health care facility at no expense to the state, a county, a municipality, or a hospital district if:

(1) a state of disaster or a public health disaster has been declared or an area quarantine is imposed under Section 81.085;

(2) the health care facility is located within the disaster area or area quarantine, as applicable; and

(3) the judge determines that there is no public health care facility within the disaster area or area quarantine, as applicable, that has appropriate facilities and the capacity available to receive and treat the person.

(c) Nothing in this section prevents a health care facility that accepts a person under this section from pursuing reimbursement from any appropriate source, such as a third-party public or private payor or disaster relief fund.

Floor Amendment No. 6 on Third Reading

Amend **CSSB 11** on third reading (House committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS accordingly:

SECTION ____ . Section 20A.01, Penal Code, is amended to read as follows:

Sec. 20A.01. DEFINITIONS. In this chapter:

(1) "Forced labor or services" means labor or services, including employment for legal labor or services and conduct that constitutes an offense under Chapter 43 or Section 48.02, that are performed or provided by another person and obtained or maintained through an actor's:

(A) using force against the person or another person, threatening to cause bodily injury to the person or another person, or otherwise causing the person performing or providing labor or services to believe that the person or another person will suffer bodily injury;

(B) restraining the person or another person [~~another~~] in a manner described by Section 20.01(1) or causing the person performing or providing labor or services to believe that the person or another person will be restrained; [~~or~~]

(C) destroying or withholding from another the person's:

(i) actual or purported government records;

(ii) actual or purported identifying information; or

(iii) personal property;

(D) threatening the person with abuse of the law or the legal process in relation to the person or another person;

(E) threatening to report the person or another person to immigration officials or other law enforcement officials or otherwise blackmailing or extorting the person or another person;

(F) exerting financial control over the person or another person; or

(G) using any scheme, plan, or pattern intended to cause the person to believe that the person or another person will be subjected to serious harm or restraint if the person does not perform or provide the labor or services.

(2) "Traffic" means to transport, [~~another person or to~~] entice, solicit, recruit, harbor, provide, or otherwise obtain another person by any means [~~for transport by deception, coercion, or force~~].

SECTION _____. Sections 20A.02(a) and (b), Penal Code, are amended to read as follows:

(a) A person commits an offense if the person:

(1) knowingly traffics another person with the intent or knowledge that the trafficked person will engage in [-

~~(+)] forced labor or services; or~~

(2) intentionally or knowingly benefits from participating in a venture that involves an activity described by Subdivision (1), including by receiving labor or services that the actor knows are forced labor or services [~~conduct that constitutes an offense under Chapter 43~~].

(b) Except as otherwise provided by this subsection, an offense under this section is a felony of the second degree. An offense under this section is a felony of the first degree if:

(1) the applicable conduct constitutes an offense under Chapter 43 [~~offense is committed under Subsection (a)(2)~~] and the person who is trafficked is younger than 18 [~~14~~] years of age at the time of the offense; or

(2) the commission of the offense results in the death of the person who is trafficked.

SECTION _____. The changes in law made by this Act to Sections 20A.01 and 20A.02, Penal Code, apply only to an offense committed on or after September 1, 2007. An offense committed before September 1, 2007, 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 is committed before September 1, 2007, if any element of the offense occurs before that date.

Floor Amendment No. 7 on Third Reading

Amend **CSSB 11** on third reading in the SECTION of the bill that amends Section 418.108, Government Code, by adding the following subsection to Section 418.108, Government Code:

(j) A member of the senate or house of representatives may petition the governor to declare a local state of disaster. The governor must act on a petition received from a member under this subsection not later than the 10th day after the date the governor receives the petition. A declaration of local disaster under this subsection activates the recovery and rehabilitation aspects of all applicable local or interjurisdictional emergency management plans and authorizes the furnishing of aid and assistance under the declaration in accordance with this section.

The amendments were read.

Senator Carona moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 11** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Carona, Chair; Brimer, Lucio, Seliger, and Hinojosa.

(Senator Carona in Chair)

SENATE BILL 1658 WITH HOUSE AMENDMENT

Senator Nichols called **SB 1658** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1658** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the authority of a pharmacist to fill certain prescriptions in the event of a disaster.

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

SECTION 1. Section 562.054, Occupations Code, is amended to read as follows:

Sec. 562.054. EMERGENCY REFILLS. (a) A pharmacist may exercise the pharmacist's professional judgment in refilling a prescription for a prescription drug, other than a controlled substance listed in Schedule II as established by the commissioner of state [public] health services under Chapter 481, Health and Safety Code, without the authorization of the prescribing practitioner if:

(1) failure to refill the prescription might result in an interruption of a therapeutic regimen or create patient suffering;

(2) either:

(A) a natural or manmade disaster has occurred that prohibits the pharmacist from being able to contact the practitioner; or

(B) the pharmacist is unable to contact the practitioner after reasonable effort;

(3) the quantity of prescription drug dispensed does not exceed a 72-hour supply;

(4) the pharmacist informs the patient or the patient's agent at the time of dispensing that the refill is being provided without the practitioner's authorization and that authorization of the practitioner is required for a future refill; and

(5) the pharmacist informs the practitioner of the emergency refill at the earliest reasonable time.

(b) Notwithstanding Subsection (a), in the event of a natural or manmade disaster, a pharmacist may dispense not more than a 30-day supply of a prescription drug, other than a controlled substance listed in Schedule II as established by the commissioner of state health services under Chapter 481, Health and Safety Code, without the authorization of the prescribing practitioner if:

(1) failure to refill the prescription might result in an interruption of a therapeutic regimen or create patient suffering;

(2) the natural or manmade disaster prohibits the pharmacist from being able to contact the practitioner;

(3) the governor has declared a state of disaster under Chapter 418, Government Code; and

(4) the board, through the executive director, has notified pharmacies in this state that pharmacists may dispense up to a 30-day supply of a prescription drug.

(c) The prescribing practitioner is not liable for an act or omission by a pharmacist in dispensing a prescription drug under Subsection (b).

SECTION 2. Section 481.074, Health and Safety Code, is amended by adding Subsections (1-1) and (1-2) to read as follows:

(1-1) Notwithstanding Subsection (1), in the event of a natural or manmade disaster, a pharmacist may dispense not more than a 30-day supply of a prescription drug, other than a controlled substance listed in Schedule II, without the authorization of the prescribing practitioner if:

(1) failure to refill the prescription might result in an interruption of a therapeutic regimen or create patient suffering;

(2) the natural or manmade disaster prohibits the pharmacist from being able to contact the practitioner;

(3) the governor has declared a state of disaster under Chapter 418, Government Code; and

(4) the Texas State Board of Pharmacy, through its executive director, has notified pharmacies in this state that pharmacists may dispense up to a 30-day supply of a prescription drug.

(1-2) The prescribing practitioner is not liable for an act or omission by a pharmacist in dispensing a prescription drug under Subsection (1-1).

SECTION 3. This Act takes effect September 1, 2007.

The amendment was read.

Senator Nichols moved to concur in the House amendment to **SB 1658**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 88 ADOPTED

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 88**. The Conference Committee Report was filed with the Senate on Thursday, May 17, 2007.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 919 WITH HOUSE AMENDMENT

Senator Harris called **SB 919** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 919** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the creation of the Viridian Municipal Management District; providing the authority to issue bonds and impose taxes.

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

SECTION 1. VIRIDIAN MUNICIPAL MANAGEMENT DISTRICT. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3861 to read as follows:

CHAPTER 3861. VIRIDIAN MUNICIPAL MANAGEMENT DISTRICT SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3861.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Arlington.

(3) "District" means the Viridian Municipal Management District.

(4) "Improvement project" means any program or project authorized by Section 3861.102, inside or outside the district.

Sec. 3861.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3861.003. 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 or Tarrant County from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant the city and county services provided in the district.

Sec. 3861.004. 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 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.

(d) 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.

(e) 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 an improvement project that includes a street or road improvement.

(f) 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. 3861.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Section 3861.107; or

(2) other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, or validity;

(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;

(3) the district's right to impose or collect an assessment, tax, or any other revenue; or

(4) the legality or operation of the board.

Sec. 3861.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the city under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by the city under Chapter 312, Tax Code; or

(3) an enterprise zone created by the city under Chapter 2303, Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

[Sections 3861.007-3861.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3861.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring May 31 of each even-numbered year.

Sec. 3861.052. ELECTION DATE. The board shall hold elections for directors on the uniform election date in May in even-numbered years.

Sec. 3861.053. ELIGIBILITY. (a) To be qualified to serve as a director, a person must own land in the district.

(b) Section 49.052, Water Code, does not apply to the district.

Sec. 3861.054. VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3861.053.

(b) If there are fewer than three directors, the governing body of the city shall appoint the necessary number of directors to fill all board vacancies.

Sec. 3861.055. DIRECTOR'S OATH OR AFFIRMATION. A director's oath or affirmation of office shall be filed with the district and the district shall retain the oath or affirmation in the district records.

Sec. 3861.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Sec. 3861.057. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed \$50 for each board meeting. The total amount of compensation per director per year may not exceed \$2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.

Sec. 3861.058. INITIAL DIRECTORS. (a) The initial board consists of the following directors:

| <u>Pos. No.</u> | <u>Name of Director</u> |
|-----------------|-------------------------|
| <u>1</u> | <u>Donald Huffines</u> |
| <u>2</u> | <u>Phillip Huffines</u> |
| <u>3</u> | <u>Sue Blankenship</u> |
| <u>4</u> | <u>Robert Kembel</u> |
| <u>5</u> | <u>Elvio Bruni</u> |

(b) Of the initial directors, the terms of directors appointed for positions 1 and 2 expire May 31, 2008, and the terms of directors appointed for positions 3 through 5 expire May 31, 2010.

(c) This section expires September 1, 2011.

[Sections 3861.059-3861.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3861.101. GENERAL POWERS AND DUTIES. The district has the powers and duties provided by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code, except that the district's bonds and other securities are not subject to the jurisdiction or supervision of the commission under Chapter 49, Water Code, or other law;

(2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code;

(3) Subchapter A, Chapter 372, Local Government Code, in the same manner as a municipality or a county;

(4) Chapter 375, Local Government Code; and

(5) Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes).

Sec. 3861.102. IMPROVEMENT PROJECTS. (a) The district may provide, or it may enter into contracts with a governmental or private entity to provide, the following types of improvement projects or activities in support of or incidental to those projects:

(1) a supply and distribution facility or system to provide potable and city-approved nonpotable water to the residents and businesses of the district, including a wastewater collection facility;

(2) a paved road or street, or turnpike, inside and outside the district to the extent authorized by Section 52, Article III, Texas Constitution;

(3) the planning, design, construction, improvement, and maintenance of:

(A) landscaping;

(B) highway right-of-way or transit corridor beautification and improvement;

(C) lighting, banners, and signs;

(D) a street or sidewalk;

(E) a hiking and cycling path or trail;

(F) a pedestrian walkway, skywalk, crosswalk, or tunnel;

(G) a park, lake, garden, recreational facility, sports facility, open space, scenic area, or related exhibit or preserve;

(H) a fountain, plaza, or pedestrian mall; or

(I) a drainage or storm-water detention improvement;

(4) protection and improvement of the quality of storm water that flows through the district;

(5) the planning, design, construction, improvement, maintenance, and operation of:

(A) a water or sewer facility; or

(B) an off-street parking facility or heliport;

(6) the planning and acquisition of:

(A) public art and sculpture and related exhibits and facilities; or

(B) an educational and cultural exhibit or facility;

(7) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(A) a conference, convention, or exhibition;

(B) a manufacturer, consumer, or trade show;

(C) a civic, community, or institutional event; or

(D) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday;

(8) the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project;

(9) the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project;

(10) the acquisition of property or an interest in property in connection with an authorized improvement project;

(11) a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

(A) advertising;

(B) promotion;

(C) tourism;

(D) health and sanitation;

(E) public safety;

(F) security;

(G) fire protection or emergency medical services;

(H) business recruitment;

(I) development;

(J) elimination of traffic congestion; and

(K) recreational, educational, or cultural improvements, enhancements, and services; or

(12) any similar public improvement, facility, or service.

(b) The district may not undertake a project under this section unless the board determines the project to be necessary to accomplish a public purpose of the district.

(c) An improvement project must comply with any applicable city requirements, including codes and ordinances.

(d) The district may not provide, conduct, or authorize any improvement project on the city streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

(e) Subject to any agreement between the district and the city, the city may:

(1) by ordinance, order, or resolution require that title to all or any portion of an improvement project vest in the city; or

(2) by ordinance, order, or resolution or other directive authorize the district to own, encumber, maintain, and operate an improvement project, subject to the right of the city to order a conveyance of the project to the city on a date determined by the city.

(f) The district shall immediately comply with any city ordinance, order, or resolution adopted under Subsection (e).

(g) For the purposes of this section, planning, design, construction, improvement, and maintenance of a lake includes work done for drainage, reclamation, or recreation.

Sec. 3861.103. GENERAL POWERS REGARDING CONTRACTS. (a) The district may:

(1) contract with any person to accomplish any district purpose, including a contract for:

(A) 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; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project; and

(2) 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.

(b) 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 a negotiable or nonnegotiable note or warrant payable to the city, Tarrant County, and any other person.

(c) Any person may contract with the district to carry out the purposes of this chapter without further statutory or other authorization.

(d) A contract payable from ad valorem taxes for a period longer than one year must be approved by the governing body of the city.

Sec. 3861.104. RULES; ENFORCEMENT. (a) The district may adopt rules:

(1) to administer or operate the district;
(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or

(3) to provide for public safety and security in the district.

(b) The district may enforce its rules by injunctive relief.

(c) To the extent a district rule conflicts with a city rule, order, or regulation, the city rule, order, or regulation controls.

Sec. 3861.105. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to the city.

Sec. 3861.106. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF THE DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area in the district. To the extent the district rules conflict with a rule, order, or regulation of the city, the rule, order, or regulation of the city controls. A rule may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) The board may require a permit for a parade, demonstration, celebration, entertainment event, or similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility. The board may charge a fee for the permit application or for public safety or security services in an amount the board considers necessary.

(c) The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility on terms and on payment of a permit or franchise fee the board may impose.

Sec. 3861.107. ADDING OR REMOVING TERRITORY. The board may add or remove territory under Subchapter J, Chapter 49, and Section 54.016, Water Code, except that:

(1) the addition or removal of the territory must be approved by:

(A) the governing body of the city; and

(B) the owners of the territory being added or removed;

(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable, wholly or partly, from ad valorem taxes on the territory are outstanding.

Sec. 3861.108. ECONOMIC DEVELOPMENT. The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and

(2) Chapter 1509, Government Code, provides to any municipality.

Sec. 3861.109. 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. 3861.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

[Sections 3861.111-3861.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3861.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.

Except as provided by Section 3861.161, the district may:

(1) impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to pay for an improvement project;

(2) impose an assessment on property in the district in the manner provided for:

(A) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or

(B) a municipality or county under Subchapter A, Chapter 372, Local Government Code;

(3) provide or secure the payment or repayment of 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 indebtedness by or through:

(A) a lease, installment purchase contract, or other agreement with any person;

(B) the imposition of a tax, assessment, user fee, concession fee, or rental charge; or

(C) any other revenue or resources of the district;

(4) establish user charges related to the operation of storm-water facilities, including the regulation of storm water for the protection of water quality in the district;

(5) establish user charges for the use of nonpotable water for irrigation purposes, subject to the approval of the governing body of the city;

(6) undertake separately or jointly with other persons, including the city or Tarrant County, all or part of the cost of an improvement project, including an improvement project:

(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement in and adjacent to the district; or

(B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(7) enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to tax abatement agreements by municipalities.

Sec. 3861.152. 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 the district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from ad valorem taxes, assessments, or any other district revenue.

Sec. 3861.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a) The district may impose an impact fee or assessment on property in the district, including an impact fee or assessment on residential or commercial property, only in the manner provided by Subchapter A, Chapter 372 or Subchapter F, Chapter 375, Local Government Code, for a municipality, county, or public improvement district, according to the benefit received by the property.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

- (1) public water and wastewater facilities;
- (2) drainage and storm-water facilities; and
- (3) streets and alleys.

(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 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.

(e) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

Sec. 3861.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Sec. 3861.155. MAINTENANCE AND OPERATION TAX; ELECTION. (a) Except as provided by Section 3861.161, the district may impose a tax for maintenance and operation purposes, including for:

- (1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and
- (2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the maximum tax rate is approved by the governing body of the city and a majority of the district voters voting at an election held for that purpose. If the maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

(d) The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate.

Sec. 3861.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Sec. 3861.157. BOND ISSUANCE PLAN REQUIRED BEFORE ISSUING BONDS. The district may not issue bonds until the governing body of the city approves a bond issuance plan authorizing and setting forth the limitations on the issuance of the bonds.

Sec. 3861.158. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) Except as provided by Sections 3861.157 and 3861.161, the district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372 or Subchapter J, Chapter 375, Local Government Code.

(b) 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.

(c) 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 net proceeds the district receives from any other district revenue.

Sec. 3861.159. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Sec. 3861.160. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(b) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by:

(1) a majority of the district voters voting at an election held for that purpose; and

(2) the governing body of the city.

(c) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code.

Sec. 3861.161. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and the city must negotiate and execute a mutually approved and accepted interlocal project development agreement regarding the development plans and rules for:

- (1) the development and operation of the district; and
- (2) the financing of improvement projects.

[Sections 3861.162-3861.200 reserved for expansion]

SUBCHAPTER E. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3861.201. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by ad valorem taxes, the district may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board may consider a proposal to divide the district on:

- (1) a petition of a landowner in the district; or
- (2) a motion by the board.

(e) The board may not divide the district unless the division is approved by the governing body of the city by resolution. The resolution may set terms for the division under Subsection (f).

(f) If the board decides to divide the district, the board shall, subject to the city's resolution:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and

(2) prepare a metes and bounds description for each proposed district.

Sec. 3861.202. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 3861.201, the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

- (1) the date and location of the election; and
- (2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:

(1) the district is divided; and

(2) not later than the 30th day after the date of the election, the district shall provide written notice of the division to:

(A) the Texas Commission on Environmental Quality; and

(B) the city.

(d) If a majority of the votes cast are not in favor of the division, the district is not divided.

Sec. 3861.203. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

- (1) appoint itself as the board of one of the new districts; and

(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, the appointed board shall hold an election to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve until the next regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 3861.204. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) Each new district has the same limitations or other provisions concerning the city that apply to the original district.

(c) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 3861.201(f).

(d) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Sec. 3861.205. CONTRACT AUTHORITY OF NEW DISTRICTS. (a) Except as provided by Subsection (b), the new districts may contract with each other for any matter the boards of the new districts consider appropriate.

(b) The new districts may not contract with each other for water and wastewater services.

[Sections 3861.206-3861.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3861.251. DISSOLUTION BY CITY ORDINANCE. (a) The city by ordinance may dissolve the district and any additional districts created under Subchapter E.

(b) The city may not dissolve a district until the district's outstanding indebtedness or contractual obligations payable from ad valorem taxes have been repaid or discharged.

(c) The city may not dissolve a district until the agreement under Section 3861.161 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has to reimburse a developer or owner for the costs of improvement projects.

Sec. 3861.252. 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, other than ad valorem taxes, 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. 3861.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other indebtedness 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. BOUNDARIES. The Viridian Municipal Management District initially includes all the territory contained in the following described area:

TRACT 1

BEING A 1962.421 ACRE TRACT OF LAND SITUATED IN THE SAMUEL KEPHART SURVEY, ABSTRACT NO. 891, WILLIAM JENKINS SURVEY, ABSTRACT NO. 856, PATRICK G. DALTON SURVEY, ABSTRACT NO. 414, THOMAS DALTON SURVEY, ABSTRACT NO. 402, MADISON COLEMAN SURVEY, ABSTRACT NO. 380, J & D.C. SURVEY, ABSTRACT NO. 1995, JOTHAM BROWN SURVEY, ABSTRACT NO. 109, E. JONES SURVEY, ABSTRACT NO. 842, JEHU CONDRA SURVEY, ABSTRACT NO. 347, JOHN CHILDRESS SURVEY, ABSTRACT NO. 249, JEFFERSON ESTILL SURVEY, ABSTRACT NO. 491, J.J. GOODFELLOW SURVEY, ABSTRACT 1904 AND JOHN BURNETT SURVEY, ABSTRACT NO. 178, CITY OF ARLINGTON, TARRANT COUNTY, TEXAS, AND BEING ALL OF A CALLED 1845.082 ACRE TRACT OF LAND, CONVEYED AS TRACT ONE TO LOBF, L.P. BY DEED RECORDED IN DOCUMENT NO. D204096335, DEED RECORDS, TARRANT COUNTY, TEXAS AND BEING ALL OF CALLED 117.335 ACRE TRACT OF LAND, CONVEYED AS TRACT FIVE TO LOBF, L.P. BY DEED RECORDED IN DOCUMENT NO. D204096335, DEED RECORDS, TARRANT COUNTY, TEXAS AND INCLUDING ALL OF BLOCK 32 OF THE LAKES OF ARLINGTON, AN ADDITION TO THE CITY OF ARLINGTON RECORDED IN CABINET A, SLIDE 5048, PLAT RECORDS, TARRANT COUNTY, TEXAS. SAID 1962.421 ACRE TRACT, WITH REFERENCE BEARING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE 4202 AS DETERMINED FROM CITY OF ARLINGTON CONTROL MONUMENTS "AR02" AND "AR04", BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A RAILROAD SPIKE FOUND FOR AN INSIDE ELL CORNER OF AFORESAID 1845.082 ACRE TRACT AND BEING THE SOUTHEAST CORNER OF ATRACT OF LAND CONVEYED TO SON WINN AND K.C. YALE BY DEED RECORDED IN VOLUME 10695, PAGE 89, DEED RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 53 MINUTES 56 SECONDS WEST, ALONG THE LINE OF AFORESAID 1845.082 ACRE TRACT, A DISTANCE OF 819.08 FEET TO A RAILROAD SPIKE FOUND FOR CORNER;

THENCE SOUTH 89 DEGREES 36 MINUTES 15 SECONDS EAST, A DISTANCE OF 21.13 FEET TO A 1/2 INCH ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER:

THENCE NORTH 00 DEGREES 04 MINUTES 49 SECONDS WEST, A DISTANCE OF 478.14 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

THENCE NORTH 00 DEGREES 26 MINUTES 37 SECONDS WEST, A DISTANCE OF 199.82 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR A NORTH CORNER OF AFORESAID 1845.082 ACRE TRACT AND BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO T & M PROPERTIES, LTD. BY DEED RECORDED IN VOLUME 11139, PAGE 1937, DEED RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 89 DEGREES 18 MINUTES 31 SECONDS EAST, ALONG A NORTH LINE OF AFORESAID 1845.082 ACRE TRACT AND A COMMON SOUTH LINE OF AFORESAID T & M PROPERTIES TRACT, A DISTANCE OF 339.78 FEET TO A 1/2 INCH IRON ROD FOUND FOR A NORTH CORNER OF SAID 1845.082 ACRE TRACT AND A INSIDE ELL CORNER OF SAID T & M PROPERTIES TRACT;

THENCE SOUTH 00 DEGREES 10 MINUTES 09 SECONDS WEST, A DISTANCE OF 199.93 FEET TO A 1/2 INCH IRON FOUND WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER;

THENCE NORTH 89 DEGREES 19 MINUTES 07 SECONDS EAST, ALONG A NORTH LINE OF AFORESAID 1845.082 ACRE TRACT AND A COMMON SOUTH LINE OF AFORESAID T & M PROPERTIES TRACT, A DISTANCE OF 931.05 FEET TO A 1/2 INCH IRON FOUND FOR THE SOUTHEAST CORNER OF SAID T & M PROPERTIES AND BEING ON THE WEST LINE OF A TRACT OF LAND CONVEYED TO LLOYD T. CANNON AND WIFE, JESSIE M. CANNON BY DEED RECORDED IN VOLUME 1934, PAGE 617, DEED RECORDS, TARRANT COUNTY, TEXAS;

THENCE SOUTH 00 DEGREES 11 MINUTES 10 SECONDS EAST, ALONG THE WEST LINE OF AFORESAID LLOYD T. CANNON AND WIFE, JESSIE M. CANNON TRACT, A DISTANCE OF 502.84 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID LLOYD T. CANNON AND WIFE, JESSIE M. CANNON TRACT;

THENCE SOUTH 89 DEGREES 51 MINUTES 38 SECONDS EAST, ALONG A NORTH LINE OF AFORESAID 1845.082 ACRE TRACT AND A COMMON SOUTH LINE OF AFORESAID LLOYD T. CANNON AND WIFE, JESSIE M. CANNON TRACT AND THE COMMON SOUTH LINE OF A CALLED TRACT 1 AND TRACT 2 CONVEYED TO JACQUELINE FERRIS BAKER BY DEED RECORDED IN VOLUME 12042, PAGE 2279, DEED RECORDS, TARRANT COUNTY, TEXAS, A DISTANCE OF 1356.09 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID JACQUELINE FERRIS BAKER TRACT 1 AND BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO FRANK ARVILLE REAVES BY DEED RECORDED IN VOLUME 8125, PAGE 284, DEED RECORDS, TARRANT COUNTY, TEXAS;

THENCE SOUTH 89 DEGREES 57 MINUTES 36 SECONDS EAST, CONTINUING ALONG THE NORTH LINE OF AFORESAID 1845.082 ACRE TRACT AND THE COMMON SOUTH LINE OF AFORESAID FRANK ARVILLE REAVES TRACT, A DISTANCE OF 2024.33 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND AN ELL CORNER OF SAID 1845.082 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID FRANK ARVILLE REAVES TRACT;

THENCE NORTH 00 DEGREES 42 MINUTES 27 SECONDS WEST, ALONG THE EAST LINE OF AFORESAID FRANK ARVILLE REAVES TRACT, A DISTANCE OF 1581.70 FEET TO A 5/8 INCH IRON ROD FOUND FOR A NORTH CORNER OF AFORESAID 1845.082 ACRE TRACT AND BEING A SOUTHWEST CORNER OF AFORESAID 117.335 ACRE TRACT;

THENCE NORTH 00 DEGREES 47 MINUTES 09 SECONDS WEST, CONTINUING ALONG THE EAST LINE OF AFORESAID FRANK ARVILLE REAVES TRACT AND THE COMMON WEST LINE OF AFORESAID 117.335 ACRE TRACT, A DISTANCE OF 515.21 FEET TO A 4 INCH IRON ROD FOUND FOR A NORTHWEST CORNER OF SAID 117.335 ACRE TRACT;

THENCE NORTH 89 DEGREES 21 MINUTES 10 SECONDS EAST, A DISTANCE OF 122.01 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 00 DEGREES 25 MINUTES 11 SECONDS EAST, A DISTANCE OF 490.11 FEET TO A 1/2 INCH IRON ROD FOUND FOR A NORTHWEST CORNER OF AFORESAID 117.335 ACRE TRACT AND BEING ON THE SOUTH RIGHT-OF-WAY OF THE TRINITY RAILWAY EXPRESS (A VARIABLE RIGHT-OF-WAY) AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 00 DEGREES 37 MINUTES 08 SECONDS, A RADIUS OF 11309.20 FEET, A CHORD BEARING OF NORTH 79 DEGREES 39 MINUTES 16 SECONDS EAST, AND A CHORD LENGTH OF 122.18 FEET;

THENCE ALONG AFORESAID NON-TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 122.18 FEET, TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER;

THENCE SOUTH 00 DEGREES 25 MINUTES 43 SECONDS WEST, A DISTANCE OF 101.74 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 03 DEGREES 47 MINUTES 58 SECONDS, A RADIUS OF 11209.22 FEET, A CHORD BEARING OF NORTH 81 DEGREES 46 MINUTES 31 SECONDS EAST, AND A CHORD LENGTH OF 743.19 FEET;

THENCE ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 743.32 FEET, TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER;

THENCE SOUTH 02 DEGREES 25 MINUTES 03 SECONDS EAST, A DISTANCE OF 96.25 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER;

THENCE NORTH 87 DEGREES 39 MINUTES 05 SECONDS EAST, A DISTANCE OF 486.25 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER;

THENCE SOUTH 02 DEGREES 17 MINUTES 09 SECONDS EAST, A DISTANCE OF 160.00 FEET TO A POINT FOR CORNER, A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND BEARS NORTH 29 DEGREES 16 MINUTES 33 SECONDS EAST, A DISTANCE OF A 4.99 FEET;

THENCE NORTH 87 DEGREES 35 MINUTES 07 SEONDS EAST, A DISTANCE OF 140.04 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER;

THENCE SOUTH 01 DEGREES 42 MINUTES 54 SECONDS WEST, A DISTANCE OF 85.74 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER;

THENCE NORTH 56 DEGREES 55 MINUTES 53 SECONDS EAST, A DISTANCE OF 166.30 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER;

THENCE SOUTH 01 DEGREES 56 MINUTES 52 SECONDS WEST, A DISTANCE OF 275.02 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

THENCE SOUTH 89 DEGREES 54 MINUTES 17 SECONDS EAST, A DISTANCE OF 282.16 FEET TO A POINT FOR CORNER IN THE APPROXIMATE CENTERLINE OF THE TRINITY RIVER;

THENCE ALONG THE APPROXIMATE CENTERLINE OF AFORESAID TRINITY RIVER THE FOLLOWING COURSES AND DISTANCES;

SOUTH 00 DEGREES 02 MINUTES 35 SECONDS EAST, A DISTANCE OF 49.63 FEET TO A POINT FOR CORNER;

NORTH 59 DEGREES 53 MINUTES 49 SECONDS WEST, A DISTANCE OF 58.57 FEET TO A POINT FOR CORNER;

SOUTH 66 DEGREES 31 MINUTES 15 SECONDS WEST, A DISTANCE OF 218.37 FEET TO A POINT FOR CORNER;

SOUTH 21 DEGREES 17 MINUTES 39 SECONDS WEST, A DISTANCE OF 172.36 FEET TO A POINT FOR CORNER;

SOUTH 16 DEGREES 32 MINUTES 31 SECONDS WEST, A DISTANCE OF 128.04 FEET TO A POINT FOR CORNER;

SOUTH 05 DEGREES 42 MINUTES 04 SECONDS WEST, A DISTANCE OF 125.46 FEET TO A POINT FOR CORNER;

SOUTH 20 DEGREES 43 MINUTES 09 SECONDS WEST, A DISTANCE OF 194.10 FEET TO A POINT FOR CORNER;

SOUTH 25 DEGREES 49 MINUTES 06 SECONDS EAST, A DISTANCE OF 230.16 FEET TO A POINT FOR CORNER;

SOUTH 42 DEGREES 48 MINUTES 19 SECONDS EAST, A DISTANCE OF 281.46 FEET TO A POINT FOR CORNER;

SOUTH 39 DEGREES 04 MINUTES 10 SECONDS EAST, A DISTANCE OF 105.83 FEET TO A POINT FOR CORNER;

SOUTH 18 DEGREES 02 MINUTES 35 SECONDS EAST, A DISTANCE OF 185.16 FEET TO A POINT FOR CORNER;
SOUTH 24 DEGREES 28 MINUTES 34 SECONDS EAST, A DISTANCE OF 148.45 FEET TO A POINT FOR CORNER;
SOUTH 07 DEGREES 17 MINUTES 22 SECONDS WEST, A DISTANCE OF 129.87 FEET TO A POINT FOR CORNER;
SOUTH 27 DEGREES 48 MINUTES 33 SECONDS WEST, A DISTANCE OF 127.36 FEET TO POINT FOR CORNER;
SOUTH 54 DEGREES 43 MINUTES 28 SECONDS WEST, A DISTANCE OF 85.96 FEET TO A POINT FOR CORNER;
SOUTH 88 DEGREES 29 MINUTES 00 SECONDS WEST, A DISTANCE OF 255.06 FEET TO A POINT FOR CORNER;
SOUTH 67 DEGREES 29 MINUTES 18 SECONDS WEST, A DISTANCE OF 108.40 FEET TO A POINT FOR CORNER;
SOUTH 41 DEGREES 03 MINUTES 02 SECONDS WEST, A DISTANCE OF 125.39 FEET TO A POINT FOR CORNER;
SOUTH 01 DEGREES 42 MINUTES 06 SECONDS WEST, A DISTANCE OF 76.95 FEET TO A POINT FOR CORNER;
SOUTH 18 DEGREES 59 MINUTES 00 SECONDS EAST, A DISTANCE OF 73.00 FEET TO A POINT FOR CORNER;
SOUTH 43 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 273.62 FEET TO A POINT FOR CORNER;
SOUTH 13 DEGREES 24 MINUTES 34 SECONDS EAST, A DISTANCE OF 97.67 FEET TO A POINT FOR CORNER;
SOUTH 06 DEGREES 41 MINUTES 43 SECONDS WEST, A DISTANCE OF 186.01 FEET TO A POINT FOR CORNER;
SOUTH 27 DEGREES 53 MINUTES 06 SECONDS WEST, A DISTANCE OF 118.42 FEET TO A POINT FOR CORNER;
SOUTH 87 DEGREES 34 MINUTES 46 SECONDS WEST, A DISTANCE OF 106.09 FEET TO A POINT FOR CORNER;
NORTH 53 DEGREES 06 MINUTES 51 SECONDS WEST, A DISTANCE OF 305.31 FEET TO A POINT FOR CORNER;
NORTH 73 DEGREES 50 MINUTES 14 SECONDS WEST, A DISTANCE OF 241.21 FEET TO A POINT FOR CORNER;
NORTH 80 DEGREES 32 MINUTES 48 SECONDS WEST, A DISTANCE OF 206.34 FEET TO A POINT FOR CORNER;
SOUTH 77 DEGREES 03 MINUTES 44 SECONDS WEST, A DISTANCE OF 119.64 FEET TO A POINT FOR CORNER;
SOUTH 06 DEGREES 03 MINUTES 53 SECONDS WEST, A DISTANCE OF 115.88 FEET TO A POINT FOR CORNER;
SOUTH 25 DEGREES 21 MINUTES 47 SECONDS EAST, A DISTANCE OF 148.13 FEET TO A POINT FOR CORNER;
SOUTH 18 DEGREES 03 MINUTES 48 SECONDS EAST, A DISTANCE OF 145.50 FEET TO A POINT FOR CORNER;
SOUTH 08 DEGREES 19 MINUTES 02 SECONDS EAST, A DISTANCE OF 200.65 TO A POINT FOR CORNER;

SOUTH 03 DEGREES 07 MINUTES 57 SECONDS EAST, A DISTANCE OF 302.24 FEET TO A POINT FOR CORNER;
SOUTH 12 DEGREES 52 MINUTES 56 SECONDS EAST, A DISTANCE OF 345.58 FEET TO A POINT FOR CORNER;
SOUTH 00 DEGREES 18 MINUTES 59 SECONDS EAST, A DISTANCE OF 212.01 FEET TO A POINT FOR CORNER;
SOUTH 08 DEGREES 09 MINUTES 23 SECONDS WEST, A DISTANCE OF 708.08 FEET TO A POINT FOR CORNER;
SOUTH 10 DEGREES 23 MINUTES 56 SECONDS WEST, A DISTANCE OF 388.71 FEET TO A POINT FOR CORNER;
SOUTH 14 DEGREES 29 MINUTES 51 SECONDS WEST, A DISTANCE OF 541.65 FEET TO A POINT FOR CORNER;
NORTH 76 DEGREES 58 MINUTES 40 SECONDS WEST, A DISTANCE OF 473.01 FEET TO A POINT FOR CORNER;
SOUTH 33 DEGREES 23 MINUTES 06 SECONDS WEST, A DISTANCE OF 289.17 FEET TO A POINT FOR CORNER;
SOUTH 34 DEGREES 37 MINUTES 32 SECONDS EAST, A DISTANCE OF 407.97 FEET TO A POINT FOR CORNER;
SOUTH 64 DEGREES 32 MINUTES 17 SECONDS EAST, A DISTANCE OF 379.31 FEET TO A POINT FOR CORNER;
SOUTH 15 DEGREES 08 MINUTES 13 SECONDS EAST, A DISTANCE OF 165.15 FEET TO A POINT FOR CORNER;
SOUTH 15 DEGREES 22 MINUTES 09 SECONDS WEST, A DISTANCE OF 156.45 FEET TO A POINT FOR CORNER;
SOUTH 27 DEGREES 21 MINUTES 13 SECONDS WEST; A DISTANCE OF 619.00 FEET TO A POINT FOR CORNER;
NORTH 64 DEGREES 52 MINUTES 44 SECONDS WEST, A DISTANCE OF 204.80 FEET TO A POINT FOR CORNER;
NORTH 65 DEGREES 50 MINUTES 06 SECONDS WEST, A DISTANCE OF 410.22 FEET TO A POINT FOR CORNER;
SOUTH 06 DEGREES 14 MINUTES 00 SECONDS WEST, A DISTANCE OF 970.00 FEET TO A POINT FOR CORNER;
NORTH 86 DEGREES 46 MINUTES 00 SECONDS WEST, A DISTANCE OF 250.00 FEET TO A POINT FOR CORNER;
NORTH 49 DEGREES 31 MINUTES 00 SECONDS WEST, A DISTANCE OF 540.00 FEET TO A POINT FOR CORNER;
SOUTH 64 DEGREES 04 MINUTES 00 SECONDS WEST, A DISTANCE OF 234.19 FEET TO A POINT FOR CORNER;
SOUTH 05 DEGREES 16 MINUTES 06 SECONDS WEST, A DISTANCE OF 468.44 FEET TO A POINT FOR CORNER;
SOUTH 00 DEGREES 34 MINUTES 24 SECONDS EAST, A DISTANCE OF 16.79 FEET TO A POINT FOR CORNER;
SOUTH 88 DEGREES 58 MINUTES 19 SECONDS EAST, A DISTANCE OF 32.08 FEET TO A POINT FOR CORNER;
SOUTH 02 DEGREES 16 MINUTES 06 SECONDS EAST, A DISTANCE OF 397.40 FEET TO A POINT FOR CORNER;

SOUTH 12 DEGREES 16 MINUTES 54 SECONDS WEST, A DISTANCE OF 352.90 FEET TO A POINT FOR CORNER;

SOUTH 54 DEGREES 02 MINUTES 24 SECONDS WEST, A DISTANCE OF 321.40 FEET TO A POINT FOR CORNER;

SOUTH 87 DEGREES 34 MINUTES 54 SECONDS WEST, A DISTANCE OF 808.40 FEET TO A POINT FOR CORNER;

SOUTH 38 DEGREES 01 MINUTES 24 SECONDS WEST, A DISTANCE OF 177.80 FEET TO A POINT FOR CORNER;

NORTH 89 DEGREES 49 MINUTES 36 SECONDS WEST, A DISTANCE OF 33.51 FEET TO A POINT FOR CORNER;

SOUTH 23 DEGREES 49 MINUTES 36 SECONDS EAST, A DISTANCE OF 382.60 FEET TO A POINT FOR CORNER;

SOUTH 11 DEGREES 48 MINUTES 24 SECONDS WEST, A DISTANCE OF 799.97 FEET TO A POINT FOR CORNER;

SOUTH 11 DEGREES 41 MINUTES 36 SECONDS EAST, A DISTANCE OF 719.99 FEET TO A POINT FOR CORNER;

SOUTH 49 DEGREES 48 MINUTES 24 SECONDS WEST, A DISTANCE OF 759.96 FEET TO A POINT FOR CORNER;

SOUTH 83 DEGREES 48 MINUTES 24 SECONDS WEST, A DISTANCE OF 389.98 FEET TO A POINT FOR CORNER;

SOUTH 66 DEGREES 18 MINUTES 24 SECONDS WEST, A DISTANCE OF 559.97 FEET TO A POINT FOR CORNER;

NORTH 53 DEGREES 11 MINUTES 36 SECONDS WEST, A DISTANCE OF 889.97 FEET TO A POINT FOR CORNER;

NORTH 81 DEGREES 11 MINUTES 36 SECONDS WEST, A DISTANCE OF 249.99 FEET TO A POINT FOR CORNER;

SOUTH 28 DEGREES 48 MINUTES 24 SECONDS WEST, A DISTANCE OF 319.99 FEET TO A POINT FOR CORNER;

SOUTH 03 DEGREES 11 MINUTES 36 SECONDS EAST, A DISTANCE OF 491.39 FEET TO A POINT FOR CORNER;

SOUTH 39 DEGREES 48 MINUTES 24 SECONDS WEST, A DISTANCE OF 422.87 FEET TO A POINT FOR CORNER ON THE NORTH LINE OF BLOCK 7 OF THE MERIDIAN, SECTION ONE, RECORDED IN VOLUME 388-186, PAGE 45, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 89 DEGREES 41 MINUTES 47 SECONDS WEST, ALONG THE NORTH LINE OF AFORESAID BLOCK 7, A DISTANCE OF 360.87 FEET TO A POINT FOR CORNER IN THE APPROXIMATE CENTERLINE OF AFORESAID TRINITY RIVER;

THENCE ALONG THE APPROXIMATE CENTERLINE OF AFORESAID TRINITY RIVER THE FOLLOWING COURSES AND DISTANCES;

NORTH 00 DEGREES 00 MINUTES 24 SECONDS WEST, A DISTANCE OF 139.47 FEET TO A POINT FOR CORNER;

NORTH 16 DEGREES 09 MINUTES 13 SECONDS WEST, A DISTANCE OF 289.11 FEET TO A POINT FOR CORNER;

NORTH 47 DEGREES 34 MINUTES 01 SECONDS WEST, A DISTANCE OF 125.88 FEET TO A POINT FOR CORNER;

SOUTH 80 DEGREES 05 MINUTES 07 SECONDS WEST, A DISTANCE OF 248.13 FEET TO A POINT FOR CORNER;
SOUTH 76 DEGREES 25 MINUTES 18 SECONDS WEST, A DISTANCE OF 406.42 FEET TO A POINT FOR CORNER;
NORTH 70 DEGREES 18 MINUTES 30 SECONDS WEST, A DISTANCE OF 287.99 FEET TO A POINT FOR CORNER;
NORTH 51 DEGREES 13 MINUTES 28 SECONDS WEST, A DISTANCE OF 201.49 FEET TO A POINT FOR CORNER;
NORTH 45 DEGREES 04 MINUTES 33 SECONDS WEST, A DISTANCE OF 275.45 FEET TO A POINT FOR CORNER;
NORTH 35 DEGREES 46 MINUTES 27 SECONDS WEST, A DISTANCE OF 430.75 FEET TO A POINT FOR CORNER;
NORTH 19 DEGREES 06 MINUTES 11 SECONDS EAST, A DISTANCE OF 125.86 FEET TO A POINT FOR CORNER;
NORTH 28 DEGREES 06 MINUTES 09 SECONDS EAST, A DISTANCE OF 321.56 FEET TO A POINT FOR CORNER;
NORTH 27 DEGREES 33 MINUTES 47 SECONDS EAST, A DISTANCE OF 159.66 FEET TO A POINT FOR CORNER;
NORTH 17 DEGREES 19 MINUTES 33 SECONDS EAST, A DISTANCE OF 291.31 FEET TO A POINT FOR CORNER;
NORTH 14 DEGREES 14 MINUTES 50 SECONDS WEST, A DISTANCE OF 146.50 FEET TO A POINT FOR CORNER;
NORTH 47 DEGREES 59 MINUTES 57 SECONDS WEST, A DISTANCE OF 106.93 FEET TO A POINT FOR CORNER;
NORTH 79 DEGREES 53 MINUTES 17 SECONDS WEST, A DISTANCE OF 251.81 FEET TO A POINT FOR CORNER;
SOUTH 74 DEGREES 17 MINUTES 11 SECONDS WEST, A DISTANCE OF 93.41 FEET TO A POINT FOR CORNER;
SOUTH 53 DEGREES 29 MINUTES 55 SECONDS WEST, A DISTANCE OF 115.85 FEET TO A POINT FOR CORNER;
SOUTH 30 DEGREES 26 MINUTES 41 SECONDS WEST, A DISTANCE OF 288.71 FEET TO A POINT FOR CORNER;
SOUTH 72 DEGREES 16 MINUTES 37 SECONDS WEST, A DISTANCE OF 702.02 FEET TO A POINT FOR CORNER;
SOUTH 76 DEGREES 27 MINUTES 16 SECONDS WEST, A DISTANCE OF 291.88 FEET TO A POINT FOR CORNER;
SOUTH 81 DEGREES 27 MINUTES 59 SECONDS WEST, A DISTANCE OF 280.75 FEET TO A POINT FOR CORNER;
SOUTH 77 DEGREES 36 MINUTES 21 SECONDS WEST, A DISTANCE OF 411.40 FEET TO A POINT FOR CORNER ON THE EAST RIGHT-OF-WAY OF F.M. 157 (A VARIABLE WIDTH RIGHT-OF-WAY) AND BEING THE SOUTHWEST CORNER OF AFORESAID 1845.082 ACRE TRACT;
THENCE NORTH 21 DEGREES 33 MINUTES 59 SECONDS WEST, ALONG THE EAST RIGHT-OF-WAY OF AFORESAID F.M. 157, A DISTANCE OF 147.43 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN & CRAWFORD" FOUND FOR THE SOUTHWEST CORNER OF A

CALLED 4.133 ACRE TRACT OF LAND CONVEYED TO THE CITY OF ARLINGTON BY DEED RECORDED IN VOLUME 12828, PAGE 331, DEED RECORDS, TARRANT COUNTY, TEXAS;

THENCE ALONG THE SOUTH LINE OF AFORESAID 4.133 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

NORTH 58 DEGREES 28 MINUTES 28 SECONDS EAST, A DISTANCE OF 356.72 FEET TO A 4 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR CORNER:

NORTH 77 DEGREES 06 MINUTES 36 SECONDS EAST, A DISTANCE OF 699.84 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN & CRAWFORD" FOUND FOR THE SOUTHEAST CORNER OF AFORESAID 4.133 ACRE TRACT;

THENCE NORTH 12 DEGREES 51 MINUTES 10 SECONDS WEST, ALONG THE EAST LINE OF AFORESAID 4.133 ACRE TRACT, A DISTANCE OF 240.00 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE NORTHEAST CORNER OF SAID 4.133 ACRE TRACT;

THENCE ALONG THE NORTH LINE OF AFORESAID 4.133 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

SOUTH 80 DEGREES 19 MINUTES 13 SECONDS WEST, A DISTANCE OF 257.68 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN&CRAWFORD" FOUND FOR CORNER;

SOUTH 58 DEGREES 30 MINUTES 28 SECONDS WEST, A DISTANCE OF 840.01 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN& CRAWFORD" FOUND FOR THE NORTHWEST CORNER OF AFORESAID 4.133 ACRE TRACT AND BING ON THE EAST RIGHT-OF-WAY OF AFORESAID F.M. 157;

THENCE ALONG THE WEST LINE OF AFORESAID 1845.082 ACRE TRACT AND THE COMMON EAST RIGHT-OF-WAY OF AFORESAID F.M. 157 THE FOLLOWING COURSES AND DISTANCES:

NORTH 21 DEGREES 42 MINUTES 18 SECONDS WEST, A DISTANCE OF 109.35 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 00 DEGREES 30 MINUTES 36 SECONDS, A RADIUS OF 2915.00 FEET, A CHORD BEARING OF NORTH 21 DEGREES, 56 MINUTES 18 SECONDS WEST, AND A CHORD LENGTH OF 25.95 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 25.95 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER AND BEING THE BEGINNING OF A COMPOUND CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 18 DEGREES 13 MINUTES 17 SECONDS, A RADIUS OF 7572.80 FEET, A CHORD BEARING OF NORTH 09 DEGREES 40 MINUTES 45 SECONDS WEST, AND A CHORD LENGTH OF 2398.20 FEET;

ALONG SAID COMPOUND CURVE TO THE RIGHT, AN ARC LENGTH OF 2408.33 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER;

NORTH 00 DEGREES 34 MINUTES 23 SECONDS WEST, A DISTANCE OF 1010.42 FEET TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM

DISC FOUND FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 01 DEGREES 39 MINUTES 25 SECONDS, A RADIUS OF 7702.81 FEET, A CHORD BEARING OF NORTH 01 DEGREE 24 MINUTES 46 SECONDS WEST, AND A CHORD LENGTH OF 222.73 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 222.74 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER;

NORTH 02 DEGREES 00 MINUTES 01 SECONDS EAST, A DISTANCE OF 141.04 FEET TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER AND BEING THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04 DEGREES 24 MINUTES 13 SECONDS, A RADIUS OF 7714.81 FEET, A CHORD BEARING OF NORTH 05 DEGREES 26 MINUTES 04 SECONDS WEST, AND A CHORD LENGTH OF 592.80 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 592.95 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 28 DEGREES 43 MINUTES 26 SECONDS, A RADIUS OF 98.00 FEET, A CHORD BEARING OF NORTH 22 DEGREES 16 MINUTES 41 SECONDS WEST, AND A CHORD LENGTH OF 48.62 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 49.13 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 06 DEGREES 29 MINUTES 03 SECONDS, A RADIUS OF 7702.81 FEET, A CHORD BEARING OF NORTH 11 DEGREES 15 MINUTES 19 SECONDS WEST, AND A CHORD LENGTH OF 871.25 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 871.71 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER;

NORTH 14 DEGREES 29 MINUTES 44 SECONDS WEST, A DISTANCE OF 200.89 FEET TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER;

NORTH 09 DEGREES 39 MINUTES 23 SECONDS WEST, A DISTANCE OF 142.48 FEET TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER;

NORTH 14 DEGREES 31 MINUTES 04 SECONDS WEST, A DISTANCE OF 508.91 FEET TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 28 DEGREES 54 MINUTES 05 SECONDS, A RADIUS OF 98.00 FEET, A CHORD BEARING OF NORTH 28 DEGREES 30 MINUTES 51 SECONDS WEST, AND A CHORD LENGTH OF 48.91 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 49.43 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH A ALUMINUM DISC FOUND FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 03 DEGREES 11 MINUTES 42 SECONDS, A RADIUS OF 7572.90 FEET, A CHORD BEARING OF NORTH 12 DEGREES 29 MINUTES 55 SECONDS WEST, AND A CHORD LENGTH OF 422.24 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 422.30 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER;

SOUTH 89 DEGREES 35 MINUTES 25 SECONDS EAST, A DISTANCE OF 30.77 FEET TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH A ALUMINUM DISC FOUND FOR CORNER AND THE BEGINNING OF NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01 DEGREES 33 MINUTES 03 SECONDS, A RADIUS OF 7542.79 FEET, A CHORD BEARING OF NORTH 10 DEGREES 09 MINUTES 45 SECONDS WEST, AND A CHORD LENGTH OF 204.17 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT AN ARC LENGTH OF 204.18 FEET, TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE NORTHWEST CORNER OF AFORESAID 1845.082 ACRE TRACT AND ON THE SOUTH LINE OF A TRACT OF LAND CONVEYED TO HATTON W. SUMNERS FOUNDATION FOR THE STUDY AND TEACHING OF THE SCIENCE OF SELF-GOVERNMENT, INC., A TEXAS NON-PROFIT CORPORATION BY DEED RECORDED IN VOLUME 13589, PAGE 161, DEED RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 89 DEGREES 30 MINUTES 35 SECONDS EAST, ALONG A NORTH LINE OF AFORESAID 1845.082 ACRE TRACT AND THE SOUTH LINE OF AFORESAID HATTON W. SUMNERS FOUNDATION TRACT, A DISTANCE OF 2454.47 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR AN ELL CORNER OF SAID 1845.082 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID HATTON W. SUMNERS FOUNDATION TRACT;

THENCE NORTH 00 DEGREES 29 MINUTES 38 SECONDS WEST, ALONG A WEST LINE OF AFORESAID 1845.082 ACRE TRACT AND THE COMMON EAST LINE OF AFORESAID HATTON W. SUMNERS FOUNDATION TRACT, A DISTANCE OF 604.03 FEET TO 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE SOUTHWEST

CORNER OF A TRACT OF LAND CONVEYED TO GREENFIELD DEVELOPMENT INC., BY DEED RECORDED IN VOLUME 10251, PAGE 1299, DEED RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 89 DEGREES 18 MINUTES 20 SECONDS EAST, ALONG A NORTH LINE OF AFORESAID 1845.082 ACRE TRACT AND THE COMMON SOUTH LINES OF AFORESAID GREENFIELD DEVELOPMENT TRACT AND AFORESAID SON WINN AND K.C. YALE TRACT, A DISTANCE OF 2653.20 FEET TO THE POINT OF BEGINNING, AND CONTAINING 1962.421 ACRES OF LAND, MORE OR LESS.

TRACT 2

BEING A 1.996 ACRE TRACT OF LAND SITUATED IN THE PATRICK G. DALTON SURVEY, ABSTRACT NO. 414, CITY OF ARLINGTON, TARRANT COUNTY, TEXAS, AND BEING ALL OF A CALLED 1.993 ACRE TRACT OF LAND, CONVEYED AS TRACT TWO TO LOBF, L.P. BY DEED RECORDED IN DOCUMENT NO. D204096335, DEED RECORDS, TARRANT COUNTY, TEXAS. SAID 1.996 ACRE TRACT, WITH REFERENCE BEARING BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE 4202 AS DETERMINED FROM CITY OF ARLINGTON CONTROL MONUMENTS "AR02" AND "AR04", BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN& CRAWFORD" FOUND FOR THE NORTH CORNER OF AFORESAID 1.993 ACRE TRACT AND BEING ON THE SOUTHWEST RIGHT-OF-WAY OF OLD F.M. 157 (A VARIABLE WIDTH RIGHT-OF-WAY NOW CLOSED);

THENCE SOUTH 21 DEGREES 50 MINUTES 34 SECONDS EAST, ALONG THE NORTHEAST LINE OF AFORESAID 1.993 ACRE TRACT AND THE COMMON SOUTHWEST RIGHT-OF-WAY OF AFORESAID OLD F.M. 157, A DISTANCE OF 843.24 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN& CRAWFORD" FOUND FOR THE SOUTHWEST CORNER OF SAID 1.993 ACRE TRACT;

THENCE SOUTH 82 DEGREES 43 MINUTES 04 SECONDS WEST, ALONG TH SOUTH LINE OF AFORESAID 1.993 ACRE TRACT AND THE NORTH LINE OF A CALLED 22.049 ACRE TRACT OF LAND CONVEYED TO THE CITY OF ARLINGTON BY DEED RECORDED IN VOLUME 15590, PAGE 18, DEED RECORDS, TARRANT COUNTY, TEXAS, A DISTANCE OF 213.06 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN&CRAWFORD" FOUND FOR THE SOUTHWEST CORNER OF SAID 1.993 ACRE TRACT AND THE INSIDE ELL CORNER OF SAID 22.049 ACRE TRACT;

THENCE NORTH 07 DEGREES 12 MINUTES 25 SECONDS WEST, ALONG THE WEST LINE OF AFORESAID 1.993 ACRE TRACT AND THE COMMON EAST LINE OF AFORESAID 22.049 ACRE TRACT, A DISTANCE OF 816.16 FEET TO THE POINT OF BEGINNING, AND CONTAINING 1.996 ACRES OF LAND, MORE OR LESS.

TRACT 3

BEING A 45.251 ACRE TRACT OF LAND SITUATED IN THE PATRICK G. DALTON SURVEY, ABSTRACT NO. 414, AND THE WILLIAM JENKINS SURVEY, ABSTRACT NO. 856, CITY OF ARLINGTON, TARRANT COUNTY, TEXAS, AND BEING ALL OF A CALLED 45.251 ACRE TRACT OF LAND, CONVEYED AS TRACT FOUR TO LOBF, L.P. BY DEED RECORDED IN DOCUMENT NO. D204096335, DEED RECORDS, TARRANT COUNTY, TEXAS. SAID 45.251 ACRE TRACT, WITH REFERENCE BEARING BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE 4202 AS DETERMINED FROM CITY OF ARLINGTON CONTROL MONUMENTS "AR02" AND "AR04", BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN&CRAWFORD" FOUND FOR THE NORTH CORNER OF AFORESAID 45.251 ACRE TRACT AND BEING ON THE WEST RIGHT-OF-WAY OF F.M. 157 (A VARIABLE WIDTH RIGHT-OF-WAY) AND ON THE EAST RIGHT-OF-WAY OF OLD F.M. 157 (A VARIABLE WIDTH RIGHT-OF-WAY NOW CLOSED) AND BEING THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04 DEGREES 11 MINUTES 08 SECONDS, A RADIUS OF 7702.79 FEET, A CHORD BEARING OF SOUTH 12 DEGREES 27 MINUTES 30 SECONDS EAST, AND A CHORD LENGTH OF 562.59 FEET;

THENCE ALONG THE EAST LINE OF AFORESAID 45.251 ACRE TRACT AND THE COMMON WEST RIGHT-OF-WAY OF F.M. 157 THE FOLLOWING COURSES AND DISTANCES:

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 562.71 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER;

SOUTH 14 DEGREES 29 MINUTES 51 SECONDS EAST, A DISTANCE OF 843.12 FEET TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 13 DEGREES 56 MINUTES 23 SECONDS, A RADIUS OF 7572.81 FEET, A CHORD BEARING OF SOUTH 07 DEGREES 32 MINUTES 07 SECONDS EAST, AND A CHORD LENGTH OF 1837.89 FEET ;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 1842.43 FEET, TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER;

SOUTH 00 DEGREES 32 MINUTES 59 SECONDS EAST, A DISTANCE OF 1011.25 FEET TO A CONCRETE RIGHT-OF-WAY MONUMENT WITH AN ALUMINUM DISC FOUND FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 11 DEGREES 20 MINUTES 40 SECONDS, A RADIUS OF 7702.80 FEET, A CHORD BEARING OF SOUTH 06 DEGREES 14 MINUTES 20 SECONDS EAST, AND A CHORD LENGTH OF 1522.65 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 1525.14 FEET, TO A 1/2 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF AFORESAID 45.251 ACRE TRACT;

THENCE SOUTH 82 DEGREES 46 MINUTES 55 SECONDS WEST, ALONG THE SOUTH LINE OF AFORESAID 45.251 ACRE TRACT, A DISTANCE OF 24.91 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID 45.251 ACRE TRACT AND BEING ON THE EAST RIGHT-OF-WAY OF AFORESAID OLD F.M. 157;

THENCE ALONG THE WEST LINE OF AFORESAID 45.251 ACRE TRACT AND THE COMMON EAST RIGHT-OF-WAY OF AFORESAID OLD F.M. 157 THE FOLLOWING COURSES AND DISTANCES:

NORTH 21 DEGREES 51 MINUTES 02 SECONDS WEST, A DISTANCE OF 1508.74 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN & CRAWFORD" FOUND FOR CORNER AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 21 DEGREES 16 MINUTES 14 SECONDS, A RADIUS OF 1860.00 FEET, A CHORD BEARING OF NORTH 11 DEGREES 18 MINUTES 12 SECONDS WEST, AND A CHORD LENGTH OF 686.55 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 690.50 FEET, TO A 4 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN & CRAWFORD" FOUND FOR CORNER;

NORTH 00 DEGREES 40 MINUTES 04 SECONDS WEST, A DISTANCE OF 3343.13 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN & CRAWFORD" FOUND FOR CORNER;

NORTH 02 DEGREES 08 MINUTES 14 SECONDS EAST, A DISTANCE OF 299.32 FEET TO THE POINT OF BEGINNING, AND CONTAINING 45.251 ACRES OF LAND, MORE OR LESS.

TRACT 4

BEING A 4.254 ACRE TRACT OF LAND SITUATED IN THE JOHN BURNETT SURVEY, ABSTRACT NO. 178, CITY OF ARLINGTON, TARRANT COUNTY, TEXAS, AND BEING ALL OF A CALLED 4.254 ACRE TRACT OF LAND, CONVEYED AS TRACT SIX TO LOBF, L.P. BY DEED RECORDED IN DOCUMENT NO. D204096335, DEED RECORDS, TARRANT COUNTY, TEXAS. SAID 4.254 ACRE TRACT, WITH REFERENCE BEARING BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE 4202 AS DETERMINED FORM CITY OF ARLINGTON CONTROL MONUMENTS "AR02" AND "AR04", BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN & CRAWFORD" FOUND FOR THE NORTHWEST CORNER OF AFORESAID 4.254 ACRE TRACT AND BEING THE NORTHEAST CORNER OF BLOCK 1 OF POST OAK VILLAGE AN ADDITION TO THE CITY OF ARLINGTON BY PLAT RECORDED IN VOLUME 388-144, PAGE 66, PLAT RECORDS, TARRANT COUNTY, TEXAS AND BEING ON THE SOUTH RIGHT-OF-WAY OF TRINITY BOULEVARD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE SOUTH 80 DEGREES 36 MINUTES 41 SECONDS EAST, ALONG THE NORTH LINE OF AFORESAID 4.254 ACRE TRACT AND THE COMMON SOUTH RIGHT-OF-WAY OF AFORESAID TRINITY BOULEVARD, A DISTANCE OF 101.28 FEET TO A "X" CUT FOUND FOR THE NORTHEAST CORNER OF AFORESAID 4.254 ACRE TRACT AND BEING THE NORTHWEST CORNER OF LOT 1, BLOCK 1 OF THE TRINITY/360 ADDITION TO THE CITY OF ARLINGTON BY PLAT RECORDED IN CABINET "A", SLIDE 2590, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENCE SOUTH 00 DEGREES 15 MINUTES 42 SECONDS WEST, ALONG THE EAST LINE OF AFORESAID 4.254 ACRE TRACT AND THE COMMON WEST LINE OF AFORESAID LOT 1, BLOCK 1 AND THE WEST LINE OF A TRACT OF LAND CONVEYED TO DALLAS-FORT WORTH REGIONAL AIRPORT BOARD BY RIGHT-OF-WAY OF THE TRINITY RAILWAY EXPRESS (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE SOUTH 07 DEGREES 42 MINUTES 42 SECONDS EAST, A DISTANCE OF 475.83 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE SOUTH 00 DEGREES 18 MINUTES 35 SECONDS EAST, A DISTANCE OF 152.82 FEET TO A CONCRETE MONUMENT FOUND FOR THE SOUTHEAST CORNER OF AFORESAID 15.040 ACRE TRACT AND BEING AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY OF AFORESAID SOUTH EULESS MAIN STREET AND THE NORTH RIGHT-OF-WAY OF CALLOWAY CEMETERY ROAD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE NORTH 89 DEGREES 30 MINUTES 23 SECONDS WEST, ALONG THE SOUTH LINE OF AFORESAID 15.040 ACRE TRACT AND THE COMMON NORTH RIGHT-OF-WAY OF AFORESAID 15.040 ACRE TRACT, A DISTANCE OF 1811.58 FEET TO A PK NAIL FOUND FOR THE SOUTHWEST CORNER OF SAID 15.040 ACRE TRACT;

THENCE NORTH 00 DEGREES 26 MINUTES 28 SECONDS EAST, ALONG THE WEST LINE OF AFORESAID 15.040 ACRE TRACT, A DISTANCE OF 99.13 FEET TO THE POINT OF BEGINNING, AND CONTAINING 15.060 ACRES OF LAND, MORE OR LESS.

TRACT 5

BEING A 4.254 ACRE TRACT OF LAND SITUATED IN THE JOHN BURNETT SURVEY, ABSTRACT NO. 178, CITY OF ARLINGTON, TARRANT COUNTY, TEXAS, AND BEING ALL OF A CALLED 4.254 ACRE TRACT OF LAND, CONVEYED AS TRACT SIX TO LOBF, L.P. BY DEED RECORDED IN DOCUMENT NO. D204096335,

DEED RECORDS, TARRANT COUNTY, TEXAS. SAID 4.254 ACRE TRACT, WITH REFERENCE BEARING BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTHCENTRAL ZONE 4202 AS DETERMINED FROM CITY OF ARLINGTON CONTROL MONUMENTS "AR02" AND "AR04", BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN&CRAWFORD" FOUND FOR THE NORTHWEST CORNER OF AFORESAID 4.254 ACRE TRACT AND BEING THE NORTHEAST CORNER OF

BLOCK 1 OF POST OAK VILLAGE AN ADDITION TO THE CITY OF ARLINGTON BY PLAT RECORDED IN VOLUME 388-144, PAGE 66, PLAT RECORDS, TARRANT COUNTY, TEXAS AND BEING ON THE SOUTH RIGHT-OF-WAY OF TRINITY BOULEVARD (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE SOUTH 80 DEGREES 36 MINUTES 41 SECONDS EAST, ALONG THE NORTH LINE OF AFORESAID 4.254 ACRE TRACT AND THE COMMON SOUTH RIGHT-OF-WAY OF AFORESAID TRINITY BOULEVARD, A DISTANCE OF 101.28 FEET TO A "X" CUT FOUND FOR THE NORTHEAST CORNER OF AFORESAID 4.254 ACRE TRACT AND BEING THE NORTHWEST CORNER OF LOT 1, BLOCK 1 OF THE TRINITY/360 ADDITION TO THE CITY OF ARLINGTON BY PLAT RECORDED IN CABINET "A", SLIDE 2590, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENCE SOUTH 00 DEGREES 15 MINUTES 42 SECONDS WEST, ALONG THE EAST LINE OF AFORESAID 4.254 ACRE TRACT AND THE COMMON WEST LINE OF AFORESAID LOT 1, BLOCK 1 AND THE WEST LINE OF A TRACT OF LAND CONVEYED TO DALLAS-FORT WORTH REGIONAL AIRPORT BOARD BY DEED RECORDED IN VOLUME 6653, PAGE 856, DEED RECORDS. TARRANT COUNTY, TEXAS AND THE WEST LINE OF LOT 1, BLOCK 1 OF THE INTERNATIONAL AIRPORT SUBSTATION ADDITION TO THE CITY OF ARLINGTON BY PLAT RECORDED IN VOLUME 388-213, PAGE 59, PLAT RECORDS, TARRANT COUNTY, TEXAS, A DISTANCE OF 1836.13 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED 'CARTER BURGESS' SET FOR THE SOUTHEAST CORNER OF SAID 4.254 ACRE TRACT AND BEING ON THE NORTH RIGHT-OF-WAY OF TRINITY RAIL WAY EXPRESS (A VARIABLE WIDTH RIGHT-OF-WAY) AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 00 DEGREES 30 MINUTES 06 SECONDS, A RADIUS OF 11609.16 FEET, A CHORD BEARING OF SOUTH 79 DEGREES 54 MINUTES 15 SECONDS WEST, AND A CHORD LENGTH OF 101.65 FEET;

THENCE ALONG SAID NON-TANGENT CURVE TO THE LEFT, AND ALONG THE SOUTH LINE OF AFORESAID 4.254 ACRE TRACT AND THE COMMON NORTH RIGHT-OF-WAY OF AFORESAID TRINITY RAILWAY EXPRESS, AN ARC LENGTH OF 101.65 FEET, 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE SOUTHWEST CORNER OF SAID 4.254 ACRE TRACT AND BEING THE SOUTHEAST CORNER OF BLOCK 2 OF POST OAK VILLAGE ADDITION TO THE CITY OF ARLINGTON BY PLAT RECORDED IN VOLUME 388-144, PAGE 66, PLAT RECORDS, TARRANT COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 15 MINUTES 42 SECONDS EAST, ALONG THE WEST LINE OF AFORESAID 4.254 ACRE TRACT AND THE COMMON EAST LINE OF AFORESAID BLOCK 2 AND BLOCK 1 OF POST OAK VILLAGE ADDITION, A DISTANCE OF 1870.47 FEET TO THE POINT OF BEGINNING, AND CONTAINING 4.254 ACRES OF LAND, MORE OR LESS.

TRACT 6

BEING A 0.032 ACRE TRACT OF LAND SITUATED IN THE R.H. GALLOWAY SURVEY, ABSTRACT NO. 337, CITY OF ARLINGTON, TARRANT COUNTY, TEXAS, AND BEING ALL OF A CALLED 0.032 ACRE TRACT OF LAND, CONVEYED AS TRACT SEVEN TO LOBF, L.P. BY DEED RECORDED IN DOCUMENT NO. D204096335, DEED RECORDS, TARRANT COUNTY, TEXAS, SAID 0.032 ACRE TRACT, WITH REFERENCE BEARING BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE 4202 AS DETERMINED FROM CITY OF ARLINGTON CONTROL MONUMENTS "AR02" AND "AR04". BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN& CRAWFORD" FOUND FOR THE NORTHEAST CORNER OF AFORESAID 0.032 ACRE TRACT AND BEING ON THE SOUTH RIGHT-OF-WAY OF TRINITY RAILWAY EXPRESS (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE SOUTH 00 DEGREES 29 MINUTES 13 SECONDS EAST, ALONG THE EAST LINE OF AFORESAID 0.032 ACRE TRACT, A DISTANCE OF 77.21 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN&CRAWFORD" FOUND FOR THE SOUTH CORNER OF SAID 0.032 ACRE TRACT AND BEING ON THE EAST RIGHT-OF-WAY SOUTH EULESS MAIN STREET (A VARIABLE WIDTH RIGHT-OF-WAY) AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 07 DEGREES 49 MINUTES 57 SECONDS, A RADIUS OF 311.36 FEET, A CHORD BEARING OF NORTH 28 DEGREES 45 MINUTES 05 SECONDS WEST, AND A CHORD LENGTH OF 42.53 FEET;

THENCE ALONG THE WEST LINE OF AFORESAID 0.032 TRACAT AND THE COMMON EAST RIGHT-OF-WAY OF AFORESAID SOUTH EULESS MAIN STREET, THE FOLLOWING COURSES AND DISTANCES:

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC LENGTH OF 42.56 FEET, TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN& CRAWFORD" FOUND FOR CORNER;

NORTH 31 DEGREES 11 MINUTES 27 SECONDS WEST, A DISTANCE OF 12.20 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN& CRAWFORD" FOUND FOR CORNER AND BEING THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 04 DEGREES 42 MINUTES 05 SECONDS, A RADIUS OF 261,48 FEET, A CHORD BEARING OF NORTH 28 DEGREES 50 MINUTES 23 SECONDS WEST, AND A CHORD LENGTH OF 21.45 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 21.46 FEET, TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITAIN&CRAWFORD" FOUND FOR THE NORTHWEST CORNER OF AFORESAID 0.032 ACRE TRACT AND BEING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY OF AFORESAID SOUTH EULESS MAIN STREET AND THE SOUTH RIGHT-OF-WAY OF AFORESAID TRINITY RAILWAY EXPRESS;

THENCE NORTH 73 DEGREES 39 MINUTES 39 SECONDS EAST, ALONG THE NORTH LINE OF AFORESAID 0.032 ACRE TRACT AND THE COMMON SOUTH RIGHT-OF-WAY LINE OF AFORESAID TRINITY RAILWAY EXPRESS, A DISTANCE OF 38.00 FEET TO THE POINT OF BEGINNING, AND CONTAINING 0.032 ACRES OF LAND, MORE OR LESS.

SAVE & EXCEPT:

BEING A 110.971 ACRE TRACT OF LAND SITUATED IN THE SAMUEL KEPHART SURVEY, ABSTRACT NO. 891 AND THE THOMAS D. NEWTON SURVEY, ABSTRACT NO. 1164, CITY OF ARLINGTON, TARRANT COUNTY, TEXAS, AND BEING ALL OF A CALLED 110.971 ACRE TRACT OF LAND, DESCRIBED AS THE "SAVE AND EXCEPT" TRACT IN A DEED TO LOBF, L.P. BY DEED RECORDED IN DOCUMENT NO. D204096335, DEED RECORDS, TARRANT COUNTY, TEXAS. SAID 110.971 ACRE TRACT, WITH REFERENCE BEARING BEING GRID NORTH, TECAS

STATE PLAND COORDINATES, NORTH CENTRAL ZONE 4202 AS DETERMINED FROM CITY OF ARLINGTON CONTROL MONUMENTS "AR02" AND "ARCH", BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF AFORESAID 110.971 ACRE TRACT;

THENCE SOUTH 00 DEGREES 46 MINUTES 51 SECONDS EAST, A DISTANCE OF 2342.37 FEET TO A 1 INCH SQUARE TUBE FOUND FOR THE INSIDE ELL CORNER OF AFORESAID 110.971 ACRE TRACT;

THENCE SOUTH 68 DEGREES 32 MINUTES 34 SECONDS EAST, A DISTANCE OF 282.28 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE SOUTH 86 DEGREES 00 MUNUTES 45 SECONDS EAST, A DISTANCE OF 185.98 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER

THENCE SOUTH 88 DEGREES 03 MINUTES 37 SECONDS EAST, A DISTANCE OF 241.41 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 49 DEGREES 31 MINUTES 08 SECONDS EAST, A DISTANCE OF 285.94 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

THENCE SOUTH 89 DEGREES 49 MINUTES 20 SECONDS EAST, A DISTANCE OF 136.26 FEET TO A 4 INCH IRON ROD FOUND FOR CORNER;

THENCE SOUTH 02 DEGREES 31 MINUTES 12 SECONDS EAST, A DISTANCE OF 255.86 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

THENCE SOUTH 32 DEGREES 22 MINUTES 38 SECONDS WEST, A DISTANCE OF 222.96 FEET TO A 1 INCH IRON ROD FOUND FOR CORNER;

THENCE SOUTH 46 DEGREES 01 MINUTES 29 SECONDS WEST, A DISTANCE OF 277.26 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN&CRAWFORD" FOUND FOR CORNER;

THENCE SOUTH 88 DEGREES 56 MINUTES 31 SECONDS WEST, A DISTANCE OF 744.44 FEET TO A 1/2 INCH IRON ROD WITH A PLASTIC CAP STAMPED "BRITTAIN&CRAWFORD" FOUND FOR CORNER;

THENCE SOUTH 89 DEGREES 27 MINUTES 53 SECONDS WEST, A DISTANCE OF 277.94 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE NORTH 55 DEGREES 45 MINUTES 57 SECONDS WEST, A DISTANCE OF 805.23 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

THENCE SOUTH 89 DEGREES 34 MINUTES 03 SECONDS WEST, A DISTANCE OF 674.35 FEET TO A 1/2 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE SOUTHWEST CORNER OF AFORESAID 110.971 ACRE TRACT;

THENCE NORTH 00 DEGREES 32 MINUTES 29 SECONDS WEST, ALONG THE WEST LINE OF AFORESAID 110.971 ACRE TRACT, A DISTANCE OF 2520.73 FEET TO A 2 INCH IRON PIPE FOUND FOR THE NORTHWEST CORNER OF SAID 110.971 ACRE TRACT;

THENCE SOUTH 88 DEGREES 46 MINUTES 50 SECONDS EAST, ALONG THE NORTH LINE OF AFORESAID 110.971 ACRE TRACT, A DISTANCE OF 1618.96 FEET TO THE POINT OF BEGINNING AND CONTAINING 110.971 ACRES OF LAND, MORE OR LESS.

SECTION 3. LEGISLATIVE FINDINGS. (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) The governor, one of the required recipients, has submitted the notice and this Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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 are fulfilled and accomplished.

SECTION 4. 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, 2007.

The amendment was read.

Senator Harris moved to concur in the House amendment to **SB 919**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 228 WITH HOUSE AMENDMENTS

Senator Harris called **SB 228** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 228** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to suits affecting the parent-child relationship, including proceedings for the establishment, modification, and enforcement of child support; providing a civil penalty.

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

SECTION 1. Chapter 101, Family Code, is amended by adding Section 101.0255 to read as follows:

Sec. 101.0255. RECORD. "Record" means information that is:

(1) inscribed on a tangible medium or stored in an electronic or other medium; and

(2) retrievable in a perceivable form.

SECTION 2. Subsection (d), Section 102.009, Family Code, is amended to read as follows:

(d) If the petition requests the establishment, termination, modification, or enforcement of a support right assigned to the Title IV-D agency under Chapter 231 or the rescission of a voluntary acknowledgment of paternity under Chapter 160, notice shall be given to the Title IV-D agency in a manner provided by Rule 21a, Texas Rules of Civil Procedure.

SECTION 3. Subsection (b), Section 151.001, Family Code, is amended to read as follows:

(b) The duty of a parent to support his or her child exists while the child is an unemancipated minor and continues as long as the child is fully enrolled in a ~~an accredited~~ secondary school in a program leading toward a high school diploma and complies with attendance requirements described by Section 154.002(a)(2) [until the end of the school year in which the child graduates].

SECTION 4. Subsection (c), Section 155.301, Family Code, is amended to read as follows:

(c) Except as otherwise provided by this subsection, if [H] a transfer of continuing, exclusive jurisdiction is sought under this section, the procedures for determining and effecting a transfer of proceedings provided by this chapter apply. If the parties submit to the court an agreed order for transfer, the court shall sign the order without the need for other pleadings.

SECTION 5. Subsection (b), Section 156.401, Family Code, is amended to read as follows:

(b) A support order may be modified with regard to the amount of support ordered only as to obligations accruing after the earlier of:

(1) the date of service of citation; or

(2) an appearance in the suit to modify.

SECTION 6. Section 156.409, Family Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), and (a-3) to read as follows:

(a) The [If the sole managing conservator of a child or the joint managing conservator who has the exclusive right to determine the primary residence of the child has voluntarily relinquished the primary care and possession of the child to another person for at least six months, the] court shall, on the motion of a party or a [the other] person having physical possession of the child, modify an order providing for the support of the child to provide that the [other] person having physical possession of the child for at least six months shall have the right to receive and give receipt for payments of support for the child and to hold or disburse money for the benefit of the child if the sole managing conservator of the child or the joint managing conservator who has the exclusive right to determine the primary residence of the child has:

(1) voluntarily relinquished the primary care and possession of the child;

(2) been incarcerated or sentenced to be incarcerated for at least 90 days; or

(3) relinquished the primary care and possession of the child in a proceeding under Title 3 or Chapter 262.

(a-1) If the court modifies a support order under this section, the court shall order the obligor to pay the person or entity having physical possession of the child any unpaid child support that is not subject to offset or reimbursement under Section 157.008 and that accrues after the date the sole or joint managing conservator:

(1) relinquishes possession and control of the child, whether voluntarily or in a proceeding under Title 3 or Chapter 262; or

(2) is incarcerated.

(a-2) This section does not affect the ability of the court to render a temporary order for the payment of child support that is in the best interest of the child.

(a-3) An order under this section that modifies a support order because of the incarceration of the sole or joint managing conservator of a child must provide that on the conservator's release from incarceration the conservator may file an affidavit with the court stating, if appropriate, that the conservator has been released from incarceration, that there has not been a modification of the conservatorship of the child during the incarceration, and that the conservator has resumed physical possession of the child. A copy of the affidavit shall be delivered to the obligor and any other party, including the Title IV-D agency if appropriate. On receipt of the affidavit, the court on its own motion shall order the obligor to make support payments to the conservator.

SECTION 7. Subsection (a), Section 157.005, Family Code, is amended to read as follows:

(a) The court retains jurisdiction to render a contempt order for failure to comply with the child support order if the motion for enforcement is filed not later than the second anniversary of [sixth month after] the date:

(1) the child becomes an adult; or

(2) on which the child support obligation terminates under the order or by operation of law.

SECTION 8. Subsection (a), Section 157.065, Family Code, is amended to read as follows:

(a) If a party has been ordered under Chapter 105 to provide the court and the state case registry with the party's current mailing address, notice of a hearing on a motion for enforcement may be served by mailing a copy of the notice to the respondent, together with a copy of the motion, by first class mail to the last mailing address of the respondent on file with the court and the registry.

SECTION 9. Subsections (a) and (c), Section 157.105, Family Code, are amended to read as follows:

(a) If the respondent is taken into custody and not released on bond, the respondent shall be brought before the court that issued the capias on or before the third ~~first~~ working day after the arrest. The court shall determine whether the respondent's appearance in court at a designated time and place can be assured by a method other than by posting the bond or security previously established.

(c) If the court is not satisfied that the respondent's appearance in court can be assured and the respondent remains in custody, a hearing on the alleged contempt shall be held as soon as practicable, but not later than the seventh ~~fifth~~ day after the date that the respondent was taken into custody, unless the respondent and the respondent's attorney waive the accelerated hearing.

SECTION 10. Section 157.211, Family Code, is amended to read as follows:

Sec. 157.211. CONDITIONS OF COMMUNITY SUPERVISION. If the court places the respondent on community supervision ~~[and suspends commitment]~~, the terms and conditions of community supervision may include the requirement that the respondent:

- (1) report to the community supervision officer as directed;
- (2) permit the community supervision officer to visit the respondent at the respondent's home or elsewhere;
- (3) obtain counseling on financial planning, budget management, conflict resolution, parenting skills, alcohol or drug abuse, or other matters causing the respondent to fail to obey the order;
- (4) pay required child support and any child support arrearages;
- (5) pay court costs and attorney's fees ordered by the court;
- (6) seek employment assistance services offered by the Texas Workforce Commission under Section 302.0035, Labor Code, if appropriate; and
- (7) participate in mediation or other services to alleviate conditions that prevent the respondent from obeying the court's order.

SECTION 11. Section 157.212, Family Code, is amended to read as follows:

Sec. 157.212. TERM OF COMMUNITY SUPERVISION. The initial period of community supervision ~~[period]~~ may not exceed 10 years. The court may continue the community supervision beyond 10 years until the earlier of:

- (1) the second anniversary of the date on which the community supervision first exceeded 10 years; or
- (2) the date on which all child support, including arrearages and interest, has been paid.

SECTION 12. Subsections (a) and (b), Section 157.216, Family Code, are amended to read as follows:

(a) The court shall hold a hearing without a jury not later than ~~[on or before]~~ the third ~~[first]~~ working day after the date the respondent is arrested under Section 157.215. If the court is unavailable for a hearing on that date, the hearing shall be held not later than the third ~~[first]~~ working day after the date the court becomes available.

(b) The hearing under this section may not be held later than the seventh ~~[third]~~ working day after the date the respondent is arrested.

SECTION 13. Subsection (c), Section 157.263, Family Code, is amended to read as follows:

(c) If the amount of arrearages confirmed by the court reflects a credit to the obligor for support arrearages collected from a federal tax refund under 42 U.S.C. Section 664, ~~[as amended,]~~ and, subsequently, the amount of that credit is reduced because the refund was adjusted because of an injured spouse claim by a jointly filing spouse, the tax return was amended, the return was audited by the Internal Revenue Service, or for another reason permitted by law ~~[based on a joint return under which another person was entitled to a share of the refund under 42 U.S.C. Section 664, as amended,]~~ the court shall render a new cumulative judgment to include as arrearages an amount equal to the amount by which the credit was reduced.

SECTION 14. Subsection (b), Section 157.264, Family Code, is amended to read as follows:

(b) The court shall ~~[may]~~ render an order requiring~~±~~

~~[(1) that income be withheld from the disposable earnings of the obligor in an amount sufficient to discharge the judgment in not more than two years; or~~

~~[(2) if the obligor is not subject to income withholding,] that the obligor make periodic payments on the judgment, including by income withholding under Chapter 158 if the obligor is subject to income withholding [to the obligee in an amount sufficient to discharge the judgment within a reasonable time].~~

SECTION 15. Section 157.269, Family Code, is amended to read as follows:

Sec. 157.269. RETENTION OF JURISDICTION. A court that renders an order providing for the payment of child support ~~[arrearages]~~ retains continuing jurisdiction to enforce the order, including by adjusting the amount of the periodic payments to be made by the obligor or the amount to be withheld from the obligor's disposable earnings, until all current support and medical support and child support arrearages, including interest and any applicable fees and costs, have been paid.

SECTION 16. Subsections (a), (c), and (e), Section 157.313, Family Code, are amended to read as follows:

(a) Except as provided by Subsection (e), a child support lien notice must contain:

- (1) the name and address of the person to whom the notice is being sent;
- (2) the style, docket or cause number, and identity of the tribunal of this or another state having continuing jurisdiction of the child support action and, if the case is a Title IV-D case, the case number;
- (3) the full name, address, and, if known, the birth date, driver's license number, social security number, and any aliases of the obligor;
- (4) the full name and, if known, social security number of the obligee;

(5) the amount of the current or prospective child support obligation, the frequency with which current or prospective child support is ordered to be paid, and the amount of child support arrearages owed by the obligor and the date of the signing of the court order, administrative order, or writ that determined the arrearages or the date and manner in which the arrearages were determined;

(6) the rate of interest specified in the court order, administrative order, or writ or, in the absence of a specified interest rate, the rate provided for by law;

(7) the name and address of the person or agency asserting the lien;

(8) the motor vehicle identification number as shown on the obligor's title if the property is a motor vehicle;

(9) a statement that the lien attaches to all nonexempt real and personal property of the obligor that is located or recorded in the state, including any property specifically identified in the notice and any property acquired after the date of filing or delivery of the notice;

(10) a statement that any ordered child support not timely paid in the future constitutes a final judgment for the amount due and owing, including interest, and accrues up to an amount that may not exceed the lien amount; and

(11) a statement that the obligor is being provided a copy of the lien notice and that the obligor may dispute the arrearage amount by filing suit under Section 157.323.

(c) Except as provided by Subsection (e), the [The] lien notice must be verified.

(e) A notice of a lien for child support under this section may be in the form authorized by federal law or regulation. The federal form of lien notice does not require verification when used by the Title IV-D agency.

SECTION 17. Subsection (a-1), Section 157.317, Family Code, is amended to read as follows:

(a-1) A lien attaches to all property owned or acquired on or after the date the lien notice or abstract of judgment is filed with the county clerk of the county in which the property is located, with the court clerk as to property or claims in litigation, or, as to property of the obligor in the possession or control of a third party, from the date the lien notice is delivered to [filed with] that party.

SECTION 18. Subchapter C, Chapter 158, Family Code, is amended by adding Section 158.214 to read as follows:

Sec. 158.214. WITHHOLDING FROM SEVERANCE PAY. (a) In this section, "severance pay" means income paid on termination of employment in addition to the employee's usual earnings from the employer at the time of termination.

(b) An employer receiving an order or writ of withholding under this chapter shall withhold from any severance pay owed an obligor an amount equal to the amount the employer would have withheld under the order or writ if the severance pay had been paid as the obligor's usual earnings as a current employee.

(c) The total amount that may be withheld under this section is subject to the maximum amount allowed to be withheld under Section 158.009.

SECTION 19. Subdivision (23), Section 159.102, Family Code, is amended to read as follows:

(23) "Support order" means a judgment, decree, ~~[or]~~ order, or directive, whether temporary, final, or subject to modification, issued by a tribunal for the benefit of a child, a spouse, or a former spouse that provides for monetary support, health care, arrearages, or reimbursement and may include related costs and fees, interest, income withholding, attorney's fees, and other relief.

SECTION 20. Section 161.206, Family Code, is amended by adding Subsection (d) to read as follows:

(d) An order rendered under this section must include a finding that:

(1) a request for identification of a court of continuing, exclusive jurisdiction has been made as required by Section 155.101; and

(2) all parties entitled to notice, including the Title IV-D agency, have been notified.

SECTION 21. Section 231.202, Family Code, is amended to read as follows:

Sec. 231.202. AUTHORIZED COSTS AND FEES IN TITLE IV-D CASES. In a Title IV-D case filed under this title, including a case filed under Chapter 159, the Title IV-D agency shall pay:

(1) filing fees and fees for issuance and service of process as provided by Chapter 110 of this code and by Sections 51.317, 51.318(b)(2), and 51.319(2), Government Code;

(2) fees for transfer as provided by Chapter 110;

(3) fees for the issuance and delivery of orders and writs of income withholding in the amounts provided by Chapter 110;

(4) the fee that sheriffs and constables are authorized to charge for serving process under Section 118.131, Local Government Code, for each item of process to each individual on whom service is required, including service by certified or registered mail, to be paid to a sheriff, constable, or clerk whenever service of process is required; ~~[and]~~

(5) the fee for filing an administrative writ of withholding under Section 158.503(d); and

(6) the fee for issuance of a subpoena as provided by Section 51.318(b)(1), Government Code.

SECTION 22. Subdivisions (1), (2), and (3), Section 232.001, Family Code, are amended to read as follows:

(1) "License" means a license, certificate, registration, permit, or other authorization that:

(A) is issued by a licensing authority;

(B) is subject before expiration to renewal, suspension, revocation, forfeiture, or termination by a ~~[the issuing]~~ licensing authority; and

(C) a person must obtain to:

(i) practice or engage in a particular business, occupation, or profession;

(ii) operate a motor vehicle on a public highway in this state; or

(iii) engage in any other regulated activity, including hunting, fishing, or other recreational activity for which a license or permit is required.

(2) "Licensing authority" means a department, commission, board, office, or other agency of the state or a political subdivision of the state that issues or renews a license or that otherwise has authority to suspend or refuse to renew a license.

(3) "Order suspending license" means an order issued by the Title IV-D agency or a court directing a licensing authority to suspend or refuse to renew a license.

SECTION 23. Section 232.002, Family Code, is amended to read as follows:

Sec. 232.002. LICENSING AUTHORITIES SUBJECT TO CHAPTER. Unless otherwise restricted or exempted, all [The following are] licensing authorities are subject to this chapter[.]:

- ~~[(1) Department of Agriculture;~~
- ~~[(2) Texas Alcoholic Beverage Commission;~~
- ~~[(3) Texas Appraiser Licensing and Certification Board;~~
- ~~[(4) Texas Board of Architectural Examiners;~~
- ~~[(5) Texas Board of Chiropractic Examiners;~~
- ~~[(6) Comptroller of Public Accounts;~~
- ~~[(7) Court Reporters Certification Board;~~
- ~~[(8) State Board of Dental Examiners;~~
- ~~[(9) Texas State Board of Examiners of Dietitians;~~
- ~~[(10) Texas Funeral Service Commission;~~
- ~~[(11) Department of State Health Services;~~
- ~~[(12) Department of Aging and Disability Services;~~
- ~~[(13) Texas Board of Professional Land Surveying;~~
- ~~[(14) Texas Department of Licensing and Regulation;~~
- ~~[(15) Texas State Board of Examiners of Marriage and Family Therapists;~~
- ~~[(16) Texas State Board of Medical Examiners;~~
- ~~[(17) Midwifery Board;~~
- ~~[(18) Texas Commission on Environmental Quality;~~
- ~~[(19) Board of Nurse Examiners;~~
- ~~[(20) Texas Board of Occupational Therapy Examiners;~~
- ~~[(21) Texas Optometry Board;~~
- ~~[(22) Parks and Wildlife Department;~~
- ~~[(23) Texas State Board of Examiners of Perfusionists;~~
- ~~[(24) Texas State Board of Pharmacy;~~
- ~~[(25) Texas Board of Physical Therapy Examiners;~~
- ~~[(26) Texas State Board of Plumbing Examiners;~~
- ~~[(27) Texas State Board of Podiatric Medical Examiners;~~
- ~~[(28) Polygraph Examiners Board;~~
- ~~[(29) Texas Private Security Board;~~
- ~~[(30) Texas State Board of Examiners of Professional Counselors;~~
- ~~[(31) Texas Board of Professional Engineers;~~
- ~~[(32) Department of Family and Protective Services;~~
- ~~[(33) Texas State Board of Examiners of Psychologists;~~
- ~~[(34) Texas State Board of Public Accountancy;~~
- ~~[(35) Department of Public Safety of the State of Texas;~~
- ~~[(36) Public Utility Commission of Texas;~~

~~[(37) Railroad Commission of Texas;~~
~~[(38) Texas Real Estate Commission;~~
~~[(39) State Bar of Texas;~~
~~[(40) Texas State Board of Social Worker Examiners;~~
~~[(41) State Board of Examiners for Speech Language Pathology and~~

~~Audiology;~~

~~[(42) Texas Structural Pest Control Board;~~
~~[(43) Board of Tax Professional Examiners;~~
~~[(44) Secretary of State;~~
~~[(45) Supreme Court of Texas;~~
~~[(46) Texas Transportation Commission;~~
~~[(47) State Board of Veterinary Medical Examiners;~~
~~[(48) Texas Ethics Commission;~~
~~[(49) Advisory Board of Athletic Trainers;~~
~~[(50) State Committee of Examiners in the Fitting and Dispensing of~~

~~Hearing Instruments;~~

~~[(51) Texas Board of Licensure for Professional Medical Physicians;~~
~~[(52) Texas Department of Insurance;~~
~~[(53) Texas Board of Orthotics and Prosthetics;~~
~~[(54) savings and loan commissioner;~~
~~[(55) Texas Juvenile Probation Commission; and~~
~~[(56) Texas Lottery Commission under Chapter 466, Government Code].~~

SECTION 24. Chapter 232, Family Code, is amended by adding Section 232.0022 to read as follows:

Sec. 232.0022. SUSPENSION OF MOTOR VEHICLE REGISTRATION. The Texas Department of Transportation is the appropriate licensing authority for suspension of a motor vehicle registration under this chapter. The general registration provisions of Chapter 502, Transportation Code, do not apply to the suspension or denial of a renewal of a motor vehicle registration under this chapter.

SECTION 25. Subsection (a), Section 232.004, Family Code, is amended to read as follows:

(a) A child support agency or obligee may file a petition to suspend, as provided by this chapter, a license of an obligor who has an arrearage equal to or greater than the total support due for three months ~~[90 days]~~ under a support order.

SECTION 26. Subsections (b) and (c), Section 232.006, Family Code, are amended to read as follows:

(b) Notice under this section may be served:

(1) if the party has been ordered under Chapter 105 to provide the court and registry with the party's current mailing address, by mailing a copy of the notice to the respondent, together with a copy of the petition, by first class mail to the last mailing address of the respondent on file with the court and the state case registry; or

(2) as in civil cases generally.

(c) The notice must contain the following prominently displayed statement in boldfaced type, capital letters, or underlined:

"AN ACTION TO SUSPEND ONE OR MORE LICENSES ISSUED TO YOU HAS BEEN FILED AS PROVIDED BY CHAPTER 232, TEXAS FAMILY CODE. YOU MAY EMPLOY AN ATTORNEY TO REPRESENT YOU IN THIS ACTION. IF YOU OR YOUR ATTORNEY DO NOT REQUEST A HEARING BEFORE THE 21ST DAY AFTER THE DATE OF SERVICE OF THIS NOTICE, AN ORDER SUSPENDING YOUR ~~[OF]~~ LICENSE ~~[SUSPENSION]~~ MAY BE RENDERED."

SECTION 27. Chapter 232, Family Code, is amended by adding Section 232.0135 to read as follows:

Sec. 232.0135. DENIAL OF LICENSE RENEWAL. (a) A child support agency, as defined by Section 101.004, may provide notice to a licensing authority concerning an obligor who has failed to pay child support for six months or more that requests the authority to refuse to accept an application for renewal of the license of the obligor.

(b) A licensing authority that receives the information described by Subsection (a) shall refuse to accept an application for renewal of the license of the obligor until the authority is notified by the child support agency that the obligor has:

(1) paid all child support arrearages;

(2) established with the agency a satisfactory repayment schedule or is in compliance with a court order for payment of the arrearages;

(3) been granted an exemption from this subsection as part of a court-supervised plan to improve the obligor's earnings and child support payments;
or

(4) successfully contested the denial of renewal of license under Subsection (d).

(c) On providing a licensing authority with the notice described by Subsection (a), the child support agency shall send a copy to the obligor by first class mail and inform the obligor of the steps the obligor must take to permit the authority to accept the obligor's application for license renewal.

(d) An obligor receiving notice under Subsection (c) may request a review by the child support agency to resolve any issue in dispute regarding the identity of the obligor or the existence or amount of child support arrearages. The agency shall promptly provide an opportunity for a review, either by telephone or in person, as appropriate to the circumstances. After the review, if appropriate, the agency may notify the licensing authority that it may accept the obligor's application for renewal of license. If the agency and the obligor fail to resolve any issue in dispute, the obligor, not later than the 30th day after the date of receiving notice of the agency's determination from the review, may file a motion with the court to direct the agency to withdraw the notice under Subsection (a) and request a hearing on the motion. The obligor's application for license renewal may not be accepted by the licensing authority until the court rules on the motion. If, after a review by the agency or a hearing by the court, the agency withdraws the notice under Subsection (a), the agency shall reimburse the obligor the amount of any fee charged the obligor under Section 232.014.

(e) If an obligor enters into a repayment agreement with the child support agency under this section, the agency may incorporate the agreement in an order to be filed with and confirmed by the court in the manner provided for agreed orders under Chapter 233.

(f) In this section, "licensing authority" does not include the State Securities Board.

SECTION 28. Section 232.014, Family Code, is amended to read as follows:

Sec. 232.014. FEE BY LICENSING AUTHORITY. (a) A licensing authority may charge a fee to an individual who is the subject of an order suspending license or of an action of a child support agency under Section 232.0135 to deny renewal of license in an amount sufficient to recover the administrative costs incurred by the authority under this chapter.

(b) A fee collected by the Texas Department of Transportation or the Department of Public Safety shall be deposited to the credit of the state highway fund.

SECTION 29. Subsection (c), Section 234.001, Family Code, is amended to read as follows:

(c) The state disbursement unit shall:

(1) receive, maintain, and furnish records of child support payments in Title IV-D cases and other cases as authorized by law;

(2) forward child support payments as authorized by law;

(3) maintain records of child support payments [~~payment records~~] made through the state disbursement unit; and

(4) make available to a local registry each day in a manner determined by the Title IV-D agency [~~with the assistance of the work group established under Section 234.003~~] the following information:

(A) the cause number of the suit under which withholding is required;

(B) the payor's name and social security number;

(C) the payee's name and, if available, social security number;

(D) the date the disbursement unit received the payment;

(E) the amount of the payment; and

(F) the instrument identification information.

SECTION 30. Section 234.006, Family Code, is amended to read as follows:

Sec. 234.006. RULEMAKING [~~EFFECTIVE DATE AND PROCEDURES~~]. The Title IV-D agency [~~in cooperation with the work group established under Section 234.003~~] may adopt rules in compliance with federal law for the operation of the state case registry and the state disbursement unit.

SECTION 31. Subchapter B, Chapter 234, Family Code, is amended by adding Section 234.105 to read as follows:

Sec. 234.105. CIVIL PENALTY. (a) In addition to any other remedy provided by law, an employer who knowingly violates a procedure adopted under Section 234.104 for reporting employee information may be liable for a civil penalty as permitted by Section 453A(d) of the federal Social Security Act (42 U.S.C. Section 653a).

(b) The amount of the civil penalty may not exceed:

(1) \$25 for each occurrence in which an employer fails to report an employee; or

(2) \$500 for each occurrence in which the conduct described by Subdivision (1) is the result of a conspiracy between the employer and an employee to not supply a required report or to submit a false or incomplete report.

(c) The attorney general may sue to collect the civil penalty. A penalty collected under this section shall be deposited in a special fund in the state treasury.

SECTION 32. Subsections (a) and (d), Section 207.093, Labor Code, are amended to read as follows:

(a) The commission shall withhold from the benefits payable to an individual that owes a child support obligation an amount equal to:

(1) any amount required to be withheld under legal process properly served on the commission;

(2) if Subdivision (1) does not apply, the amount determined under an agreement submitted to the commission under Section 454(19)(B)(i) [~~454(20)(B)(i)~~] of the Social Security Act (42 U.S.C. Section 654) by the state or local child support enforcement agency; or

(3) if neither Subdivision (1) or (2) applies, the amount the individual specifies to the commission to be withheld.

(d) In this section, "legal process" has the meaning assigned by Section 459(i)(5) [~~462(e)~~] of the Social Security Act (42 U.S.C. Section 659 [~~662~~]).

SECTION 33. Subdivision (9), Section 501.002, Transportation Code, is amended to read as follows:

(9) "Lien" means:

(A) a lien provided for by the constitution or statute in a motor vehicle; ~~[or]~~

(B) a security interest, as defined by Section 1.201, Business & Commerce Code, in a motor vehicle, other than an absolute title, created by any written security agreement, as defined by Section 9.102, Business & Commerce Code, including a lease, conditional sales contract, deed of trust, chattel mortgage, trust receipt, or reservation of title; or

(C) a child support lien under Chapter 157, Family Code.

SECTION 34. (a) The change in law made by this Act relating to a court order establishing paternity or the obligation to pay child support applies only to a suit affecting the parent-child relationship filed on or after the effective date of this Act. A suit affecting the parent-child relationship filed before the effective date of this Act is governed by the law in effect on the date the suit was filed, and the former law is continued in effect for that purpose.

(b) The change in law made by this Act relating to the modification or enforcement of a child support order rendered before the effective date of this Act applies only to a proceeding for modification or enforcement that is commenced on or after the effective date of this Act. A proceeding for modification or enforcement that is commenced before the effective date of this Act is governed by the law in effect on the date the proceeding was commenced, and the former law is continued in effect for that purpose.

(c) The change in law made by this Act by the enactment of Section 234.105, Family Code, applies only to a violation that occurs on or after the effective date of this Act. A violation that occurs before that date is governed by the law in effect on the date the violation occurred, and the former law is continued in effect for that purpose.

SECTION 35. This Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 228**, on page 4 (House committee report), line 4, by striking ", as appropriate,".

Floor Amendment No. 2

Amend **CSSB 228** by striking Section 24 of the bill (committee printing page 16, lines 7 through 14) and substituting the following:

SECTION 24. Chapter 232, Family Code, is amended by adding Section 232.0022 to read as follows:

Sec. 232.0022. SUSPENSION OR NONRENEWAL OF MOTOR VEHICLE REGISTRATION. (a) The Texas Department of Transportation is the appropriate licensing authority for suspension or nonrenewal of a motor vehicle registration under this chapter.

(b) The suspension or nonrenewal of a motor vehicle registration under this chapter does not:

(1) encumber the title to the motor vehicle or otherwise affect the transfer of the title to the vehicle; or

(2) affect the sale, purchase, or registration of the motor vehicle by a person who holds a general distinguishing number issued under Chapter 503, Transportation Code.

Floor Amendment No. 3

Amend **CSSB 228** (House committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill appropriately:

SECTION _____. Subtitle D, Title 5, Family Code, is amended by adding Chapter 237 to read as follows:

CHAPTER 237. ADMINISTRATIVE DOMESTIC RELATIONS ORDER

Sec. 237.001. RENDITION OF ADMINISTRATIVE DOMESTIC RELATIONS ORDER. (a) The director of the Title IV-D agency or an assistant attorney general designated by the director may render an administrative domestic relations order to be delivered to a retirement plan subject to the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.) or the law of this state to enforce a child support obligation against an obligor who has or will have vested retirement benefits under the plan.

(b) The Title IV-D agency may render an administrative domestic relations order under this chapter until all current child support and arrearages owed by the obligor, including money due for medical support, have been paid.

(c) A domestic relations order under this chapter must:

(1) be signed by the director of the Title IV-D agency or the director's designee; and

(2) include a statement that the assignment of benefits under the order is effective on the date the order is received by the retirement plan but that the retirement plan shall delay any distribution to the alternate payee until the first regularly scheduled distribution that occurs at least 30 days after that date in order to permit the obligor an opportunity to contest the order under Section 237.006.

Sec. 237.002. EFFECT OF DOMESTIC RELATIONS ORDER BY COURT.

(a) The Title IV-D agency may not render a domestic relations order under this chapter for a suit affecting the parent-child relationship in which:

(1) a judge or an associate judge of a court of continuing jurisdiction renders a domestic relations order in the suit with respect to a retirement plan in which a child support obligor has or will have vested retirement benefits; and

(2) the court's order provides for the enforcement of the obligor's child support obligation.

(b) A domestic relations order rendered by the Title IV-D agency before the court's order remains in effect to the extent that the provisions of the order under this chapter are not superseded by the court's order.

(c) Notwithstanding Subsection (a), the Title IV-D agency may render a domestic relations order reflecting that child support arrearages have been paid in full.

Sec. 237.003. PLAN DISTRIBUTIONS AS TAXABLE INCOME. (a) A domestic relations order rendered under this chapter must provide that all plan distributions from tax-deferred benefits for the payment of child support shall be reported by the plan as income of the plan participant for federal income tax purposes.

(b) If a plan administrator refuses to accept the domestic relations order as qualified because of the provision required by Subsection (a), the Title IV-D agency may file a motion in the court of continuing jurisdiction to have the payment credit for plan distributions for which the obligee incurs a tax liability reduced by the amount of the obligee's marginal tax rate. After notice and hearing under Chapter 157, the court shall grant the agency's motion on sufficient proof of the obligee's marginal tax rate.

Sec. 237.004. FILING ADMINISTRATIVE DOMESTIC RELATIONS ORDER. The Title IV-D agency shall file a copy of an administrative domestic relations order with the court of continuing jurisdiction not later than the third business day after the date the order is sent to the retirement plan.

Sec. 237.005. NOTICE OF ORDER. (a) Not later than the 12th business day after the date the administrative domestic relations order is sent to the retirement plan, the Title IV-D agency shall send to the obligor, the obligee, and any other party:

(1) notice that a domestic relations order has been rendered by the agency and transmitted to the retirement plan together with a statement of the procedures by which a party may contest the order with regard to the identity of the obligor or the existence or amount of a current child support obligation or arrearages; and

(2) a copy of the order.

(b) The notice required under this section may be delivered to a party by:

(1) personal delivery by a person designated by the Title IV-D agency;

(2) first-class mail to the party's address on file with the state case registry

and to the party's last known address, if different; or

(3) service of citation as in civil cases generally.

Sec. 237.006. CONTEST OF ADMINISTRATIVE DOMESTIC RELATIONS ORDER. (a) A party who receives a notice under Section 237.005 may request a review by the Title IV-D agency to resolve any issue in dispute regarding the identity of the obligor or the existence or amount of a current child support obligation or arrearages.

(b) The Title IV-D agency shall promptly provide an opportunity for a review either by a telephone conference or in person as appropriate to the circumstances. If the agency receives a request for review under this section not later than the 15th day after the date the agency sent notice under Section 237.005 to the party requesting the review, and the agency is not able to complete the review within 24 days after the date the agency sent the order to the retirement plan, the agency shall render a temporary order directing the plan to delay distribution to the alternate payee until receiving further order from the agency.

(c) After a review under this section, the Title IV-D agency may render a new administrative domestic relations order that modifies or terminates the previous order.

(d) If a review under this section fails to resolve any issue in dispute, the party may file with the court a motion under Chapter 157 to withdraw or modify the administrative domestic relations order or to replace the order with an alternative payment arrangement. In determining whether to withdraw, modify, or replace the agency's order, the court may consider the subsistence needs of the obligor and the obligor's family against the right of the obligee to have child support arrearages paid as quickly as possible.

SECTION _____. Subsection (a), Section 9.101, Family Code, is amended to read as follows:

(a) Notwithstanding any other provision of this chapter, the court that rendered a final decree of divorce or annulment or another final order dividing property under this title retains continuing, exclusive jurisdiction to render an enforceable qualified domestic relations order or similar order permitting payment of pension, retirement plan, or other employee benefits divisible under the law of this state or of the United States to an alternate payee or other lawful payee, except that a court with jurisdiction under Title 5 may render an enforceable qualified domestic relations order to enforce support for a child.

SECTION _____. Subsection (e), Section 201.104, Family Code, is amended to read as follows:

(e) Notwithstanding Subsection (d) and subject to Section 201.1042(g), an associate judge may hear and render an order on:

- (1) a suit to modify or clarify an existing child support order;
- (2) a motion to enforce a child support order, including a motion for the rendition of a qualified domestic relations order for child support, or revoke a respondent's community supervision and suspension of commitment; or
- (3) a respondent's compliance with the conditions provided in the associate judge's report for suspension of the respondent's commitment.

SECTION _____. Subsection (e), Section 231.002, Family Code, is amended to read as follows:

(e) The Title IV-D agency may take the following administrative actions with respect to the location of a parent, the determination of parentage, and the establishment, modification, and enforcement of child support and medical support orders required by 42 U.S.C. Section 666(c), without obtaining an order from any other judicial or administrative tribunal:

(1) issue an administrative subpoena, as provided by Section 231.303, to obtain financial or other information;

(2) order genetic testing for parentage determination, as provided by Chapter 233;

(3) order income withholding, as provided by Chapter 233, and issue an administrative writ of withholding, as provided by Chapter 158; ~~and~~

(4) take any action with respect to execution, collection, and release of a judgment or lien for child support necessary to satisfy the judgment or lien, as provided by Chapter 157; and

(5) render an administrative domestic relations order under Chapter 237.

SECTION _____. Subsection (b), Section 804.003, Government Code, is amended to read as follows:

(b) Except as provided in Subsection (d), the administrative head of a public retirement system to which this chapter applies and to which a domestic relations order is submitted or his designee has exclusive authority to determine whether a domestic relations order, or an administrative domestic relations order rendered by the Title IV-D agency under Chapter 237, Family Code, is a qualified domestic relations order. A determination by the administrative head or his designee under this section may be appealed only to the board of trustees of the public retirement system. An appeal to the board of trustees of a statewide retirement system is a contested case under Chapter 2001. However, the board of a statewide retirement system by rule may waive the requirement of an appeal to the board. On appeal of a decision made by the board of trustees or by the administrative head if there is no appeal to the board under this section, the standard of review is by substantial evidence.

Floor Amendment No. 4

Amend **CSSB 228** by adding the following appropriately numbered sections and renumbering the sections of the bill accordingly:

SECTION _____. Section 154.131, Family Code, is amended by adding Subsection (f) to read as follows:

(f) Notwithstanding any other provision of this subtitle, the court retains jurisdiction to render an order for retroactive child support in a suit other than a Title IV-D case if a petition requesting retroactive child support is filed not later than the fourth anniversary of the date of the child's 18th birthday.

SECTION _____. The change in law made by this Act by the enactment of Section 154.131(f), Family Code, applies only to a petition in a suit affecting the parent-child relationship pending in a trial court on or filed on or after the effective date of this Act.

Floor Amendment No. 5

Amend **CSSB 228** (House committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill appropriately:

SECTION _____. Section 154.062, Family Code, is amended by adding Subsection (e) to read as follows:

(e) In calculating expenses for health insurance coverage for an obligor's child under Subsection (d)(5), if the obligor has other minor dependents covered under the same health insurance plan, the court shall divide the total cost to the obligor for the insurance by the total number of minor dependents, including the child, covered under the plan.

SECTION _____. Section 154.125, Family Code, is amended to read as follows:

Sec. 154.125. APPLICATION OF GUIDELINES TO NET RESOURCES OF \$7,500 [~~\$6,000~~] OR LESS. (a) The guidelines for the support of a child in this section are specifically designed to apply to situations in which the obligor's monthly net resources are \$7,500 [~~\$6,000~~] or less.

(b) If the obligor's monthly net resources are \$7,500 [~~\$6,000~~] or less, the court shall presumptively apply the following schedule in rendering the child support order:

CHILD SUPPORT GUIDELINES

BASED ON THE MONTHLY NET RESOURCES OF THE OBLIGOR

| | |
|-------------|---|
| 1 child | 20% of Obligor's Net Resources |
| 2 children | 25% of Obligor's Net Resources |
| 3 children | 30% of Obligor's Net Resources |
| 4 children | 35% of Obligor's Net Resources |
| 5 children | 40% of Obligor's Net Resources |
| 6+ children | Not less than the amount for 5 children |

(c) If the obligor's monthly net resources are less than \$2,000, the court may order, after application of the guidelines, additional amounts of child support as appropriate, based on the income of each of the parties and the proven needs of the child, except that the obligor may not be required to pay an additional amount of child support that is more than the greater of the presumptive amount under Subsection (b) or the amount equal to 100 percent of the proven needs of the child.

SECTION _____. Section 154.126, Family Code, is amended to read as follows:

Sec. 154.126. APPLICATION OF GUIDELINES TO NET RESOURCES OF MORE THAN \$7,500 [~~\$6,000~~] MONTHLY. (a) If the obligor's net resources exceed \$7,500 [~~\$6,000~~] per month, the court shall presumptively apply the percentage guidelines to the first \$7,500 [~~\$6,000~~] of the obligor's net resources. Without further reference to the percentage recommended by these guidelines, the court may order additional amounts of child support as appropriate, depending on the income of the parties and the proven needs of the child.

(b) The proper calculation of a child support order that exceeds the presumptive amount established for the first \$7,500 [~~\$6,000~~] of the obligor's net resources requires that the entire amount of the presumptive award be subtracted from the proven total needs of the child. After the presumptive award is subtracted, the court shall allocate between the parties the responsibility to meet the additional needs of the child according to the circumstances of the parties, except that [~~However, in no event may~~]

the obligor may not be required to pay an additional amount of [more] child support that is more than the greater of the presumptive amount or the amount equal to 100 percent of the proven needs of the child.

SECTION _____. Subsection (b), Section 154.130, Family Code, is amended to read as follows:

(b) If findings are required by this section, the court shall state whether the application of the guidelines would be unjust or inappropriate and shall state the following in the child support order:

"(1) the monthly net resources of the obligor per month are \$ _____;

"(2) the monthly net resources of the obligee per month are \$ _____;

"(3) the percentage applied to the obligor's net resources for child support by the actual order rendered by the court is _____%;

"(4) the amount of child support if the percentage guidelines are applied to the first \$7,500 [~~\$6,000~~] of the obligor's net resources is \$ _____;

"(5) if applicable, the specific reasons that the amount of child support per month ordered by the court varies from the amount stated in Subdivision (4) are: _____; and

"(6) if applicable, the obligor is obligated to support children in more than one household, and:

"(A) the number of children before the court is _____;

"(B) the number of children not before the court residing in the same household with the obligor is _____; and

"(C) the number of children not before the court for whom the obligor is obligated by a court order to pay support, without regard to whether the obligor is delinquent in child support payments, and who are not counted under Paragraph (A) or (B) is _____."

SECTION _____. Section 154.182, Family Code, is amended by adding Subsection (d) to read as follows:

(d) In calculating the additional child support to be withheld under Subsection (b)(2), if the obligee has other minor dependents covered under the same health insurance plan, the court shall divide the total cost to the obligee for the insurance by the total number of minor dependents, including the child, covered under the plan.

SECTION _____. Subsection (b), Section 154.183, Family Code, is amended to read as follows:

(b) If the court finds and states in the child support order that the obligee will maintain health insurance coverage for the child at the obligee's expense, the court may increase the amount of child support to be paid by the obligor in an amount not exceeding the total expense to the obligee for maintaining health insurance coverage. In calculating the total expense to the obligee for maintaining health insurance for the child under this subsection, if the obligee has other minor dependents covered under the same health insurance plan, the court shall divide the total expense to the obligee for the insurance by the total number of minor dependents, including the child, covered under the plan.

SECTION _____. The changes in law made by this Act to Chapter 154, Family Code, relating to the calculation of a child support obligation apply only to a proceeding to establish or modify a child support obligation that is pending in a trial court on, or filed on or after, the effective date of this Act.

Floor Amendment No. 6

Amend **CSSB 228** (House committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill appropriately:

SECTION _____. Subsection (d), Section 153.007, Family Code, is amended to read as follows:

(d) If the court finds the agreed parenting plan is not in the child's best interest, the court may request the parties to submit a revised parenting plan. If the parties do not submit a revised parenting plan satisfactory to the court, [or] the court may, after notice and hearing, [reorder an] order a parenting plan that the court finds to be in the best interest of [for the conservatorship and possession of] the child.

SECTION _____. Section 153.0071, Family Code, is amended by adding Subsection (g) to read as follows:

(g) The provisions for confidentiality of alternative dispute resolution procedures under Chapter 154, Civil Practice and Remedies Code, apply equally to the work of a parenting coordinator, as defined by Section 153.601, and to the parties and any other person who participates in the parenting coordination. This subsection does not affect the duty of a person to report abuse or neglect under Section 261.101.

SECTION _____. Subsection (b), Section 153.133, Family Code, is amended to read as follows:

(b) The agreed parenting plan may ~~must~~ contain an alternative dispute resolution procedure that the parties agree to use before requesting enforcement or modification of the terms and conditions of the joint conservatorship through litigation, except in an emergency.

SECTION _____. Subchapter J, Chapter 153, Family Code, is amended by amending Sections 153.601, 153.602, and 153.603 and adding Section 153.6031 to read as follows:

Sec. 153.601. DEFINITIONS. In this subchapter:

(1) "Dispute resolution process" means:

(A) a process of alternative dispute resolution conducted in accordance with Section 153.0071 of this chapter and Chapter 154, Civil Practice and Remedies Code; or

(B) any other method of voluntary dispute resolution.

(2) "High-conflict case" means a suit affecting the parent-child relationship in which the court finds that the parties have demonstrated an unusual degree [demonstrate a pattern] of:

(A) repetitiously resorting to the adjudicative process [repetitious litigation];

(B) anger and distrust; and

(C) difficulty in communicating about and cooperating in the care of their children[; or

~~[(D) other behaviors that in the discretion of the court warrant the appointment of a parenting coordinator].~~

(3) "Parenting coordinator" means an impartial third party appointed by the court on its own motion or on a motion or agreement of the parties to assist parties in resolving ~~[issues relating to] parenting [and other family] issues [arising from an order in a suit affecting the parent-child relationship].~~

(4) "Parenting plan" means the provisions of a [temporary or] final court order that:

(A) set [sets] out [the] rights and duties of a parent or a person acting as a parent in relation to the child;

(B) provide for periods of possession of and access to the child, which may be the terms set out in the standard possession order under Subchapter F and any amendments to the standard possession order agreed to by the parties or found by the court to be in the best interest of the child;

(C) provide for [of parents in a suit affecting the parent-child relationship and includes provisions relating to conservatorship, possession of and access to a child, and] child support; and

(D) optimize the development of a close and continuing relationship between each parent and the child [- and a dispute resolution process to minimize future disputes].

Sec. 153.602. ~~[REQUIREMENT FOR TEMPORARY] PARENTING PLAN NOT REQUIRED IN TEMPORARY ORDER. [(a)] A temporary order [that establishes a conservatorship] in a suit affecting the parent-child relationship rendered in accordance with Section 105.001 is not required to include [must incorporate] a temporary parenting plan. The court may not require the submission of a temporary parenting plan in any case or by local rule or practice. [The temporary parenting plan must comply with the requirements for a final parenting plan under Section 153.603.~~

~~[(b) Subject to Subsection (c), if the parties cannot agree to a temporary parenting plan, the court may, on the motion of a party or on the court's own motion, order the parties to participate in a dispute resolution process to establish a temporary parenting plan.~~

~~[(c) At any time before the court orders the parties to participate in a dispute resolution process under Subsection (b), a party may file a written objection to the referral of the suit to a dispute resolution process on the basis of family violence having been committed by another party against the objecting party or a child who is the subject of the suit. After an objection is filed, the suit may not be referred to a dispute resolution process unless, on the request of a party, a hearing is held and the court finds that a preponderance of the evidence does not support the objection. If the suit is referred to a dispute resolution process, the court shall order appropriate measures be taken to ensure the physical and emotional safety of the party who filed the objection. The order may provide that the parties not be required to have face-to-face contact and that the parties be placed in separate rooms during the dispute resolution process.~~

~~[(d) If a dispute resolution process is not available or is not successful, a party may request and the court may order an expedited hearing to establish a temporary parenting plan.]~~

Sec. 153.603. REQUIREMENT OF [FINAL] PARENTING PLAN IN FINAL ORDER. (a) Except as provided by Subsection (b), a [A] final order in a suit affecting the parent-child relationship must include [incorporate] a [final] parenting plan. [A final parenting plan must:

~~[(1) establish the rights and duties of each parent with respect to the child, consistent with the criteria in this chapter;~~

~~[(2) minimize the child's exposure to harmful parental conflict;~~

~~[(3) provide for the child's changing needs as the child grows and matures, in a way that minimizes the need for further modifications to the final parenting plan; and~~

~~[(4) provide for a dispute resolution process or other voluntary dispute resolution procedures, before court action, unless precluded or limited by Section 153.0071.]~~

(b) The following orders are not required to include a parenting plan:

(1) an order that only modifies child support;

(2) an order that only terminates parental rights; or

(3) a final order described by Section 155.001(b) [In providing for a dispute resolution process, the parenting plan must state that:

~~[(1) preference shall be given to carrying out the parenting plan; and~~

~~[(2) the parties shall use the designated process to resolve disputes].~~

~~(c) [If the parties cannot reach agreement on a final parenting plan, the court, on the motion of a party or on the court's own motion, may order appropriate dispute resolution proceedings under Section 153.0071 to determine a final parenting plan.~~

~~[(d)] If the parties have not reached agreement on a final parenting plan on or before the 30th day before the date set for trial on the merits, a [each] party may [shall] file with the court and serve a proposed [final] parenting plan. [Failure by a party to comply with this subsection may result in the court's adoption of the proposed final parenting plan filed by the opposing party if the court finds that plan to be in the best interest of the child.]~~

(d) This section does not preclude the parties from requesting the appointment of a parenting coordinator to resolve parental conflicts. [(e) Each party filing a proposed final parenting plan must attach:

~~[(1) a verified statement of income determined in accordance with the child support guidelines and related provisions prescribed by Chapter 154; and~~

~~[(2) a verified statement that the plan is proposed in good faith and is in the best interest of the child.]~~

Sec. 153.6031. EXCEPTION TO DISPUTE RESOLUTION PROCESS REQUIREMENT. A requirement in a parenting plan that a party initiate or participate in a dispute resolution process before filing a court action does not apply to an action:

(1) to modify the parenting plan in an emergency;

(2) to modify child support;

(3) alleging that the child's present circumstances will significantly impair the child's physical health or significantly impair the child's emotional development;

(4) to enforce; or

(5) in which the party shows that enforcement of the requirement is precluded or limited by Section 153.0071.

SECTION _____. Section 153.605, Family Code, is amended to read as follows:

Sec. 153.605. APPOINTMENT OF PARENTING COORDINATOR. (a) In a suit affecting the parent-child relationship, the court may, on its own motion or on a motion or agreement of the parties, appoint a parenting coordinator to assist the parties in resolving ~~[issues related to] parenting [or other family] issues [in the suit].~~

(b) The court may not appoint a parenting coordinator ~~[if any party objects]~~ unless, after notice and hearing, the court makes a specific finding ~~[findings]~~ that:

(1) the case is ~~[or is likely to become]~~ a high-conflict case; or

(2) there is good cause shown for the appointment of a parenting coordinator and the appointment is in the best interest of any minor child in the suit.

(c) Notwithstanding any other provision of this subchapter, a party may at any time ~~[prior to the appointment of a parenting coordinator]~~ file a written objection to the appointment of a parenting coordinator on the basis of family violence having been committed by another party against the objecting party or a child who is the subject of the suit. After an objection is filed, a parenting coordinator may not be appointed unless, on the request of a party, a hearing is held and the court finds that a preponderance of the evidence does not support the objection. If a parenting coordinator is appointed, the court shall order appropriate measures be taken to ensure the physical and emotional safety of the party who filed the objection. The order may provide that the parties not be required to have face-to-face contact and that the parties be placed in separate rooms during the parenting coordination.

SECTION _____. The heading to Section 153.606, Family Code, is amended to read as follows:

Sec. 153.606. DUTIES [AUTHORITY] OF PARENTING COORDINATOR.

SECTION _____. Subsections (a) and (c), Section 153.606, Family Code, are amended to read as follows:

(a) The duties [authority] of a parenting coordinator must be specified in the order appointing the parenting coordinator. The duties of the parenting coordinator are [and] limited to matters that will aid the parties in:

(1) identifying disputed issues;

(2) reducing misunderstandings;

(3) clarifying priorities;

(4) exploring possibilities for problem solving;

(5) developing methods of collaboration in parenting;

(6) understanding parenting plans and reaching agreements about parenting issues to be included in a parenting plan [developing a parenting plan]; and

(7) complying with the court's order regarding conservatorship or possession of and access to the child.

(c) The parenting coordinator may not modify any order, judgment, or decree ~~[but may urge or suggest that the parties agree to minor temporary departures from a parenting plan if the parenting coordinator is authorized by the court to do so].~~ If a suit is pending, any [Any] agreement made by the parties with the assistance of [and] the parenting coordinator must [may] be reduced to writing, signed by the parties and their attorneys, if any, and filed with [presented to] the court [for approval].

SECTION _____. Subsection (b), Section 153.607, Family Code, is amended to read as follows:

- (b) The court shall ~~may~~ remove the parenting coordinator:
- (1) on the request and agreement of both parties; or
 - (2) on the motion of a party, if good cause is shown.

SECTION _____. Section 153.608, Family Code, is amended to read as follows:

Sec. 153.608. REPORT OF PARENTING COORDINATOR. A parenting coordinator shall submit a written report to the court and to the parties as often as ordered by the court. The ~~[In the]~~ report must be limited to a statement of ~~[the parenting coordinator may give only an opinion regarding]~~ whether the parenting coordination ~~[is succeeding and]~~ should continue.

SECTION _____. Subsections (a) and (c), Section 153.609, Family Code, are amended to read as follows:

(a) A court may not appoint a parenting coordinator, other than a domestic relations office or a comparable county agency appointed under ~~[an employee described by]~~ Subsection (c) or a volunteer appointed under Subsection (d), unless, after notice and hearing, the court finds that the parties have the means to pay the fees of the parenting coordinator.

(c) Public funds may not be used to pay the fees of a parenting coordinator. Notwithstanding this prohibition, a court may appoint ~~[an employee of the court,]~~ the domestic relations office~~]~~ or a comparable county agency to act as a parenting coordinator if personnel are available to serve that function.

SECTION _____. The following are repealed:

- (1) Section 153.604, Family Code; and
- (2) Subsections (e) and (f), Section 153.606, Family Code.

SECTION _____. The changes in law made by this Act to Chapter 153, Family Code, relating to the use of a parenting plan or a parenting coordinator apply to a suit affecting the parent-child relationship that is pending in a trial court on the effective date of this Act or that is filed on or after the effective date of this Act.

Floor Amendment No. 8

Amend **CSSB 228** (House committee printing) by inserting the following appropriately numbered SECTIONS to the bill and renumbering existing SECTIONS of the bill accordingly:

SECTION _____. Section 160.102(6), Family Code, is amended to read as follows:

(6) "Donor" means an individual who provides ~~[produces]~~ eggs or sperm to a licensed physician to be used for assisted reproduction, regardless of whether the eggs or sperm are provided ~~[production is]~~ for consideration. The term does not include:

(A) a husband who provides sperm or a wife who provides eggs to be used for assisted reproduction by the wife; ~~[or]~~

(B) a woman who gives birth to a child by means of assisted reproduction; or

(C) an unmarried man who, with the intent to be the father of the resulting child, provides sperm to be used for assisted reproduction by an unmarried woman, as provided by Section 160.7031.

SECTION _____. Subchapter H, Chapter 160, Family Code, is amended by adding Section 160.7031 to read as follows:

Sec. 160.7031. UNMARRIED MAN'S PATERNITY OF CHILD OF ASSISTED REPRODUCTION. (a) If an unmarried man, with the intent to be the father of a resulting child, provides sperm to a licensed physician and consents to the use of that sperm for assisted reproduction by an unmarried woman, he is the father of a resulting child.

(b) Consent by an unmarried man who intends to be the father of a resulting child in accordance with this section must be in a record signed by the man and the unmarried woman and kept by a licensed physician.

SECTION _____. Section 160.704(a), Family Code, is amended to read as follows:

(a) Consent by a married woman to assisted reproduction must be in a record signed by the woman and her husband and kept by a licensed physician. This requirement does not apply to the donation of eggs by a married woman for assisted reproduction by another woman.

SECTION _____. Section 160.706, Family Code, is amended to read as follows:

Sec. 160.706. EFFECT OF DISSOLUTION OF MARRIAGE. (a) If a marriage is dissolved before the placement of eggs, sperm, or embryos, the former spouse is not a parent of the resulting child unless the former spouse consented in a record kept by a licensed physician that if assisted reproduction were to occur after a divorce the former spouse would be a parent of the child.

(b) The consent of a former spouse to assisted reproduction may be withdrawn by that individual in a record kept by a licensed physician at any time before the placement of eggs, sperm, or embryos.

SECTION _____. Section 160.707, Family Code, is amended to read as follows:

Sec. 160.707. PARENTAL STATUS OF DECEASED SPOUSE. If a spouse dies before the placement of eggs, sperm, or embryos, the deceased spouse is not a parent of the resulting child unless the deceased spouse consented in a record kept by a licensed physician that if assisted reproduction were to occur after death the deceased spouse would be a parent of the child.

SECTION _____. The change in law made by this Act to Chapter 160, Family Code, applies to a motion or other request for relief made in a parentage or paternity proceeding that is commenced on or after the effective date of this Act. A motion or other request for relief made in a parentage or paternity proceeding commenced before the effective date of this Act is governed by the law in effect at the time the proceeding was commenced, and the former law is continued in effect for that purpose.

Floor Amendment No. 9

Amend **CSSB 228** (House committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS:

SECTION _____. Subsection (g), Section 105.006, Family Code, is amended to read as follows:

(g) The Title IV-D agency shall promulgate and provide forms for a party to use in reporting to the court and ~~when established, to~~ the state case registry under Chapter 234 the information required under this section.

SECTION _____. Section 108.001, Family Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Except as provided by this chapter, the clerk of the court shall transmit to the bureau of vital statistics a certified record of the order rendered in a suit, together with the name and all prior names, birth date, and place of birth of the child [~~prepared by the petitioner~~] on a form provided by the bureau. The form shall be completed by the petitioner and submitted to the clerk at the time the order is filed for record.

(d) In a Title IV-D case, the Title IV-D agency may transmit the record and information specified by Subsection (a) to the bureau of vital statistics, with a copy to the clerk of the court on request by the clerk. The record and information are not required to be certified if transmitted by the Title IV-D agency under this subsection.

SECTION _____. Section 108.004, Family Code, is amended to read as follows:

Sec. 108.004. TRANSMITTAL OF FILES ON LOSS OF JURISDICTION. On the loss of jurisdiction of a court under Chapter 155, 159, or 262, the clerk of the court shall transmit to the central registry of the bureau of vital statistics a certified record, on a form provided by the bureau, stating that jurisdiction has been lost, the reason for the loss of jurisdiction, and the name and all previous names, date of birth, and place of birth of the child.

SECTION _____. Subsections (a) and (b), Section 154.186, Family Code, are amended to read as follows:

(a) The obligee, obligor, or a child support agency of this state or another state may send to the employer a copy of the order requiring an employee to provide health insurance coverage for a child or may include notice of the medical support order in an order or writ of withholding sent to the employer in accordance with Chapter 158.

(b) In an appropriate Title IV-D case, the Title IV-D agency of this state or another state shall send to the employer the national medical support notice required under Part D, Title IV of the federal Social Security Act (42 U.S.C. Section 651 et seq.), as amended. The notice may be used in any other suit in which an obligor is ordered to provide health insurance coverage for a child.

SECTION _____. Section 157.102, Family Code, is amended to read as follows:

Sec. 157.102. CAPIAS OR WARRANT; DUTY OF LAW ENFORCEMENT OFFICIALS. Law enforcement officials shall treat a [~~the~~] capias or arrest warrant ordered under this chapter in the same manner as an arrest warrant for a criminal offense and shall enter the capias or warrant in the computer records for outstanding warrants maintained by the local police, sheriff, and Department of Public Safety. The capias or warrant shall be forwarded to and disseminated by the Texas Crime Information Center and the National Crime Information Center.

SECTION _____. Section 157.268, Family Code, is amended to read as follows:

Sec. 157.268. APPLICATION OF CHILD SUPPORT PAYMENT. Child support collected shall be applied in the following order of priority:

- (1) current child support;
- (2) non-delinquent child support owed;
- (3) interest on the principal amounts specified in Subdivisions (4) and (5);
- (4) the principal amount of child support that has not been confirmed and reduced to money judgment;
- (5) the principal amount of child support that has been confirmed and reduced to money judgment; and

(6) the amount of any ordered attorney's fees or costs, or Title IV-D service fees authorized under Section 231.103 for which the obligor is responsible.

SECTION _____. Subdivision (1), Section 157.311, Family Code, is amended to read as follows:

(1) "Account" means:

(A) any type of a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, money market mutual fund account, certificate of deposit, or any other instrument of deposit, including any accrued interest and dividends, in which an individual, as a signatory or not, has a beneficial ownership either in its entirety or on a shared or multiple party basis, including an account in which the individual has a community or separate property interest ~~[any accrued interest and dividends]~~; and

(B) a life insurance policy in which an individual has a beneficial ownership or liability insurance against which an individual has filed a claim or counterclaim.

SECTION _____. Section 157.314, Family Code, is amended by amending Subsection (d) and adding Subsection (e) to read as follows:

(d) If a child support lien notice is delivered to a financial institution with respect to an account of the obligor, the institution shall immediately:

(1) provide the claimant with the last known address of the obligor and disclose to the claimant the amount in the obligor's account at the time of receipt of the notice, before the deduction of any authorized fees; and

(2) notify any other person having an ownership interest in the account that the account has been frozen in an amount not to exceed the amount of the child support arrearage identified in the notice.

(e) On request, a financial institution to which a child support lien notice has been delivered shall provide the claimant with a statement showing deposits to the obligor's account made from the date of receipt of the child support lien notice to the date of receipt of the request for information concerning deposits made to the obligor's account.

SECTION _____. Subsection (a), Section 157.318, Family Code, is amended to read as follows:

(a) A lien is effective until all current support and child support arrearages, including interest, ~~and~~ any costs and reasonable attorney's fees, and any Title IV-D service fees authorized under Section 231.103 for which the obligor is responsible, have been paid or the lien is otherwise released as provided by this subchapter.

SECTION _____. Section 157.324, Family Code, is amended to read as follows:

Sec. 157.324. LIABILITY FOR FAILURE TO COMPLY WITH ORDER OR LIEN. (a) A person who knowingly pays over, releases, sells, transfers, encumbers, conveys, or otherwise disposes of property subject to a child support lien or ~~;~~ who, after a foreclosure hearing, fails to surrender on demand nonexempt personal property as directed by a court ~~[or administrative order]~~ under this subchapter ~~[or who fails to comply with a notice of levy under this subchapter]~~ is liable to the claimant for the greater of ~~it~~ an amount equal to two times the value of the property paid over,

released, sold, transferred, encumbered, conveyed, or otherwise disposed of or not surrendered or \$5,000, but not to exceed the amount of the child support arrearages for which the lien[~~, notice of levy,~~] or foreclosure judgment was issued.

(b) A claimant may recover costs and reasonable attorney's fees incurred in an action under this section.

(c) Any amount paid by a person under this section may not be credited against the child support arrearages owed by the obligor.

SECTION _____. Section 157.327, Family Code, is amended by amending Subsections (b) and (c) and adding Subsection (f) to read as follows:

(b) The notice under this section must:

(1) identify the amount of child support arrearages owing at the time the amount of arrearages was determined or, if the amount is less, the amount of arrearages owing at the time the notice is prepared and delivered to the financial institution; and

(2) direct the financial institution to pay to the claimant, not earlier than the 15th day or later than the 21st day after the date of delivery of the notice, an amount from the assets of the obligor or from funds due to the obligor that are held or controlled by the institution, not to exceed the amount of the child support arrearages identified in the notice, unless:

(A) the institution is notified by the claimant that the obligor has paid the arrearages or made arrangements satisfactory to the claimant for the payment of the arrearages;

(B) the obligor or another person files a suit under Section 157.323 requesting a hearing by the court; or

(C) if the claimant is the Title IV-D agency, the obligor has requested an agency review under Section 157.328.

(c) A financial institution that receives a notice of levy under this section may not close an account in which the obligor has an ownership interest, permit a withdrawal from any account the obligor owns, in whole or in part, or pay funds to the obligor so that any amount remaining in the account is less than the amount of the arrearages identified in the notice, plus ordinary monthly [any] fees, if any, due to the institution and any costs of the levy identified by the claimant.

(f) A financial institution may deduct the fees and costs identified in Subsection (c) from the obligor's assets before paying the appropriate amount to the claimant.

SECTION _____. Section 157.329, Family Code, is amended to read as follows:

Sec. 157.329. MOTION FOR COURT REVIEW OF APPLICABILITY; NO LIABILITY FOR COMPLIANCE WITH NOTICE OF LIEN OR LEVY. (a) Not later than the 10th day after the date of delivery of the notice of child support lien or levy, a financial institution may file a motion with the court for a review of the applicability of the lien or notice of levy to the account at the financial institution. A notice of child support lien or levy remains binding and payment to the claimant shall be made as provided by Section 157.327(b)(2), unless otherwise ordered by the court.

(b) A financial institution that possesses or has a right to an obligor's assets for which a notice of lien or levy has been delivered and that freezes assets subject to a child support lien or timely surrenders the assets or right to assets in accordance with ~~to~~ a child support levy ~~[lien claimant]~~ is not liable to the obligor or any other person for the property or rights frozen or surrendered.

SECTION _____. Section 157.330, Family Code, is amended to read as follows:

Sec. 157.330. FAILURE TO COMPLY WITH NOTICE OF LEVY. (a) A person who possesses or has a right to property that is the subject of a notice of levy delivered to the person and who refuses or fails to timely surrender the property or right to property that should have been paid or delivered to the claimant on demand is liable to the claimant for the greater of ~~the~~ an amount equal to two times the value of the property or right to property that should have been paid or delivered or \$5,000, ~~[not surrendered]~~ but ~~[that does]~~ not to exceed the amount of the child support arrearages for which the notice of levy has been filed.

(b) A claimant may recover costs and reasonable attorney's fees incurred in an action under this section.

(c) Any amount paid by a person under this section may not be credited against the child support arrearages owed by the obligor.

SECTION _____. Subsection (a), Section 158.502, Family Code, is amended to read as follows:

(a) An administrative writ of withholding under this subchapter may be issued by the Title IV-D agency at any time until all current support, including medical support, and child support arrearages, and Title IV-D service fees authorized under Section 231.103 for which the obligor is responsible, have been paid. The writ issued under this subsection may be based on an obligation in more than one support order.

SECTION _____. Section 158.506, Family Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) If a review under this section fails to resolve any issue in dispute, the obligor ~~[is entitled to the remedies provided by Section 158.317 for cases in which a notice of an application for judicial writ of withholding was not received. The obligor]~~ may file a motion with the court to withdraw the administrative writ of withholding and request a hearing with the court not later than the 30th day after receiving notice of the agency's determination. Income withholding may not be interrupted pending a hearing by the court.

(d) If an administrative writ of withholding issued under this subchapter is based on an order of a tribunal of another state that has not been registered under Chapter 159, the obligor may file a motion with an appropriate court in accordance with Subsection (c).

SECTION _____. Section 158.507, Family Code, is amended to read as follows:

Sec. 158.507. ADMINISTRATIVE WRIT TERMINATING WITHHOLDING. An administrative writ to terminate withholding may be issued and delivered to an employer by the Title IV-D agency when all current support, including medical support, and child support arrearages, and Title IV-D service fees authorized under Section 231.103 for which the obligor is responsible, have been paid.

SECTION _____. Subsection (b), Section 231.006, Family Code, is amended to read as follows:

(b) A child support obligor or business entity ineligible to receive payments under Subsection (a) ~~[or a child support obligor ineligible to receive payments under Subsection (a-1)]~~ remains ineligible until:

- (1) all arrearages have been paid;
- (2) the obligor is in compliance with a written repayment agreement or court order as to any existing delinquency; or
- (3) the court of continuing jurisdiction over the child support order has granted the obligor an exemption from Subsection (a) as part of a court-supervised effort to improve earnings and child support payments.

SECTION _____. The heading to Section 231.012, Family Code, is amended to read as follows:

Sec. 231.012. CHILD SUPPORT ~~[COUNTY ADVISORY]~~ WORK GROUP.

SECTION _____. Subsections (a), (b), and (c), Section 231.012, Family Code, are amended to read as follows:

(a) The director of the Title IV-D agency may convene ~~[shall establish]~~ a ~~[county advisory]~~ work group representing public and private entities with an interest in child support enforcement in this state to work with ~~[assist]~~ the director ~~[Title IV-D agency]~~ in developing strategies to improve ~~[and changing]~~ child support enforcement in this state ~~[programs that affect counties. The work group shall consist of at least one of each of the following:~~

- ~~[(1) county judge;~~
- ~~[(2) county commissioner;~~
- ~~[(3) district clerk;~~
- ~~[(4) domestic relations officer;~~
- ~~[(5) associate judge for Title IV-D cases; and~~
- ~~[(6) district court judge].~~

(b) The director of the Title IV-D agency shall appoint the members of the work group after consulting with appropriate public and private entities ~~[the relevant professional or trade associations of the professions that are represented on the work group. The director of the Title IV-D agency shall determine the number of members of the work group and shall designate the presiding officer of the group].~~

(c) The work group shall meet as convened by the director of the Title IV-D agency and consult with ~~[:~~

~~[(1) advise] the director on matters relating to [of the Title IV-D agency of the impact on counties that a proposed] child support enforcement in this state, including the delivery of Title IV-D services [program or a change in a program may have;~~

- ~~[(2) establish a state county child support improvement plan;~~
- ~~[(3) advise the Title IV-D agency on the operation of the state disbursement unit;~~
- ~~[(4) plan for monetary incentives for county partnership programs;~~
- ~~[(5) expand the number of agreements with counties for enforcement services; and~~
- ~~[(6) work with relevant statewide associations on a model partnership agreement].~~

SECTION _____. Section 231.103, Family Code, is amended by amending Subsection (f) and adding Subsection (g-1) to read as follows:

(f) The state disbursement unit established and operated by the Title IV-D agency under Chapter 234 may collect a monthly service fee of \$3 in each case in which [deducted from] support payments are processed through the unit [in a case for which the Title IV D agency is not providing services].

(g-1) A fee authorized under this section for providing child support enforcement services is part of the child support obligation if the obligor is responsible for the fee, and may be enforced against the obligor through any method available for the enforcement of child support, including contempt.

SECTION _____. Section 233.019, Family Code, is amended by adding Subsection (d) to read as follows:

(d) A child support order issued by a tribunal of another state and filed with an agreed review order as an exhibit to the agreed review order shall be treated as a confirmed order without the necessity of registration under Subchapter G, Chapter 159.

SECTION _____. Subsection (a), Section 234.008, Family Code, is amended to read as follows:

(a) Not [Except as provided by Subsection (e) or (d), not] later than the second business day after the date the state disbursement unit receives a child support payment, the state disbursement unit shall distribute the payment to the Title IV-D agency or the obligee.

SECTION _____. Subchapter A, Chapter 234, Family Code, is amended by adding Section 234.012 to read as follows:

Sec. 234.012. RELEASE OF INFORMATION FROM STATE CASE REGISTRY. Unless prohibited by a court in accordance with Section 105.006(c), the state case registry shall, on request and to the extent permitted by federal law, provide the information required under Sections 105.006 and 105.008 in any case included in the registry under Section 234.001(b) to:

(1) any party to the proceeding;

(2) an amicus attorney;

(3) an attorney ad litem;

(4) a friend of the court;

(5) a guardian ad litem;

(6) a domestic relations office;

(7) a prosecuting attorney or juvenile court acting in a proceeding under

Title 3; or

(8) a governmental entity or court acting in a proceeding under Chapter 262.

(2) In SECTION 16 of the bill (page 8, lines 20 and 21), strike the introductory language and substitute the following:

Section 157.313, Family Code, is amended by amending Subsections (a), (c), and (e) and adding Subsection (f) to read as follows:

(3) In SECTION 16 of the bill, immediately following amended Subsection (e), Section 157.313, Family Code (page 10, between lines 12 and 13), insert the following:

(f) The requirement under Subsections (a)(3) and (4) to provide a social security number, if known, does not apply to a lien notice for a lien on real property.

(4) In SECTION 17 of the bill (page 10, lines 13 and 14), strike the introductory language and substitute the following:

Subsections (a) and (a-1), Section 157.317, Family Code, are amended to read as follows:

(5) In SECTION 17 of the bill, immediately preceding amended Subsection (a-1), Section 157.317, Family Code (page 10, between lines 14 and 15), insert the following:

(a) A child support lien attaches to all real and personal property of an obligor not exempt under the Texas Constitution or other law, including:

(1) an account in a financial institution in which funds are held for the obligor's benefit, regardless of whether the account is in the name of the obligor or in the name of a nominal owner other than the obligor;

(2) a retirement plan, including an individual retirement account; and

(3) the proceeds of a life insurance policy, a claim for negligence or personal injury, or an insurance settlement or award for the claim, due to or owned by the obligor.

(6) In SECTION 18 of the bill, in the introductory language (page 10, line 23), strike "Section 158.214" and substitute "Sections 158.214 and 158.215".

(7) In SECTION 18 of the bill, immediately following added Section 158.214, Family Code (page 11, between lines 8 and 9), insert the following:

Sec. 158.215. WITHHOLDING FROM LUMP-SUM PAYMENTS. (a) In this section, "lump-sum payment" means income in the form of a bonus or commission or an amount paid in lieu of vacation or other leave time. The term does not include an employee's usual earnings or an amount paid as severance pay on termination of employment.

(b) This section applies only to an employer who receives an administrative writ of withholding in a Title IV-D case that requires that an obligor's income be withheld for child support arrearages.

(c) An employer to whom this section applies may not make a lump-sum payment to the obligor in the amount of \$500 or more without first notifying the Title IV-D agency that issued the writ to determine whether all or a portion of the payment should be applied to the child support arrearages.

(d) After notifying the Title IV-D agency in compliance with Subsection (c), the employer may not make the lump-sum payment before the earlier of:

(1) the 10th day after the date on which the employer notified the Title IV-D agency; or

(2) the date on which the employer receives authorization from the Title IV-D agency to make the payment.

(e) If the employer receives a timely authorization from the Title IV-D agency under Subsection (d)(2), the employer may make the payment only in accordance with the terms of that authorization.

(8) Add the following appropriately numbered SECTION to the bill:

SECTION _____. The following provisions of the Family Code are repealed:

(1) Subsection (a-1), Section 231.006;

- (2) Section 231.011;
- (3) Subsection (d), Section 231.103;
- (4) Section 231.310;
- (5) Subsections (c), (d), and (e), Section 234.008; and
- (6) Chapter 235.

(9) In SECTION 34 of the bill (page 22, line 18), add the following appropriately lettered subdivisions and reletter existing subdivisions in SECTION 34 accordingly:

() The changes in law made by this Act to Sections 157.311, 157.313, 157.317, 157.324, and 157.330, Family Code, apply only to a child support lien or levy notice or suit filed on or after the effective date of this Act. A child support lien or levy notice or suit filed before the effective date of this Act is governed by the law in effect on the date the lien or levy notice or suit was filed, and the former law is continued in effect for that purpose.

() Section 157.314, Family Code, as amended by this Act, and Subsection (f), Section 157.327, Family Code, as added by this Act, apply only to a financial institution that receives a lien notice or notice of levy under those sections on or after the effective date of this Act. A financial institution that receives a lien notice or notice of levy under those sections before the effective date of this Act is governed by the law in effect on the date the lien notice or notice of levy is received, and the former law is continued in effect for that purpose.

() The changes in law made by this Act to Section 158.506, Family Code, apply only to an administrative writ of withholding issued on or after the effective date of this Act. An administrative writ of withholding issued before the effective date of this Act is governed by the law in effect at the time the administrative writ is issued, and the former law is continued in effect for that purpose.

() The changes in law made by this Act to Section 231.103, Family Code, apply only to fees that are incurred on or after the date that the rules adopted in accordance with that section take effect.

(10) Renumber existing SECTIONS of the bill accordingly.

Floor Amendment No. 10

Amend **CSSB 228** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. Section 154.006(a), Family Code, is amended to read as follows:

(a) Unless otherwise agreed in writing or expressly provided in the order or as provided by Subsection (b), the child support order terminates on:

- (1) the marriage of the child;
- (2) the removal of the child's disabilities for general purposes;
- (3) the death of:
 - (A) the child; or
 - (B) a parent ordered to pay child support; ~~or~~
- (4) a finding by a court that the child:
 - (A) is 18 years of age or older; and
 - (B) has failed to comply with the enrollment or attendance requirements

described by Section 154.002(a); or

(5) the enlistment of the child in the armed forces of the United States.

SECTION __. The change in law made by this Act to Section 154.006(a), Family Code, applies to an order for child support regardless of whether the order was rendered before, on, or after the effective date of this Act.

Floor Amendment No. 11

Amend **CSSB 228** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____. Subchapter A, Chapter 153, Family Code, is amended by adding Section 153.015 to read as follows:

Sec. 153.015. ELECTRONIC COMMUNICATION WITH CHILD BY CONSERVATOR. (a) In this section, "electronic communication" means any communication facilitated by the use of any wired or wireless technology via the Internet or any other electronic media. The term includes communication facilitated by the use of a telephone, electronic mail, instant messaging, videoconferencing, or webcam.

(b) If a conservator of a child requests the court to order periods of electronic communication with the child under this section, the court may award the conservator reasonable periods of electronic communication with the child to supplement the conservator's periods of possession of the child. In determining whether to award electronic communication, the court shall consider:

(1) whether electronic communication is in the best interest of the child;

(2) whether equipment necessary to facilitate the electronic communication is reasonably available to all parties subject to the order; and

(3) any other factor the court considers appropriate.

(c) If a court awards a conservator periods of electronic communication with a child under this section, each conservator subject to the court's order shall:

(1) provide the other conservator with the e-mail address and other electronic communication access information of the child;

(2) notify the other conservator of any change in the e-mail address or other electronic communication access information not later than 24 hours after the date the change takes effect; and

(3) if necessary equipment is reasonably available, accommodate electronic communication with the child, with the same privacy, respect, and dignity accorded all other forms of access, at a reasonable time and for a reasonable duration subject to any limitation provided by the court in the court's order.

(d) The court may not consider the availability of electronic communication as a factor in determining child support. The availability of electronic communication under this section is not intended as a substitute for physical possession of or access to the child where otherwise appropriate.

(e) In a suit in which the court's order contains provisions related to a finding of family violence in the suit, including supervised visitation, the court may award periods of electronic communication under this section only if:

(1) the award and terms of the award are mutually agreed to by the parties;

and

(2) the terms of the award:

(A) are printed in the court's order in boldfaced, capitalized type; and

(B) include any specific restrictions relating to family violence or supervised visitation, as applicable, required by other law to be included in a possession or access order.

Floor Amendment No. 12

Amend **CSSB 228**, immediately following SECTION 3 of the bill (House committee printing page 2, between lines 3 and 4), by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 154.127, Family Code, is amended to read as follows:

Sec. 154.127. PARTIAL TERMINATION OF SUPPORT OBLIGATION. (a) A child support order for more than one child shall provide that, on the termination of support for a child, the level of support for the remaining child or children is in accordance with the child support guidelines.

(b) A child support order is in compliance with the requirement imposed by Subsection (a) if the order contains a provision that specifies:

(1) the events, including a child reaching the age of 18 years or otherwise having the disabilities of minority removed, that have the effect of terminating the obligor's obligation to pay child support for that child; and

(2) the reduced total amount that the obligor is required to pay each month after the occurrence of an event described by Subdivision (1).

Floor Amendment No. 13

Amend **CSSB 228** by striking SECTION 10 of the bill, amending Section 157.211, Family Code (House committee printing page 5, line 20, through page 6, line 16), and renumbering the SECTIONS of the bill accordingly.

Floor Amendment No. 14

Amend **CSSB 228**, immediately following SECTION 3 of the bill (House committee printing page 2, between lines 3 and 4), by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 154.127, Family Code, is amended to read as follows:

Sec. 154.127. PARTIAL TERMINATION OF SUPPORT OBLIGATION. (a) A child support order for more than one child shall provide that, on the termination of support for a child, the level of support for the remaining child or children is in accordance with the child support guidelines.

(b) A child support order is in compliance with the requirement imposed by Subsection (a) if the order contains a provision that specifies:

(1) the events, including a child reaching the age of 18 years or otherwise having the disabilities of minority removed, that have the effect of terminating the obligor's obligation to pay child support for that child; and

(2) the reduced total amount that the obligor is required to pay each month after the occurrence of an event described by Subdivision (1).

Floor Amendment No. 15

Amend **CSSB 228** by adding the following appropriately numbered sections and renumbering the sections of the bill accordingly:

SECTION _____. Section 157.162, Family Code, is amended by adding Subsection (d) to read as follows:

(d) The court may not find a respondent in contempt of court for failure to pay child support if the respondent appears at the hearing with a copy of the payment record or other evidence satisfactory to the court showing that the respondent is current in the payment of child support.

SECTION _____. Section 157.162(d), Family Code, as added by this Act, applies to a hearing to enforce an order in a suit affecting the parent-child relationship that commences on or after the effective date of this Act. A hearing before the effective date of this Act is governed by the law in effect on the date the hearing commenced, and the former law is continued in effect for that purpose.

Amendment No. 1 on Third Reading

Amend **CSSB 228** on third reading by adding a new appropriately numbered SECTION to read as follows:

SECTION _____. In the event another Act of the 80th Legislature, Regular Session, includes a provision adopting Section 153.015, Family Code, relating to electronic communications between a parent and a child, and that provision is not identical to Section 153.015, Family Code, as provided in this Act, the provision in this Act shall prevail and any such provision in any other Act that is not identical to the provision in this Act shall not become effective.

Floor Amendment No. 2 on Third Reading

Amend **CSSB 228** on third reading by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 153.3161, Family Code, is amended to read as follows:

Sec. 153.3161. [~~LIMITED~~] POSSESSION DURING MILITARY DEPLOYMENT. (a) In this section, "military deployment" means military duty ordered for a period of more than six months during which the person ordered to duty:

(1) is not provided the option of being accompanied by the person's child;
and

(2) is serving in a location where access to the person's child is not reasonably possible.

(b) In addition to the general terms and conditions of possession required by Section 153.316, if a possessory conservator or a joint managing conservator of the child without the exclusive right to designate the primary residence of the child is currently a member of the armed forces of the state or the United States or is reasonably expected to join those forces, the court shall:

(1) permit that conservator to designate a person who may exercise ~~[limited]~~ possession of the child on behalf of that conservator during any period that the conservator is deployed under a military deployment ~~[outside of the United States]~~; and

(2) if the conservator elects to designate a person under Subdivision (1), provide in the order for ~~[limited]~~ possession of the child by the designated person under those circumstances, subject to the court's determination that the ~~[limited]~~ possession is in the best interest of the child.

~~(c) [(b)]~~ If the court determines that the ~~[limited]~~ possession is in the best interest of the child, the court shall provide in the order that during periods of military deployment:

(1) the designated person has the right to possession of the child for the periods and in the manner in which the deployed conservator would be entitled to exercise possession if not deployed ~~[on the first weekend of each month beginning at 6 p.m. on Friday and ending at 6 p.m. on Sunday]~~;

(2) ~~[the other parent shall surrender the child to the designated person at the beginning of each period of possession at the other parent's residence;~~

~~[(3) the designated person shall return the child to the other parent's residence at the end of each period of possession;~~

~~[(4)]~~ the child's other parent and the designated person are subject to the requirements of Section 153.316, with the designated person considered for purposes of that section to be the possessory conservator ~~[Sections 153.316(5)-(9)]~~;

(3) ~~[(5)]~~ the designated person has the rights and duties of a nonparent possessory conservator under Section 153.376(a) during the period that the person has possession of the child; and

(4) ~~[(6)]~~ the designated person is subject to any provision in a court order restricting or prohibiting access to the child by any specified individual.

(d) The court shall use every reasonable means to expedite a hearing under this section to ensure that the order is rendered before the conservator's military deployment, unless the court determines that an expedited hearing is not in the best interest of the child.

~~(e) [(e)]~~ After the military deployment is concluded, and the deployed parent returns to that parent's usual residence, the designated person's right to ~~[limited]~~ possession under this section terminates and the rights of all affected parties are governed by the terms of any court order applicable when a parent is not deployed.

SECTION _____. Subchapter F, Chapter 153, Family Code, is amended by adding Section 153.3162 to read as follows:

Sec. 153.3162. ADDITIONAL PERIODS OF POSSESSION OR ACCESS AFTER CONCLUSION OF MILITARY DEPLOYMENT. (a) In this section:

(1) "Conservator" means:

(A) a possessory conservator of a child; or

(B) a joint managing conservator of a child without the exclusive right to designate the primary residence of the child.

(2) "Military deployment" means military duty ordered for a period of more than six months during which the person ordered to duty:

(A) is not provided the option of being accompanied by the person's child; and

(B) is serving in a location where access to the person's child is not reasonably possible.

(b) Not later than the 90th day after the date a conservator who is a member of the armed services concludes the conservator's military deployment, the conservator may petition the court to:

(1) compute the periods of possession of or access to the child to which the conservator would have otherwise been entitled during the conservator's military deployment; and

(2) award the conservator additional periods of possession of or access to the child to compensate for the periods described by Subdivision (1).

(c) If a conservator petitions the court under Subsection (b), the court:

(1) shall compute the periods of possession or access to the child described by Subsection (b)(1); and

(2) may award to the conservator additional periods of possession of or access to the child for a length of time and under terms the court considers reasonable, if the court determines that the award of additional periods of possession of or access to the child is in the best interest of the child.

(d) In making the determination under Subsection (c)(2), the court:

(1) shall consider:

(A) the periods of possession of or access to the child to which the conservator would otherwise have been entitled during the conservator's military deployment, as computed under Subsection (c)(1); and

(B) any other factor the court considers appropriate; and

(2) is not required to award additional periods of possession of or access to the child that equals the possession or access to which the conservator would have been entitled during the conservator's military deployment, as computed under Subsection (c)(1).

(e) After the conservator has exercised all additional periods of possession or access awarded under this section, the rights of all affected parties are governed by the terms of any court order applicable when the conservator is not deployed under a military deployment.

(f) This section does not apply if a court rendered an order under Section 153.3161 that permitted a person to exercise the right to possession of the child during the conservator's military deployment for the period and in the manner in which the conservator would be entitled to exercise possession if not deployed under a military deployment.

SECTION ____ . Section 156.105, Family Code, is amended to read as follows:

Sec. 156.105. MODIFICATION OF ORDER BASED ON MILITARY DEPLOYMENT. (a) In this section, "military deployment" means military duty ordered for a period of more than six months during which the person ordered to duty:

(1) is not provided the option of being accompanied by the person's child; and

(2) is serving in a location where access to the person's child is not reasonably possible.

(b) The military deployment [~~outside this country~~] of a person who is a possessory conservator or a joint managing conservator without the exclusive right to designate the primary residence of the child is a material and substantial change of circumstances sufficient to justify a modification of an existing court order or portion of a decree that sets the terms and conditions for the possession of or access to a child.

(c) ~~(b)~~ If the court determines that modification is in the best interest of the child, the court may modify the order or decree to provide in a manner consistent with Section 153.3161 for ~~[limited]~~ possession of the child during the period of the military deployment by a person designated by the deployed conservator.

SECTION _____. Section 153.3161, Family Code, as amended by this Act, applies only to a suit affecting the parent-child relationship pending in a trial court on or filed on or after the effective date of this Act.

SECTION _____. Section 153.3162, Family Code, as added by this Act, applies to a suit affecting the parent-child relationship, or an action to modify an order in a suit affecting the parent-child relationship, pending in a trial court on the effective date of this Act or filed on or after that date.

SECTION _____. Section 156.105, Family Code, as amended by this Act, applies only to an action to modify an order in a suit affecting the parent-child relationship pending in a trial court on or filed on or after the effective date of this Act.

Floor Amendment No. 3 on Third Reading

Amend **CSSB 228** on third reading by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. (a) Subtitle B, Title 5, Family Code, is amended by adding Chapter 163 to read as follows:

CHAPTER 163. UNIFORM CHILD ABDUCTION PREVENTION ACT

Sec. 163.001. SHORT TITLE. This chapter may be cited as the Uniform Child Abduction Prevention Act.

Sec. 163.002. DEFINITIONS. In this chapter:

(1) "Abduction" means the wrongful removal of a child to another state or nation or the wrongful retention of a child in another state or nation.

(2) "Child" means an unemancipated individual who is less than 18 years of age.

(3) "Child custody determination" means a judgment, decree, or other order of a court providing for legal custody, physical custody, or visitation with respect to a child. The term includes a permanent, temporary, initial, and modification order.

(4) "Child custody proceeding" means a proceeding in which legal custody, physical custody, or visitation with respect to a child is at issue. The term includes a proceeding for divorce, separation, neglect, abuse, dependency, guardianship, paternity, termination of parental rights, and protection from domestic violence.

(5) "Court" means an entity authorized under the law of a state to establish, enforce, or modify a child custody determination.

(6) "Petition" includes a motion or its equivalent.

(7) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(8) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States. The term includes a federally recognized Indian tribe or nation.

(9) "Travel document" means a record relating to a travel itinerary, including a pass and a reservation for transportation and accommodations. The term does not include a passport or international visa.

(10) "Wrongful removal" means the taking of a child that breaches a right of custody or visitation given or recognized under the law of this state.

(11) "Wrongful retention" means the keeping or concealing of a child that breaches a right of custody or visitation provided or recognized under the law of this state.

Sec. 163.003. COOPERATION AND COMMUNICATION AMONG COURTS. Sections 152.110, 152.111, and 152.112 apply to a proceeding under this chapter.

Sec. 163.004. ACTIONS FOR ABDUCTION PREVENTION MEASURES. (a) A court on its own motion may order abduction prevention measures in a child custody proceeding if the court finds that the evidence establishes a credible risk of abduction of the child.

(b) A party to a child custody determination or an individual or entity having a right under state law to seek a child custody determination for the child may file a petition seeking abduction prevention measures to protect the child under this chapter.

(c) An individual or entity entitled to bring an action under Subsection (b) may file a petition seeking abduction prevention measures with respect to a child who is not yet the subject of a child custody determination.

(d) A prosecutor or public authority designated under Section 152.315 may petition for a warrant to take physical custody of a child under Section 163.009.

Sec. 163.005. JURISDICTION. (a) A petition under this chapter may be filed only in a court that has jurisdiction to make a child custody determination with respect to the child at issue under Chapter 152.

(b) A court of this state has temporary emergency jurisdiction under Section 152.204 if the court finds a credible risk of abduction.

Sec. 163.006. CONTENTS OF PETITION. A petition for abduction prevention measures must:

(1) be verified;

(2) include a copy of an existing child custody determination, if any, and if available;

(3) specify the risk factors for abduction, including the relevant factors described by Section 163.007; and

(4) subject to Section 152.209(e), if reasonably ascertainable, contain:

(A) the name, birth date, and gender of the child at risk for abduction;

(B) the customary address and current physical location of the child;

(C) the identity, customary address, and current physical location of the

respondent;

(D) a statement of whether a prior action to prevent abduction or domestic violence has been filed by a party or other individual or entity having custody of the child, and the date, location, and disposition of such an action;

(E) a statement of whether either party to the action has been arrested for a crime related to family violence or child abuse, and the date, location, and disposition of such a case; and

(F) any other information required to be submitted to the court for a child custody determination under Section 152.209.

Sec. 163.007. FACTORS TO DETERMINE RISK OF ABDUCTION. (a) In determining whether there is a credible risk of abduction of a child, the court shall consider evidence that the respondent or the petitioner:

(1) has previously abducted or attempted to abduct the child;

(2) has threatened to abduct the child;

(3) has recently engaged in activities, other than planning activities related to carrying out a safety plan to flee from family violence, that may indicate a planned abduction, including:

(A) abandoning employment;

(B) selling a primary residence or terminating a lease;

(C) closing bank or other financial management accounts, liquidating assets, hiding or destroying financial documents, or conducting any other unusual financial activities;

(D) applying for a passport or visa, obtaining travel documents, or purchasing travel tickets for the respondent, another family member, or the child; or

(E) seeking to obtain the child's birth certificate or school or medical records;

(4) has engaged in family violence, stalking, or child abuse or neglect;

(5) has failed or refused to follow a child custody determination;

(6) lacks strong familial, financial, emotional, or cultural ties to the state or the United States, regardless of whether the other parent is a citizen or permanent resident of the United States;

(7) has strong familial, financial, emotional, or cultural ties to another state or country and is likely to take the child to that country, particularly a country that:

(A) is not a party to the Hague Convention on the Civil Aspects of International Child Abduction and does not provide for the extradition of an abducting parent or for the return of an abducted child;

(B) is a party to the Hague Convention on the Civil Aspects of International Child Abduction but:

(i) the Hague Convention on the Civil Aspects of International Child Abduction is not in force between the United States and that country;

(ii) is noncompliant according to the most recent compliance report issued by the United States Department of State; or

(iii) lacks legal mechanisms for immediately and effectively enforcing a return order under the Hague Convention on the Civil Aspects of International Child Abduction;

(C) poses a risk that the child's physical or emotional health or safety would be endangered in the country because of specific circumstances relating to the child or because of human rights violations committed against children;

(D) has laws or practices that would:

(i) enable the respondent, without due cause, to prevent the petitioner from contacting the child;

(ii) restrict the petitioner from freely traveling to or exiting from the country because of the petitioner's gender, nationality, marital status, or religion; or

(iii) restrict the child's ability legally to leave the country after the child reaches the age of majority because of a child's gender, nationality, or religion;

(E) is included by the United States Department of State on a current list of state sponsors of terrorism;

(F) does not have an official United States diplomatic presence in the country; or

(G) is engaged in active military action or war, including a civil war, to which the child may be exposed;

(8) is undergoing a change in immigration or citizenship status that would adversely affect the respondent's ability to remain in the United States legally;

(9) has had an application for United States citizenship denied;

(10) has forged or presented misleading or false evidence on government forms or supporting documents to obtain or attempt to obtain a passport, visa, travel documents, social security card, driver's license, or other government-issued identification card or has made a misrepresentation to the United States government;

(11) has used multiple names to attempt to mislead or defraud; or

(12) has engaged in any other conduct the court considers relevant to the risk of abduction.

(b) In the hearing on a petition for abduction prevention measures, the court shall consider evidence that:

(1) the respondent believed in good faith that the respondent's conduct was necessary to avoid imminent harm to the child or respondent; and

(2) any other evidence that may be relevant to whether the respondent may be permitted to remove or retain the child.

Sec. 163.008. PROVISIONS AND MEASURES TO PREVENT ABDUCTION. (a) If a petition has been filed under this chapter, the court may enter an order that includes:

(1) the basis for the court's exercise of jurisdiction;

(2) the manner in which notice and opportunity to be heard were given to the persons entitled to notice of the proceeding under the Texas Rules of Civil Procedure;

(3) a detailed description of each parent's custody and visitation rights and residential arrangements for the child;

(4) a provision stating that a violation of the order may subject the party in violation to civil and criminal penalties; and

(5) identification of the child's country of habitual residence at the time of the issuance of the order.

(b) If after reviewing the evidence, at a hearing on a petition under this chapter or on the court's own motion, the court finds a credible risk of abduction of the child, the court shall enter an abduction prevention order. The order must include the provisions described in Subsection (a) and the measures and conditions, including those described in Subsections (c), (d), and (e), that are reasonably calculated to prevent abduction of the child, giving due consideration to the custody and visitation rights of both parents. In determining the measures to be ordered, the court shall consider:

- (1) the age of the child;
- (2) the potential harm to the child from an abduction;
- (3) the legal and practical difficulties of returning the child to the jurisdiction if abducted; and
- (4) the reasons for the potential abduction, including evidence of domestic violence or child abuse.

(c) An abduction prevention order may include one or more of the following:

(1) the imposition of travel restrictions that require that a party traveling with the child outside a designated geographical area provide the other party with the following:

- (A) the travel itinerary of the child;
- (B) a list of physical addresses and telephone numbers at which the child can be reached at specified times; and

(C) copies of all travel documents;

(2) a prohibition against the respondent directly or indirectly:

(A) removing the child from this state, the United States, or another geographic area without permission of the court or the petitioner's written consent;

(B) removing or retaining the child in violation of the child custody determination;

(C) removing the child from school or a child-care or similar facility; or

(D) approaching the child at any location other than a site designated for supervised visitation;

(3) requiring a party to register the order in another state as a prerequisite to allowing the child to travel to that state;

(4) with regard to the child's passport:

(A) directing the petitioner to place the child's name in the United States Department of State's Children's Passport Issuance Alert Program (CPIAP);

(B) requiring the respondent to surrender to the court or the petitioner's attorney any United States or foreign passport issued in the child's name, including a passport issued in the name of both the respondent and the child; and

(C) prohibiting the respondent from applying on behalf of the child for a new or replacement passport or visa;

(5) as a prerequisite to exercising custody or visitation, requiring the respondent to provide:

(A) to the United States Department of State Office of Children's Issues and the relevant foreign consulate or embassy an authenticated copy of a court order detailing passport and travel restrictions for the child;

(B) to the court:

(i) proof that the respondent has provided the information in Paragraph (A); and

(ii) an acknowledgment in a record from the relevant foreign consulate or embassy that no passport application has been made, or passport issued, on behalf of the child;

(C) to the petitioner, proof of registration with the United States embassy or other United States diplomatic presence in the destination country, and with the Central Authority for the Hague Convention on the Civil Aspects of International Child Abduction, if that convention is in effect between the United States and the destination country, unless one of the parents objects; and

(D) a written waiver under the federal Privacy Act of 1974 (5 U.S.C. Section 552a), with respect to any document, application, or other information pertaining to the child authorizing disclosure of them to the court and the petitioner; and

(6) on the petitioner's request, a requirement that the respondent obtain an order from the relevant foreign country containing terms identical to the child custody determination issued in the United States.

(d) In an abduction prevention order, the court may impose conditions on the exercise of custody or visitation that:

(1) limit visitation or require that visitation with the child by the respondent be supervised until the court finds that supervision is no longer necessary and order the respondent to pay for the supervision;

(2) require the respondent to post a bond or provide other security in an amount sufficient to serve as a financial deterrent to abduction, the proceeds of which may be used to pay for the expenses of recovery of the child, including attorney's fees and actual costs if there is an abduction; and

(3) require the respondent to obtain education on the potentially harmful effects to the child from abduction.

(e) To prevent imminent abduction of a child, a court may:

(1) issue a warrant to take physical custody of the child under Section 163.009 or other law of this state;

(2) direct the use of law enforcement to take any action reasonably necessary to locate the child, obtain return of the child, or enforce a custody determination under this chapter or other law of this state; and

(3) grant any other relief allowed under other law of this state.

(f) The remedies provided in this chapter are cumulative and do not affect the availability of other state remedies to prevent child abduction.

Sec. 163.009. WARRANT TO TAKE PHYSICAL CUSTODY OF CHILD. (a) If a petition under this chapter contains allegations, and the court finds that there is a credible risk that the child is imminently likely to be wrongfully removed, the court may issue an ex parte warrant to take physical custody of the child.

(b) The respondent on a petition under Subsection (a) must be afforded an opportunity to be heard at the earliest possible time after the ex parte warrant is executed, but not later than the next judicial day unless that date is impossible. In that event, the court shall hold the hearing on the first judicial day possible.

(c) An ex parte warrant to take physical custody of a child must:

(1) recite the facts on which a determination of a credible risk of imminent wrongful removal of the child is based;

(2) direct law enforcement officers to take physical custody of the child immediately;

(3) state the date for the hearing on the petition; and

(4) provide for the safe interim placement of the child pending further order of the court.

(d) If feasible, before issuing a warrant and determining the placement of the child after the warrant is executed, the court may order a search of the relevant databases of the National Crime Information Center system, including those pertaining to protection orders, historical protection orders, warrants, sex offender registries, and persons on supervised release, and similar state databases to determine if either the petitioner or the respondent has a history of family violence or child abuse.

(e) The respondent must be served with the petition and warrant when, or immediately after, the child is taken into physical custody.

(f) A warrant to take physical custody of a child, issued by this state or another state, is enforceable throughout this state. If the court finds that a less intrusive remedy will not be effective, it may authorize law enforcement officers to enter private property to take physical custody of the child. If required by exigent circumstances, the court may authorize law enforcement officers to make a forcible entry at any hour.

(g) If the court finds, after hearing, that a petitioner sought an ex parte warrant under Subsection (a) for the purpose of harassment or in bad faith, the court may award the respondent reasonable attorney's fees, expenses, and costs.

(h) This chapter does not affect the availability of relief allowed under other law of this state.

Sec. 163.010. DURATION OF ABDUCTION PREVENTION ORDER. An abduction prevention order remains in effect until the earliest of:

(1) a time stated in the order;

(2) the date the child is emancipated;

(3) the date of the child's 18th birthday; or

(4) the date the order is modified, revoked, vacated, or superseded by a court with jurisdiction under Sections 152.201 through 152.203.

Sec. 163.011. UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and construing this chapter, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Sec. 163.012. RELATION TO FEDERAL ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This chapter modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001 et seq.) but does not modify, limit, or supersede Section 101(c) of that Act or authorize electronic delivery of any of the notices described in Section 103(b) of that Act.

(b) Subchapter I, Chapter 153, Family Code, is repealed.

(c) The changes in law made by this section apply to a suit affecting the parent-child relationship pending in a trial court on the effective date of this Act or filed on or after that date.

Floor Amendment No. 4 on Third Reading

Amend **CSSB 228** on third reading by adding the following appropriately numbered sections and renumbering the sections of the bill accordingly:

SECTION _____. Section 153.432, Family Code, is amended to read as follows:

Sec. 153.432. SUIT FOR [~~POSSESSION OR~~] ACCESS BY GRANDPARENT. (a) A biological or adoptive grandparent may request [~~possession of or~~] access to a grandchild by filing:

- (1) an original suit; or
- (2) a suit for modification as provided by Chapter 156.

(b) A grandparent may request [~~possession of or~~] access to a grandchild in a suit filed for the sole purpose of requesting the relief, without regard to whether the appointment of a managing conservator is an issue in the suit.

(c) In a suit for access or for modification described by Subsection (a), the person filing the suit must execute and attach an affidavit that contains, along with supporting facts, the allegation that denial of access to the child by the petitioner endangers the child's physical health or significantly impairs the child's emotional well-being and development.

(d) The court shall deny the relief sought and refuse to schedule a hearing unless the court determines, on the basis of the affidavit, that facts adequate to support an allegation as described in Subsection (c) are stated in the affidavit. If the court determines that the facts stated are adequate to support an allegation, the court shall set a time and place for the initial hearing as provided by Section 153.433(b).

(e) If the court finds that a suit for access or for modification is filed frivolously or is designed to harass a party, the court shall assess attorney's fees as costs against the offending party.

SECTION _____. Section 153.433, Family Code, is amended to read as follows:

Sec. 153.433. [~~POSSESSION OF OR~~] ACCESS TO GRANDCHILD. (a) The court may [~~shall~~] order reasonable [~~possession of or~~] access to a grandchild by a grandparent if:

(1) at the time the relief is requested, at least one biological or adoptive parent of the child has not had that parent's parental rights terminated;

(2) the grandparent requesting [~~possession of or~~] access to the child overcomes the presumption that a parent acts in the best interest of the parent's child by proving by clear and convincing [~~a preponderance of the~~] evidence that denial of [~~possession of or~~] access to the child [~~would~~] significantly impairs [~~impair~~] the child's physical health or emotional well-being; and

(3) the grandparent requesting [~~possession of or~~] access to the child is a parent of a parent of the child and that parent of the child has not had parental rights terminated and that parent, for not less than six months before commencing the suit:

(A) has been [~~incarcerated in jail or prison during the three month period preceding the filing of the petition;~~

[(B) has been found by a court to be incompetent;

[(C) is] dead; or

(B) has ~~[(B) does]~~ not had ~~[have]~~ actual or court-ordered possession of or access to the child.

(b) As a threshold issue, the court shall conduct an initial hearing not later than the 45th day after the date of service of process at which the court shall dismiss the suit unless the grandparent requesting access to the child proves by clear and convincing evidence that the child's parent does not provide adequate care for the child and has engaged in culpable conduct that endangers the child's physical health or significantly impairs the child's emotional development.

(c) In a hearing under Subsection (b), the court may not render a temporary order.

(d) In a suit for access by a grandparent, unless the grandparent meets the evidentiary burden at the initial hearing, the court may not order:

(1) the appointment of an amicus attorney, guardian ad litem, or attorney ad litem; or

(2) counseling, a social study, mental examination, physical examination, or parenting classes, except for a grandparent who files the suit.

(e) An order granting access to a child by a grandparent that is rendered over a parent's objection must state, with specificity:

(1) the court's findings regarding the fitness of the parent;

(2) the parent's objections;

(3) the fact that the court gave special weight to the parent's objections;

(4) the manner in which the court gave special weight to the parent's objections; and

(5) the specific grounds for overriding the parent's objections.

(f) In a suit for access by a grandparent, the court may not award possession of a child to a grandparent.

(g) If the grandparent requesting access to a child fails to meet all of the evidentiary burdens under this section, the court shall award the parent all costs, fees, and expenses incurred by the parent to defend the suit in accordance with Chapter 106.

(h) This section does not prohibit a grandparent from filing a suit for managing conservatorship of a child under this chapter or Chapter 102 or 156.

SECTION ____ . Section 153.434, Family Code, is amended to read as follows:

Sec. 153.434. LIMITATION ON RIGHT TO REQUEST ~~[POSSESSION OR]~~ ACCESS. A biological or adoptive grandparent may not request ~~[possession of or]~~ access to a grandchild if:

(1) each of the biological parents of the grandchild has:

(A) died;

(B) had the person's parental rights terminated; or

(C) executed an affidavit of waiver of interest in child or an affidavit of relinquishment of parental rights under Chapter 161 and the affidavit designates an authorized agency, licensed child-placing agency, or another person ~~[other than the child's stepparent]~~ as the managing conservator of the child; and

(2) the grandchild has been adopted[;] or is the subject of a pending suit for adoption[; by a person other than the child's stepparent].

SECTION _____. The changes in law made by this Act to Sections 153.432, 153.433, and 153.434, Family Code, apply to a suit affecting the parent-child relationship that is pending in a court on the effective date of this Act or is filed on or after that date.

Floor Amendment No. 5 on Third Reading

Amend **CSSB 228** on third reading by adding the following appropriately numbered sections and renumbering the sections of the bill accordingly:

SECTION _____. Section 3.007(d), Family Code, is amended to read as follows:

(d) A spouse who is a participant in an employer-provided stock option plan or an employer-provided restricted stock plan has a separate property interest in the options or restricted stock granted to the spouse under the plan as follows:

(1) if the option or stock was granted to the spouse before marriage but required continued employment during marriage before the grant could be exercised or the restriction removed, the spouse's separate property interest is equal to the fraction of the option or restricted stock in which:

(A) the numerator is the period from the date the option or stock was granted until the date of marriage and, if the option or stock also required continued employment following the date of dissolution of the marriage before the grant could be exercised or the restriction removed, the period from the date of dissolution of the marriage until the date the grant could be exercised or the restriction removed; and

(B) the denominator is the period from the date the option or stock was granted until the date the grant could be exercised or the restriction removed; and

(2) if the option or stock was granted to the spouse during the marriage but required continued employment following the date of dissolution of the ~~after~~ marriage before the grant could be exercised or the restriction removed, the spouse's separate property interest is equal to the fraction of the option or restricted stock in which:

(A) the numerator is the period from the date of dissolution ~~or termination~~ of the marriage until the date the grant could be exercised or the restriction removed; and

(B) the denominator is the period from the date the option or stock was granted until the date the grant could be exercised or the restriction removed.

SECTION _____. Subchapter B, Chapter 4, Family Code, is amended by adding Section 4.107 to read as follows:

Sec. 4.107. LIMITATION OF ACTIONS. A statute of limitations applicable to an action asserting a claim for relief under an agreement under this subchapter is tolled during the marriage of the parties to the agreement. However, equitable defenses limiting the time for enforcement, including laches and estoppel, are available to either party.

SECTION _____. Subchapter C, Chapter 4, Family Code, is amended by adding Section 4.207 to read as follows:

Sec. 4.207. LIMITATION OF ACTIONS. A statute of limitations applicable to an action asserting a claim for relief under an agreement under this subchapter is tolled during the marriage of the parties to the agreement. However, equitable defenses limiting the time for enforcement, including laches and estoppel, are available to either party.

SECTION _____. Sections 3.007(a), (b), and (f), Family Code, are repealed.

SECTION _____. The change in law made by this Act to Section 3.007, Family Code, applies to a suit for dissolution of a marriage pending before a trial court on or filed on or after the effective date of this Act.

SECTION _____. The changes in law made by this Act by the addition of Sections 4.107 and 4.207, Family Code, apply to an agreement under Subchapter B or C, Chapter 4, Family Code, without regard to whether the agreement was made before, on, or after the effective date of this Act.

Floor Amendment No. 6 on Third Reading

Amend **CSSB 228** on third reading as follows:

(1) In the section of the bill amending Section 157.324, Family Code, as added by Amendment No. 9 by Villarreal, in Subsection (a) of that section, in the first sentence of that subsection, strike "A person who knowingly pays over, releases, transfers, encumbers, conveys, or otherwise disposes of property" and substitute "A person who, with notice of a child support lien, pays over, releases, sells, transfers, encumbers, conveys, or otherwise ~~knowingly~~ disposes of property".

(2) In the section of the bill amending Section 157.324, Family Code, as added by Amendment No. 9 by Villarreal, immediately following added Subsection (c) of that section, insert the following:

(d) Subsection (a) does not apply to an attorney, title insurance company, or title insurance agent that closes a real estate transaction or issues a title insurance policy and that does not have notice of the child support lien or to a transaction described by this subsection in which the child support lien is not recorded in the county in which the property is located.

Floor Amendment No. 7 on Third Reading

Amend **CSSB 228** on third reading (House committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill appropriately:

SECTION _____. Section 154.062, Family Code, is amended by adding Subsection (e) to read as follows:

(e) In calculating expenses for health insurance coverage for an obligor's child under Subsection (d)(5), if the obligor has other minor dependents covered under the same health insurance plan, the court shall divide the total cost to the obligor for the insurance by the total number of minor dependents, including the child, covered under the plan.

SECTION _____. Section 154.125, Family Code, is amended to read as follows:

Sec. 154.125. APPLICATION OF GUIDELINES TO NET RESOURCES [~~OF \$6,000 OR LESS~~]. (a) The guidelines for the support of a child in this section are specifically designed to apply to situations in which the obligor's monthly net resources are not greater than \$7,500 or the adjusted amount determined under Subsection (a-1), whichever is greater [~~\$6,000 or less~~].

(a-1) The dollar amount prescribed by Subsection (a) is adjusted every ten years as necessary to reflect inflation. The Title IV-D agency shall compute the adjusted amount, to take effect beginning September 1 of the year of the adjustment, based on the percentage change during the preceding ten-year period in the consumer price

index, as rounded to the nearest \$50 increment. The Title IV-D agency shall publish the adjusted amount in the Texas Register before September 1 of the year in which the adjustment takes effect. For purposes of this subsection, "consumer price index" has the meaning assigned by Section 341.201, Finance Code.

(a-2) The initial adjustment required by Subsection (a-1) shall take effect September 1, 2017. This subsection expires September 1, 2018.

(b) If the obligor's monthly net resources are not greater than the amount provided by Subsection (a) [\$6,000 or less], the court shall presumptively apply the following schedule in rendering the child support order:

CHILD SUPPORT GUIDELINES

BASED ON THE MONTHLY NET RESOURCES OF THE OBLIGOR

| | |
|-------------|---|
| 1 child | 20% of Obligor's Net Resources |
| 2 children | 25% of Obligor's Net Resources |
| 3 children | 30% of Obligor's Net Resources |
| 4 children | 35% of Obligor's Net Resources |
| 5 children | 40% of Obligor's Net Resources |
| 6+ children | Not less than the amount for 5 children |

SECTION _____. Section 154.126, Family Code, is amended to read as follows:

Sec. 154.126. APPLICATION OF GUIDELINES TO ADDITIONAL NET RESOURCES [OF MORE THAN \$6,000 MONTHLY]. (a) If the obligor's net resources exceed the amount provided by Section 154.125(a) [\$6,000 per month], the court shall presumptively apply the percentage guidelines to the portion [first \$6,000] of the obligor's net resources that does not exceed that amount. Without further reference to the percentage recommended by these guidelines, the court may order additional amounts of child support as appropriate, depending on the income of the parties and the proven needs of the child.

(b) The proper calculation of a child support order that exceeds the presumptive amount established for the portion [first \$6,000] of the obligor's net resources provided by Section 154.125(a) requires that the entire amount of the presumptive award be subtracted from the proven total needs of the child. After the presumptive award is subtracted, the court shall allocate between the parties the responsibility to meet the additional needs of the child according to the circumstances of the parties. However, in no event may the obligor be required to pay more child support than the greater of the presumptive amount or the amount equal to 100 percent of the proven needs of the child.

SECTION _____. Section 154.130(b), Family Code, is amended to read as follows:

(b) If findings are required by this section, the court shall state whether the application of the guidelines would be unjust or inappropriate and shall state the following in the child support order:

"(1) the monthly net resources of the obligor per month are \$ ____;

"(2) the monthly net resources of the obligee per month are \$ ____;

"(3) the percentage applied to the obligor's net resources for child support by the actual order rendered by the court is ____%;

"(4) the amount of child support if the percentage guidelines are applied to the portion [first \$6,000] of the obligor's net resources that does not exceed the amount provided by Section 154.125(a), Family Code, is \$ ____;

"(5) if applicable, the specific reasons that the amount of child support per month ordered by the court varies from the amount stated in Subdivision (4) are: ____; and

"(6) if applicable, the obligor is obligated to support children in more than one household, and:

"(A) the number of children before the court is ____;

"(B) the number of children not before the court residing in the same household with the obligor is ____; and

"(C) the number of children not before the court for whom the obligor is obligated by a court order to pay support, without regard to whether the obligor is delinquent in child support payments, and who are not counted under Paragraph (A) or (B) is ____."

SECTION ____ . Section 154.182, Family Code, is amended by adding Subsection (d) to read as follows:

(d) In calculating the additional child support to be withheld under Subsection (b)(2), if the obligee has other minor dependents covered under the same health insurance plan, the court shall divide the total cost to the obligee for the insurance by the total number of minor dependents, including the child, covered under the plan.

SECTION ____ . Subsection (b), Section 154.183, Family Code, is amended to read as follows:

(b) If the court finds and states in the child support order that the obligee will maintain health insurance coverage for the child at the obligee's expense, the court may increase the amount of child support to be paid by the obligor in an amount not exceeding the total expense to the obligee for maintaining health insurance coverage. In calculating the total expense to the obligee for maintaining health insurance for the child under this subsection, if the obligee has other minor dependents covered under the same health insurance plan, the court shall divide the total expense to the obligee for the insurance by the total number of minor dependents, including the child, covered under the plan.

SECTION ____ . The changes in law made by this Act to Chapter 154, Family Code, relating to the calculation of a child support obligation apply only to a proceeding to establish or modify a child support obligation that is pending in a trial court on, or filed on or after, the effective date of this Act.

The amendments were read.

Senator Harris moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 228** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Harris, Chair; Hinojosa, Wentworth, Watson, and Williams.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1044 ADOPTED**

Senator Ellis called from the President's table the Conference Committee Report on **HB 1044**. The Conference Committee Report was filed with the Senate on Wednesday, May 23, 2007.

On motion of Senator Ellis, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

GUEST PRESENTED

Senator Ellis was recognized and introduced to the Senate Pastor Peter Nkipai from the Real Life Worship Centre in the Republic of Kenya, Africa.

The Senate welcomed its guest.

SENATE BILL 74 WITH HOUSE AMENDMENT

Senator Lucio called **SB 74** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer, Senator Carona in Chair, laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 74** by adding the following appropriately numbered SECTIONS to the bill and renumbering existing SECTIONS of the bill accordingly:

SECTION _____. Title 1, Code of Criminal Procedure, is amended by adding Chapter 57B to read as follows:

CHAPTER 57B. CONFIDENTIALITY OF IDENTIFYING INFORMATION OF
FAMILY VIOLENCE VICTIMS

Art. 57B.01. DEFINITIONS. In this chapter:

- (1) "Name" means the legal name of a person.
- (2) "Pseudonym" means a set of initials or a fictitious name chosen by a victim to designate the victim in all public files and records concerning the offense, including police summary reports, press releases, and records of judicial proceedings.
- (3) "Public servant" has the meaning assigned by Subsection (a), Section 1.07, Penal Code.
- (4) "Victim" means a person who is the subject of:
 - (A) an offense that allegedly constitutes family violence, as defined by Section 71.004, Family Code; or
 - (B) an offense that is part of the same criminal episode, as defined by Section 3.01, Penal Code, as an offense described by Paragraph (A).

Art. 57B.02. CONFIDENTIALITY OF FILES AND RECORDS. (a) The office of the attorney general shall develop and distribute to all law enforcement agencies of the state a pseudonym form to record the name, address, telephone number, and pseudonym of a victim.

(b) A victim may choose a pseudonym to be used instead of the victim's name to designate the victim in all public files and records concerning the offense, including police summary reports, press releases, and records of judicial proceedings. A victim who elects to use a pseudonym as provided by this article must complete a pseudonym form developed under this article and return the form to the law enforcement agency investigating the offense.

(c) A victim who completes and returns a pseudonym form to the law enforcement agency investigating the offense may not be required to disclose the victim's name, address, and telephone number in connection with the investigation or prosecution of the offense.

(d) A completed and returned pseudonym form is confidential and may not be disclosed to any person other than a defendant in the case or the defendant's attorney, except on an order of a court of competent jurisdiction. The court finding required by Subsection (g) is not required to disclose the confidential pseudonym form to the defendant in the case or to the defendant's attorney.

(e) If a victim completes and returns a pseudonym form to a law enforcement agency under this article, the law enforcement agency receiving the form shall:

(1) remove the victim's name and substitute the pseudonym for the name on all reports, files, and records in the agency's possession;

(2) notify the attorney for the state of the pseudonym and that the victim has elected to be designated by the pseudonym; and

(3) maintain the form in a manner that protects the confidentiality of the information contained on the form.

(f) An attorney for the state who receives notice that a victim has elected to be designated by a pseudonym shall ensure that the victim is designated by the pseudonym in all legal proceedings concerning the offense.

(g) A court of competent jurisdiction may order the disclosure of a victim's name, address, and telephone number only if the court finds that the information is essential in the trial of the defendant for the offense or the identity of the victim is in issue.

(h) Except as required or permitted by other law or by court order, a public servant or other person who has access to or obtains the name, address, telephone number, or other identifying information of a victim younger than 17 years of age may not release or disclose the identifying information to any person who is not assisting in the investigation, prosecution, or defense of the case. This subsection does not apply to the release or disclosure of a victim's identifying information by:

(1) the victim; or

(2) the victim's parent, conservator, or guardian, unless the victim's parent, conservator, or guardian allegedly committed the offense described by Article 57B.01(4).

Art. 57B.03. OFFENSE. (a) A public servant with access to the name, address, or telephone number of a victim 17 years of age or older who has chosen a pseudonym under this chapter commits an offense if the public servant knowingly discloses the name, address, or telephone number of the victim to any person who is not assisting in the investigation or prosecution of the offense or to any person other than the defendant, the defendant's attorney, or the person specified in the order of a court of competent jurisdiction.

(b) Unless the disclosure is required or permitted by other law, a public servant or other person commits an offense if the person:

(1) has access to or obtains the name, address, or telephone number of a victim younger than 17 years of age; and

(2) knowingly discloses the name, address, or telephone number of the victim to any person who is not assisting in the investigation or prosecution of the offense or to any person other than the defendant, the defendant's attorney, or a person specified in an order of a court of competent jurisdiction.

(c) It is an affirmative defense to prosecution under Subsection (b) that the actor is:

(1) the victim; or

(2) the victim's parent, conservator, or guardian, unless the victim's parent, conservator, or guardian allegedly committed the offense described by Article 57B.01(4).

(d) An offense under this article is a Class C misdemeanor.

Art. 57B.04. APPLICABILITY OF CHAPTER TO DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES. Nothing in this chapter requires the Department of Family and Protective Services to use a pseudonym in a department report, file, or record relating to the abuse, neglect, or exploitation of a child or adult who may also be the subject of an offense described by Article 57B.01(4). To the extent permitted by law, the Department of Family and Protective Services and a department employee, as necessary in performing department duties, may disclose the name of a victim who elects to use a pseudonym under this chapter.

Art. 57B.05. APPLICABILITY OF CHAPTER TO POLITICAL SUBDIVISIONS. Nothing in this chapter requires a political subdivision to use a pseudonym in a report, file, or record that is not:

(1) intended for distribution to the public; or

(2) the subject of an open records request under Chapter 552, Government Code.

SECTION _____. Not later than October 1, 2007, the office of the attorney general shall develop and distribute to all law enforcement agencies of the state a pseudonym form to record the name, address, telephone number, and pseudonym of a victim as required by Article 57B.02, Code of Criminal Procedure, as added by this Act.

The amendment was read.

Senator Lucio moved to concur in the House amendment to **SB 74**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1266 WITH HOUSE AMENDMENTS

Senator Brimer called **SB 1266** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 2

Amend **SB 1266** by striking all below the enacting clause and substituting the following:

SECTION 1. Section 222.104, Transportation Code, is amended by adding Subsection (g-1) to read as follows:

(g-1) Notwithstanding Subsection (g), as added by Chapter 994, Acts of the 79th Legislature, Regular Session, 2005, in any state fiscal year that begins on or after September 1, 2007, the commission may not provide for the payment of pass-through tolls under this section in a total amount that is less than the total amount of pass-through tolls paid in the preceding state fiscal year. This subsection expires September 1, 2011.

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, 2007.

Floor Amendment No. 1 on Third Reading

Amend **SB 1266** (second reading engrossment) on third reading by striking all below the enacting clause and substituting the following:

SECTION 1. Section 222.104(e) is amended as follows:

(e) The department may use any available funds for the purpose of making a pass-through toll payment under this section except funds derived from the issuance of bonds under Section 201.943.

(g-1) Notwithstanding Subsection (g), as added by Chapter 994, Acts of the 79th Legislature, Regular Session, 2005, or any other provision of this section, in any state fiscal year that begins on or after September 1, 2007, the commission shall enter into one or more agreements with public or private entities that provide for the payment of pass-through tolls to the public and private entities as reimbursement for the design, development, financing, construction, maintenance, or operation of toll and nontoll facilities in a total amount that is not less than the yearly average of the total amount of such agreements in effect before September 1, 2007. This subsection expires September 1, 2009.

SECTION 2. Subchapter E, Chapter 222, Transportation Code, is amended by adding Sections 222.105, 222.106, 222.107, and 222.108 to read as follows:

Sec. 222.105. PURPOSES. The purposes of this chapter are to:

- (1) promote public safety;
- (2) facilitate the development or redevelopment of property;
- (3) facilitate the movement of traffic; and
- (4) enhance a local entity's ability to sponsor a project authorized under

Section 222.104.

Sec. 222.106. MUNICIPAL TRANSPORTATION REINVESTMENT ZONES.

(a) In this section:

(1) the amount of a municipality's tax increment for a year is the amount of ad valorem taxes levied and collected by the municipality for that year on the captured appraised value of real property taxable by the municipality and located in a transportation reinvestment zone under this section;

(2) the captured appraised value of real property taxable by a municipality for a year is the total appraised value of all real property taxable by the municipality and located in a transportation reinvestment zone for that year less the tax increment base of the municipality; and

(3) the tax increment base of a municipality is the total appraised value of all real property taxable by the municipality and located in a transportation reinvestment zone for the year in which the zone was designated under this section.

(b) This section applies only to a municipality the governing body of which intends to enter into an agreement with the department under Section 222.104.

(c) If the governing body determines an area to be unproductive and underdeveloped and that it meets the criteria under section 222.105, the governing body of the municipality by ordinance may designate a contiguous geographic area in the jurisdiction of the municipality to be a transportation reinvestment zone to promote a transportation project described by Section 222.104 that cultivates development or redevelopment of the area.

(d) The governing body must abide by all current and future laws in the application of this chapter.

(e) Not later than the thirtieth day before the date the governing body of the municipality proposes to adopt an ordinance designating an area as a transportation reinvestment zone under this section, the governing body must hold a public hearing on the creation of the zone and its benefits to the municipality and to property in the proposed zone. At the hearing an interested person may speak for or against the creation of the zone or its boundaries. Not later than the seventh day before the date of the hearing, notice of the hearing and the intent to create the zone must be published in a newspaper having general circulation in the municipality.

(f) Fulfilling the requirements of this section shall constitute designation of an area as a transportation reinvestment zone without further hearings or other procedural requirements.

(g) The ordinance designating an area as a transportation reinvestment zone must:

(1) describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;

(2) provide that the zone takes effect immediately on passage of the ordinance;

(3) assign a name to the zone for identification, with the first zone created by a municipality designated as "Transportation Reinvestment Zone Number One, City (or Town, as applicable) of (name of municipality)," and subsequently created zones assigned names in the same form, numbered consecutively in the order of their creation;

(4) establish a local ad valorem tax increment account for the zone; and

(5) contain findings that promotion of the transportation project will cultivate development or redevelopment of the zone.

(h) From taxes collected on property in the zone, the municipality shall pay into the local tax increment account for a zone an amount equal to the tax increment produced by the municipality.

(i) Moneys deposited to the local tax increment account may be used to fund projects authorized under Section 222.104, including to repay amounts owned under any agreement entered into pursuant to Section 222.104.

(j) A transportation reinvestment zone terminates on December 31 of the year in which the municipality fulfills any contractual requirement which included the pledge of moneys deposited to the local tax increment account or the repayment of money owed under the agreement under Sec. 222.104 for which the zone was created.

(k) A transportation reinvestment zone terminates if the municipality does not use the zone for its intended purpose within ten years.

(l) Any surplus remaining on termination of the zone may be used for transportation projects of the municipality in or outside of the zone.

Sec. 222.107. COUNTY TRANSPORTATION REINVESTMENT ZONES; TAX ABATEMENTS; ROAD UTILITY DISTRICTS. (a) In this section:

(1) the amount of a county's tax increment for a year is the amount of ad valorem taxes levied and collected by the county for that year on the captured appraised value of real property taxable by the county and located in a transportation reinvestment zone under this section;

(2) the captured appraised value of real property taxable by a county for a year is the total appraised value of all real property taxable by the county and located in a transportation reinvestment zone for that year less the tax increment base of the county; and

(3) the tax increment base of a county is the total appraised value of all real property taxable by the county and located in a transportation reinvestment zone for the year in which the zone was designated under this section.

(b) This section applies only to a county the commissioners court of which intends to enter into a pass-through toll agreement with the department under Section 222.104.

(c) The commissioners court of the county, after determining that an area is unproductive and underdeveloped and meets the criteria under section 222.105, by order or resolution may designate a contiguous geographic area in the jurisdiction of the county to be a transportation reinvestment zone to promote a transportation project described by Section 222.104 that cultivates development or redevelopment of the area and for the purpose of abating ad valorem taxes imposed by the county on real property located in the zone.

(d) The governing body must abide by all applicable laws in the application of this chapter.

(e) Not later than the thirtieth day before the date the commissioners court proposes to designate an area as a transportation reinvestment zone under this section, the commissioners court must hold a public hearing on the creation of the zone, its benefits to the county and to property in the proposed zone, and the abatement of ad valorem taxes imposed by the county on real property located in the zone. At the

hearing an interested person may speak for or against the creation of the zone, its boundaries, or the abatement of county taxes on real property in the zone. Not later than the seventh day before the date of the hearing, notice of the hearing and the intent to create a zone must be published in a newspaper having general circulation in the county.

(f) The order or resolution designating an area as a transportation reinvestment zone must:

(1) describe the boundaries of the zone with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the zone;

(2) provide that the zone takes effect immediately on adoption of the order or resolution; and

(3) assign a name to the zone for identification, with the first zone created by a county designated as "Transportation Reinvestment Zone Number One, County of (name of county)," and subsequently created zones assigned names in the same form numbered consecutively in the order of their creation.

(g) Fulfilling the requirements of this section shall constitute designation of an area as a transportation reinvestment zone without further hearings or other procedural requirements.

(h) The commissioners court by order or resolution may enter into an agreement with the owner of any real property located in the transportation reinvestment zone to abate a portion of the ad valorem taxes imposed by the county on the owner's property. All abatements granted by the commissioners court must be of equal rate to all property owners. In the alternative, the commissioners court by order or resolution may elect to abate a portion of the ad valorem taxes imposed by the county on all real property located in the zone. In any ad valorem tax year, the total amount of the taxes abated under this section may not exceed the amount calculated under Subsection (a)(1) for that year.

(i) To assist the county in developing a project authorized under Section 222.104, a road utility district may be formed under Chapter 441 that has the same boundaries as a transportation reinvestment zone created under this section.

(j) In any ad valorem tax year, a road utility district formed as provided by Subsection (i) may impose taxes on property in the district at a rate that when applied to the property in the district would impose taxes in an amount equal to the amount of taxes abated by the commissioners court of the county under Subsection (h). Notwithstanding Section 441.192(a), an election is not required to approve the imposition of the taxes.

(k) A road utility district formed as provided by Subsection (i) may enter into an agreement with the county to assume the obligation, if any, of the county to fund a project under Sections 222.104 or to repay funds owed to the department under Section 222.104. Any amount paid for this purpose is considered to be an operating expense of the district. Any taxes collected by the district that are not paid for this purpose may be used for any district purpose.

(l) A tax abatement agreement entered into under Subsection (h), or an order or resolution on the abatement of taxes under that subsection, terminates on December 31 of the year in which the county fulfills any contractual requirement which included the pledge of moneys collected under this subsection or within ten years if the abatement is not used for its intended purpose.

SECTION 3. This Act takes effect September 1, 2007.

The amendments were read.

Senator Brimer moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1266** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Brimer, Chair; Williams, Harris, Carona, and Watson.

SENATE BILL 1231 WITH HOUSE AMENDMENTS

Senator Zaffirini called **SB 1231** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1231** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to refunding tuition and mandatory fees at institutions of higher education for dropped courses and student withdrawals.

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

SECTION 1. The heading to Section 54.006, Education Code, is amended to read as follows:

Sec. 54.006. REFUND OR ADJUSTMENT OF TUITION AND MANDATORY FEES FOR DROPPED COURSES AND STUDENT WITHDRAWALS.

SECTION 2. Section 54.006, Education Code, is amended by amending Subsections (a), (b), (c), and (e), and adding Subsections (a-1), (b-1), and (b-2) to read as follows:

(a) A general academic teaching institution or medical and dental unit, as soon as practicable, shall refund the amount of [~~fees and~~] tuition and mandatory fees [in excess of the minimum tuition] collected for courses from which students drop within the first 12 days of a fall or spring semester or a summer term of 10 weeks or longer, within the first four days of a [~~summer~~] term or session of more than five weeks but less than 10 weeks, or within the period specified by the institution for that purpose for a term or session of five weeks or less that is substantially proportional to the

period specified by this subsection for a longer term or session. The institution or medical and dental unit may not delay a refund under this subsection on the grounds that the student may withdraw from the institution or unit later in the semester or term.

(a-1) An institution may assess a nonrefundable \$15 matriculation fee if the student withdraws from the institution before the first day of classes.

(b) Except as provided by Subsections (b-1) and (b-2), a ~~A~~ general academic teaching institution or medical and dental unit shall refund from the amount paid by ~~to~~ a student withdrawing from the institution or unit an amount equal to the product of the amount of tuition and mandatory fees charged ~~collected~~ for each course in which the student is enrolled on the date the student withdraws multiplied by the applicable percentage derived from the following tables:

(1) if the student withdraws during a fall or spring semester or a summer term of 10 weeks or longer ~~or comparable trimester~~:

- (A) prior to the first class day 100 percent
- (B) during the first five class days 80 percent
- (C) during the second five class days 70 percent
- (D) during the third five class days 50 percent
- (E) during the fourth five class days 25 percent
- (F) after the fourth five class days None; ~~and~~

(2) if the student withdraws during a summer term or session of more than five weeks but less than 10 weeks:

- (A) prior to the first class day 100 percent
- (B) during the first, second, or third class day 80 percent
- (C) during the fourth, fifth, or sixth class day 50 percent
- (D) seventh day of class and thereafter None; ~~and~~

(3) if the student withdraws from a term or session of five weeks or less:

- (A) prior to the first class day 100 percent
- (B) during the first class day 80 percent
- (C) during the second class day 50 percent
- (D) during the third class day and thereafter None.

(b-1) If a student has not paid the total amount of the tuition and mandatory fees charged to the student by the institution or unit for the courses in which the student is enrolled by the date the student withdraws from the institution or unit, instead of issuing the student a refund in the amount required under Subsection (b), the institution or unit may credit the amount to be refunded toward the payment of the outstanding tuition and mandatory fees owed by the student. The institution or unit shall issue a refund to the student if any portion of the amount to be refunded remains after the outstanding tuition and mandatory fees have been paid.

(b-2) A general academic teaching institution or medical and dental unit may provide to a student withdrawing from the institution or unit a refund of a portion of the tuition and mandatory fees charged to the student by the institution or unit for the courses in which the student is enrolled on the date the student withdraws in an amount greater than the amount required by Subsection (b). The institution or unit

may apply the portion of the refund authorized by this subsection toward the payment of any outstanding tuition and fees as provided by Subsection (b-1), and may refund the remainder of that portion in the form of, as the institution or unit considers appropriate:

(1) a payment made directly to the student; or

(2) credit toward payment of tuition and mandatory fees for a subsequent semester or other academic term at the institution or unit.

(c) Separate withdrawal refund schedules may be established for optional fees [~~such as intercollegiate athletics, cultural entertainment, parking, and yearbooks~~].

(e) A general academic teaching institution or medical and dental unit may [~~shall~~] terminate a student's student services and privileges, including [~~such as~~] health services, library privileges, facilities and technology usage, and athletic and cultural entertainment tickets, when the [a] student withdraws from the institution.

SECTION 3. Subsection (g), Section 54.006, Education Code, is repealed.

SECTION 4. The change in law made by this Act applies to tuition and mandatory fees charged beginning with the fall 2007 semester.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 1231** by adding the following appropriately numbered new SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter Z, Chapter 51, Education Code, is amended by adding Section 51.907 to read as follows:

Sec. 51.907. LIMITATIONS ON NUMBER OF COURSES THAT MAY BE DROPPED UNDER CERTAIN CIRCUMSTANCES. (a) In this section, "governing board" and "institution of higher education" have the meanings assigned by Section 61.003.

(b) This section applies only to an undergraduate student who drops a course at an institution of higher education and only if:

(1) the student was able to drop the course without receiving a grade or incurring an academic penalty;

(2) the student's transcript indicates or will indicate that the student was enrolled in the course; and

(3) the student is not dropping the course in order to withdraw from the institution.

(c) Except as provided under rules adopted under Subsection (d), an institution of higher education may not permit a student to drop more than six courses, including any course a transfer student has dropped at another institution of higher education, under circumstances described by Subsection (b).

(d) The governing board of an institution of higher education may adopt a policy under which the maximum number of courses a student is permitted to drop under circumstances described by Subsection (b) is less than the maximum number of courses that a student may drop under Subsection (c).

(e) The Texas Higher Education Coordinating Board shall adopt rules under which an institution of higher education shall permit a student to drop more courses under circumstances described by Subsection (b) than the number of courses permitted to be dropped under Subsection (c) or under a policy adopted under Subsection (d) if the student shows good cause for dropping more than that number, including a showing of:

(1) a severe illness or other debilitating condition that affects the student's ability to satisfactorily complete a course;

(2) the student's responsibility for the care of a sick, injured, or needy person if the provision of care affects the student's ability to satisfactorily complete a course;

(3) the death of a person who:

(A) is considered to be a member of the student's family under a rule adopted under this subsection for purposes of this subdivision; or

(B) is otherwise considered to have a sufficiently close relationship to the student under a rule adopted under this subsection that the person's death is considered to be a showing of good cause; or

(4) the active duty service as a member of the Texas National Guard or the armed forces of the United States of:

(A) the student; or

(B) a person who is considered to be a member of the student's family under a rule adopted under this subsection for purposes of this subdivision.

(f) In determining the number of courses dropped by a student for purposes of this section, a course, such as a laboratory or discussion course, in which a student is enrolled concurrently with a lecture course is not considered to be a course separate from the lecture course if:

(1) concurrent enrollment in both courses is required; and

(2) in dropping the lecture course, the student would be required to drop the laboratory, discussion, or other course in which the student is concurrently enrolled.

SECTION _____. The Texas Higher Education Coordinating Board shall adopt the rules required by Section 51.907(e), Education Code, as added by this Act, relating to permitting a student who shows good cause to drop more than a specified number of courses, as soon as practicable after this Act takes effect. For that purpose, the coordinating board may adopt the initial rules in the manner provided by law for emergency rules.

SECTION _____. Section 51.907, Education Code, as added by this Act, applies only to the number of courses that may be dropped by a student who beginning with the 2007 fall semester enrolls in a public institution of higher education as a first-time freshman.

The amendments were read.

Senator Zaffirini moved to concur in the House amendments to **SB 1231**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1233 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 1233** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1233** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the general deposit paid by a student to a public institution of higher education.

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

SECTION 1. Section 54.203(a), Education Code, is amended to read as follows:

(a) The governing board of each institution of higher education shall exempt the following persons from the payment of all dues, fees, and charges, including fees for correspondence courses but excluding general ~~[property]~~ deposit fees, student services fees, and any fees or charges for lodging, board, or clothing, provided the persons seeking the exemptions were citizens of Texas at the time they entered the services indicated and have resided in Texas for at least the period of 12 months before the date of registration:

(1) all nurses and honorably discharged members of the armed forces of the United States who served during the Spanish-American War or during World War I;

(2) all nurses, members of the Women's Army Auxiliary Corps, members of the Women's Auxiliary Volunteer Emergency Service, and all honorably discharged members of the armed forces of the United States who served during World War II except those who were discharged from service because they were over the age of 38 or because of a personal request on the part of the person that he be discharged from service;

(3) all honorably discharged men and women of the armed forces of the United States who served during the national emergency which began on June 27, 1950, and which is referred to as the Korean War; and

(4) all persons who were honorably discharged from the armed forces of the United States after serving on active military duty, excluding training, for more than 180 days and who served a portion of their active duty during:

(A) the Cold War which began on the date of the termination of the national emergency cited in Subdivision (3) of this subsection;

(B) the Vietnam era which began on December 21, 1961, and ended on May 7, 1975;

(C) the Grenada and Lebanon era which began on August 24, 1982, and ended on July 31, 1984;

(D) the Panama era which began on December 20, 1989, and ended on January 21, 1990;

(E) the Persian Gulf War which began on August 2, 1990, and ends on the date thereafter prescribed by Presidential proclamation or September 1, 1997, whichever occurs first;

(F) the national emergency by reason of certain terrorist attacks that began on September 11, 2001; or

(G) any future national emergency declared in accordance with federal law.

SECTION 2. Section 54.204(b), Education Code, is amended to read as follows:

(b) The governing board of each institution of higher education shall exempt from the payment of all dues, fees, and charges any person whose parent is an eligible employee who has suffered an injury, resulting in death or disability, sustained in the line of duty according to the regulations and criteria then in effect governing the department or agency in which he was employed. The exemption does not apply to general [property] deposits or to fees or charges for lodging, board, or clothing.

SECTION 3. Section 54.205(a)(4), Education Code, is amended to read as follows:

(4) "Tuition fees" includes all dues, fees, and enrollment charges whatsoever for which exemptions may be lawfully made, including fees for correspondence courses, general [property] deposit fees, and student services fees, but does not include fees or charges for lodging, board, or clothing.

SECTION 4. The heading to Section 54.502, Education Code, is amended to read as follows:

Sec. 54.502. GENERAL [PROPERTY] DEPOSITS.

SECTION 5. Section 54.502(a), Education Code, is amended to read as follows:

(a) An institution of higher education may collect a reasonable deposit in an amount not to exceed \$100 from each student to insure the institution against any losses, damages, and breakage for which the student is responsible and to cover any other amounts owed by the student to the institution [in libraries and laboratories]. The institution shall return to the student the deposit, less any such amounts owed to the institution by the student. The deposit must be returned within a reasonable period after the date of the student's withdrawal or graduation from the institution, not to exceed 180 days, that provides the institution with sufficient time to identify all amounts owed and to determine that the student does not intend to enroll at the institution in the semester or summer session immediately following the student's withdrawal or graduation or, if the student withdraws or graduates in the spring semester, in the next fall semester [The deposit shall be returned on the withdrawal or graduation of a student, less an amount necessary to cover any loss, damage, or breakage caused by the student].

SECTION 6. Section 54.5021(a), Education Code, is amended to read as follows:

(a) The student deposit fund consists of the income from the investment or time deposits of general [property] deposits and of forfeited general [property] deposits. Any general [property] deposit which remains without call for refund for a period of four years from the date of last attendance of the student making the deposit shall be forfeited and become a part of the student deposit fund. This section does not [Nothing in this section shall be construed to] prohibit refund of any balance remaining in a general [property] deposit when made on proper demand and within

the four-year limitation period. The governing board of the institution may require that no student withdraw the student's [his] deposit until the student [he] has [been] graduated or has apparently withdrawn from school.

SECTION 7. Section 54.5022, Education Code, is amended to read as follows:

Sec. 54.5022. INVESTMENT OF GENERAL [~~PROPERTY~~] DEPOSITS. The governing board of each institution of higher education may invest the funds received as general [~~property~~] deposits authorized by [~~it~~] Section 54.502 [~~of this code~~] in the manner provided under either Section 51.003 or 51.0031 [~~of this code~~].

SECTION 8. 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, 2007.

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 1233**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1185 WITH HOUSE AMENDMENT

Senator Nelson called **SB 1185** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1185** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to certain low-interest home loan programs offered by the state.

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

SECTION 1. Section 1372.0221, Government Code, is amended to read as follows:

Sec. 1372.0221. DEDICATION OF PORTION OF STATE CEILING FOR PROFESSIONAL EDUCATORS HOME LOAN PROGRAM. Until August 7 [+], out of that portion of the state ceiling that is available exclusively for reservations by the Texas State Affordable Housing Corporation [~~issuers of qualified mortgage bonds~~] under Section 1372.0223, 54.5 percent [~~1372.022, \$25 million~~] shall be allotted each year and made available [~~exclusively~~] to the corporation [~~Texas State Affordable Housing Corporation~~] for the purpose of issuing qualified mortgage bonds in connection with the professional educators home loan program established under Section 2306.562.

SECTION 2. Section 1372.0222, Government Code, is amended to read as follows:

Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR FIRE FIGHTER AND LAW ENFORCEMENT OR SECURITY OFFICER HOME LOAN PROGRAM. Until August 7 [+], out of that portion of the state ceiling that is available exclusively for reservations by the Texas State Affordable Housing

Corporation [~~issuers of qualified mortgage bonds~~] under Section 1372.0223, 45.5 percent [~~1372.022, \$25 million~~] shall be allotted each year and made available [~~exclusively~~] to the corporation [~~Texas State Affordable Housing Corporation~~] for the purpose of issuing qualified mortgage bonds in connection with the fire fighter, law enforcement officer, and security officer home loan program established under Section 2306.5621.

SECTION 3. Section 1372.0223, Government Code, is amended to read as follows:

Sec. 1372.0223. DEDICATION OF PORTION OF STATE CEILING TO CERTAIN ISSUERS OF QUALIFIED MORTGAGE BONDS [~~FOR PROFESSIONAL NURSING PROGRAM FACULTY MEMBER HOME LOAN PROGRAM~~]. Until August 7 [~~+~~], out of that portion of the state ceiling that is available exclusively for reservations by issuers of qualified mortgage bonds under Section 1372.022:

(1) 10 percent is [~~\$5 million shall be allotted each year and made~~] available exclusively to the Texas State Affordable Housing Corporation for the purpose of issuing qualified mortgage bonds; and

(2) 56.66 percent is available exclusively to housing finance corporations for the purpose of issuing qualified mortgage bonds [~~in connection with the professional nursing program faculty member home loan program established under Section 2306.5622~~].

SECTION 4. Section 1372.023(a), Government Code, is amended to read as follows:

(a) Until August 7 [~~15~~], of that portion of the state ceiling that is available exclusively for reservations by issuers of qualified mortgage bonds, 33.34 percent [~~one-third~~] is available exclusively to the Texas Department of Housing and Community Affairs for the purpose of issuing qualified mortgage bonds.

SECTION 5. Section 1372.037(a), Government Code, is amended to read as follows:

(a) Except as provided by Subsection (b), before August 15 [~~September 1~~] the board may not grant for any single project a reservation for that year that is greater than:

(1) \$25 million, if the issuer is an issuer of qualified mortgage bonds, other than the Texas Department of Housing and Community Affairs or the Texas State Affordable Housing Corporation;

(2) \$50 million, if the issuer is an issuer of a state-voted issue, other than the Texas Higher Education Coordinating Board, or \$75 million, if the issuer is the Texas Higher Education Coordinating Board;

(3) the amount to which the Internal Revenue Code limits issuers of qualified small issue bonds and enterprise zone facility bonds, if the issuer is an issuer of those bonds;

(4) the lesser of \$15 million or 15 percent of the amount set aside for reservation by issuers of qualified residential rental project bonds, if the issuer is an issuer of those bonds;

(5) the amount as prescribed in Sections 1372.033(d), (e), and (f), if the issuer is an issuer authorized by Section 53.47, Education Code, to issue qualified student loan bonds; or

(6) \$50 million, if the issuer is any other issuer of bonds that require an allocation.

SECTION 6. Sections 2306.553(a) and (b), Government Code, are amended to read as follows:

(a) The public purpose of the corporation is to perform activities and services that the corporation's board of directors determines will promote the public health, safety, and welfare through the provision of adequate, safe, and sanitary housing primarily for individuals and families of low, very low, and extremely low income and[?] for persons who are eligible for loans [~~professional educators~~] under the [~~professional educators~~] home loan programs [~~program as~~] provided by Sections [~~Section~~] 2306.562 and[~~, for fire fighters, corrections officers, county jailers, public security officers, and peace officers under the fire fighter, law enforcement officer, and security officer home loan program as provided by Section~~] 2306.5621[~~, and for professional nursing program faculty members under the professional nursing program faculty member home loan program as provided by Section 2306.5622~~]. The activities and services shall include engaging in mortgage banking activities and lending transactions and acquiring, holding, selling, or leasing real or personal property.

(b) The corporation's primary public purpose is to facilitate the provision of housing by issuing qualified 501(c)(3) bonds and qualified residential rental project bonds and by making affordable loans to individuals and families of low, very low, and extremely low income and[?] to persons who are eligible for loans under the home loan programs provided by Sections 2306.562 and 2306.5621 [~~professional educators under the professional educators home loan program, to fire fighters, corrections officers, county jailers, public security officers, and peace officers under the fire fighter, law enforcement officer, and security officer home loan program, and to professional nursing program faculty members under the professional nursing program faculty member home loan program~~]. The corporation may make first lien, single family purchase money mortgage loans for single family homes only to individuals and families of low, very low, and extremely low income if the individual's or family's household income is not more than the greater of 60 percent of the median income for the state, as defined by the United States Department of Housing and Urban Development, or 60 percent of the area median family income, adjusted for family size, as defined by that department. The corporation may make loans for multifamily developments if:

(1) at least 40 percent of the units in a multifamily development are affordable to individuals and families with incomes at or below 60 percent of the median family income, adjusted for family size; or

(2) at least 20 percent of the units in a multifamily development are affordable to individuals and families with incomes at or below 50 percent of the median family income, adjusted for family size.

SECTION 7. Sections 2306.562(a), (b), and (c), Government Code, are amended to read as follows:

(a) In this section:

(1) "Allied health program faculty member" means a full-time member of the faculty of an undergraduate or graduate allied health program of a public or private institution of higher education in this state.

(1-a) "Graduate allied health program" means a postbaccalaureate certificate or master's or doctoral degree program in an allied health profession that is accredited by an accrediting entity recognized by the United States Department of Education.

(1-b) "Graduate professional nursing program" and "undergraduate professional nursing program" have the meanings assigned by Section 54.221, Education Code.

(2) "Home" means a dwelling in this state in which a professional educator intends to reside as the professional educator's principal residence.

(3) ~~(2)~~ "Mortgage lender" has the meaning assigned by Section 2306.004.

(4) ~~(3)~~ "Professional educator" means a classroom teacher, full-time paid teacher's aide, full-time librarian, full-time counselor certified under Subchapter B, Chapter 21, Education Code, ~~or~~ full-time school nurse, or allied health or professional nursing program faculty member.

(5) "Professional nursing program faculty member" means a full-time member of the faculty of either an undergraduate or graduate professional nursing program.

(6) ~~(4)~~ "Program" means the professional educators home loan program.

(7) "Undergraduate allied health program" means an undergraduate degree or certificate program that:

(A) prepares students for licensure, certification, or registration in an allied health profession; and

(B) is accredited by an accrediting entity recognized by the United States Department of Education.

(b) The corporation shall establish a program to provide low-interest home mortgage loans to eligible professional educators whose income does not exceed the greater of:

(1) 115 percent of area median family income, adjusted for family size; or

(2) the maximum amount permitted by Section 143(f), Internal Revenue Code of 1986, ~~with low interest home mortgage loans~~.

(c) To be eligible for a loan under this section, a professional educator must:

(1) reside in this state on the application date; and

(2) be employed by a school district or be an allied health or professional nursing program faculty member in this state on the application date.

SECTION 8. Section 2306.5622, Government Code, is repealed.

SECTION 9. The Texas State Affordable Housing Corporation shall aggressively pursue funding for the professional educators home loan program required by Section 2306.562, Government Code, as amended by this Act.

SECTION 10. This Act takes effect September 1, 2007.

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 1185**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1613 WITH HOUSE AMENDMENT

Senator Duncan called **SB 1613** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1613** (House committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Section 102.001, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 102.001. DEFINITIONS. In this chapter:

(1) "Employee" includes an officer, volunteer, or employee, a former officer, volunteer, or employee, and the estate of an officer, volunteer, or employee or former officer, volunteer, or employee of a local government. The term includes a member of a governing board. The term does not include a county extension agent.

(2) "Local government" means a county, city, town, special purpose district, including a soil and water conservation district, and any other political subdivision of the state.

SECTION 2. The amendment by this Act of Section 102.001, Civil Practice and Remedies Code, is intended to clarify rather than change the existing law.

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, 2007.

The amendment was read.

Senator Duncan moved to concur in the House amendment to **SB 1613**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE ON HOUSE BILL 3732

Senator Averitt called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 3732** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 3732** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Averitt, Chair; Brimer, Nichols, Shapleigh, and Nelson.

SENATE BILL 1091 WITH HOUSE AMENDMENT

Senator Nichols called **SB 1091** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1091** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the creation of the Somerset Municipal Utility District No. 1; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

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

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8203 to read as follows:

CHAPTER 8203. SOMERSET MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8203.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Somerset Municipal Utility District No. 1.

Sec. 8203.002. NATURE OF DISTRICT. The district is a municipal utility district in San Jacinto County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8203.003. FINDING OF PUBLIC USE AND BENEFIT. The district is created to serve a public use and benefit.

Sec. 8203.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8203.023 before September 1, 2009:

- (1) the district is dissolved September 1, 2009, except that the district shall:

 - (A) pay any debts incurred;
 - (B) transfer to San Jacinto County any assets that remain after the payment of debts; and
 - (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

- (2) this chapter expires September 1, 2012.

Sec. 8203.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

- (1) the organization, existence, or validity of the district;
- (2) the right of the district to impose taxes; or
- (3) the legality or operation of the board.

[Sections 8203.006-8203.020 reserved for expansion]

SUBCHAPTER A-I. TEMPORARY PROVISIONS

Sec. 8203.021. TEMPORARY DIRECTORS. (a) The temporary board consists

of:

- (1) Terry Vaughn;
- (2) Clarke Evans;
- (3) Sherry Baker;
- (4) Dale Wilson; and
- (5) Ronnie Vincent.

(b) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy. If at any time there are fewer than three qualified temporary directors, the Texas Commission on Environmental Quality shall appoint the necessary number of persons to fill all vacancies on the board.

(c) Temporary directors serve until the earlier of:

- (1) the date directors are elected under Section 8203.023; or
- (2) the date this chapter expires under Section 8203.004.

Sec. 8203.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the organizational meeting shall be at the San Jacinto County Courthouse.

Sec. 8203.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

Sec. 8203.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8203.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8203.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2012.

[Sections 8203.026-8203.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8203.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8203.052-8203.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8203.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8203.102. ROAD PROJECTS; LIMIT ON EMINENT DOMAIN POWER. (a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by resolution.

(d) The district may not exercise the power of eminent domain outside the district for a road project.

Sec. 8203.103. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Sec. 8203.104. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" has the meaning assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

[Sections 8203.105-8203.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8203.151. OPERATION AND MAINTENANCE TAX. The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

Sec. 8203.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8203.201.

Sec. 8203.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities

Code;

(4) a cable operator as defined by 47 U.S.C. Section 522; or

(5) a person who provides to the public advanced telecommunications services.

[Sections 8203.154-8203.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8203.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8203.102.

(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money.

(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8203.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8203.102 may not exceed one-fourth of the assessed value of the real property in the district.

[Sections 8203.202-8203.250 reserved for expansion]

SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8203.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by taxes or net revenue, the district may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or

(2) a motion by the board.

(e) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and

(2) prepare a metes and bounds description for each proposed district.

Sec. 8203.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8203.251(e), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

(1) the date and location of the election; and

(2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:

(1) the district is divided; and

(2) not later than the 30th day after the date of the election, the district shall

provide written notice of the division to:

(A) the Texas Commission on Environmental Quality;

(B) the attorney general;

(C) the commissioners court of each county in which a new district is located; and

(D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Sec. 8203.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and

(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, the appointed board shall hold an election to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve until the next regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8203.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8203.251(e).

(c) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Sec. 8203.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or

(2) any other matter the boards of the new districts consider appropriate.

SECTION 2. The Somerset Municipal Utility District No. 1 initially includes all the territory contained in the following described area:

TRACT 1

Being 399.382 acres of land situated in the State of Texas, County of San Jacinto, a part of the John Davis Survey, A-13, and the John W. Adams Survey, A-1, 397.437 acres being the same land described as 397.374 acres in Exhibit "A" and 1.945 acres being the same land described as 1.941 acres in Exhibit "B" in deed to Jackie Q. Bass recorded under Clerk's File No. 00-5232, Page 17650 of the San Jacinto County Official Public Records and in deed to Norman Frewin (undivided 1/2 interest) recorded under Clerk's File No. 04-1142, Page 5315 of said Official Public Records, and this 399.382 acres being more particularly described by metes and bounds in two parcels as follows:

PARCEL ONE: 397.437 Acres

Beginning at a 5/8" iron rod with aluminum cap found for the south common corner between said Bass and Frewin called 397.374 acre tract and the called 454.26 acres described in deed to Trinity River Authority of Texas recorded in Volume 117, Page

163 of the San Jacinto County Deed Records, located on the north line of said Bass and Frewin called 1.941 acre tract (1.945 acres by resurvey and described as PARCEL TWO below);

Thence S 84° 13' 52" W, along the common line between said Bass and Frewin tracts, at 117.39 ft. pass a 1/2" iron rod found for the northwest corner of said called 1.941 acre tract, same being and exterior corner of the called 381.948 acres described in deed to R. Kyle Reneau and Beth C. Reneau recorded under Clerk's File No. 01-4293, Page 15705 of said Official Public Records, and continuing S 84° 13' 52" W, along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres, in all a total distance of 427.11 ft. to a 1/2" iron rod found for corner;

Thence S 05° 38' 50" E 214.60 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence S 03° 24' 58" E 407.43 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence S 79° 54' 44" W 216.33 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a 1/2" iron rod set for corner;

Thence S 07° 35' 41" E 379.86 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence N 89° 44' 50" W 436.38 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence S 88° 10' 40" W 705.26 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a 1/2" iron rod set for corner;

Thence S 42° 49' 31" W 490.69 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence S 87° 04' 53" W 380.15 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a boat spike found for corner;

Thence S 81° 43' 06" W 584.33 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to a boat spike found for corner;

Thence S 88° 37' 20" W 200.17 ft. along the common line between said Bass and Frewin called 397.374 acres and said Reneau called 381.948 acres to its intersection with the centerline of Shoemake Creek, said point being the south common corner between the herein described 397.437 acre tract and the called 563 acres described in deed to Norm Frewin recorded under Clerk's File No. 01-1288, Page 5061 of said Official Public Records;

Thence along the centerline of Shoemake Creek, same being the common line between said Frewin called 563 and said Bass and Frewin called 397.374 acres, with its meanders as follows:

N 24° 22' 49" E 31.08 ft.;
S 85° 14' 24" E 159.15 ft.;
N 51° 08' 31" E 37.66 ft.;
N 51° 40' 05" W 77.75 ft.;
N 04° 56' 40" W 117.36 ft.;
N 50° 57' 02" W 114.62 ft.;
N 15° 49' 41" W 78.85 ft.;
N 68° 22' 24" E 118.99 ft.;
S 26° 10' 49" E 71.99 ft.;
N 81° 11' 03" E 49.72 ft.;
N 10° 13' 24" W 95.69 ft.;
N 58° 48' 33" E 36.89 ft.;
S 63° 27' 04" E 81.77 ft.;
N 22° 03' 58" W 151.13 ft.;
N 46° 39' 24" E 100.59 ft.;
N 03° 08' 05" E 155.24 ft.;
N 43° 17' 40" E 37.10 ft.;
N 00° 31' 10" W 159.76 ft.;
N 23° 32' 06" E 88.38 ft.;
N 49° 46' 48" W 103.36 ft.;
N 37° 27' 52" E 147.02 ft.;
N 36° 38' 28" W 64.34 ft.;
N 04° 50' 54" E 302.36 ft.;
N 55° 29' 45" W 59.81 ft.;
N 08° 44' 10" E 114.59 ft.;
N 34° 18' 40" W 67.84 ft.;
N 10° 57' 26" E 40.69 ft.;
N 20° 53' 16" W 49.22 ft.;
N 25° 37' 00" E 105.66 ft.;
N 88° 06' 02" E 46.07 ft.;
N 18° 59' 42" W 67.27 ft.;
N 16° 06' 21" E 59.84 ft.;
N 22° 02' 03" W 71.15 ft.;
N 34° 14' 23" E 60.62 ft.;
N 33° 21' 03" W 88.36 ft.;
N 22° 57' 52" W 87.50 ft.;
N 34° 50' 20" W 109.02 ft.;
N 56° 52' 11" W 141.00 ft.;
N 14° 54' 09" W 47.34 ft.;
N 43° 31' 21" W 62.95 ft.;
N 13° 05' 26" E 56.00 ft.;
N 38° 22' 19" W 103.76 ft.;
N 85° 29' 47" W 65.21 ft.;

S 62° 03' 29" W 63.57 ft.;

N 05° 25' 47" E 92.61 ft.;

N 20° 38' 22" W 108.61 ft.;

N 56° 01' 31" E 90.53 ft. to the north common corner between said tract, located on a southern boundary line of the called 1,064.54 acres described as "Fee Tract G-17" in deed to the Trinity River Authority of Texas recorded in Volume 108, Page 161 of said San Jacinto County Deed Records, same being the Lake Livingston Fee Take Line;

Thence along the common line between said Bass and Frewin called 397.374 acres and said Trinity River Authority called 1,064.54 acres, same being the Lake Livingston Fee Take Line, as follows:

S 47° 16' 40" E 29.04 ft. to a 5/8" iron rod found for corner;

N 15° 14' 20" E 160.08 ft. to a 5/8" iron rod found for corner;

N 23° 08' 40" W 175.81 ft. to a 5/8" iron rod found for corner;

N 48° 36' 35" E 227.71 ft. to a 5/8" iron rod found for corner;

N 13° 36' 20" W 235.15 ft. to a 5/8" iron rod found for corner;

N 32° 48' 23" W 193.11 ft. to a 5/8" iron rod found for corner;

N 05° 14' 18" E 241.31 ft. to a 5/8" iron rod found for corner;

N 24° 47' 17" W 214.93 ft. to a 5/8" iron rod found for corner;

N 18° 12' 18" E 156.87 ft. to a 5/8" iron rod found for corner;

N 31° 25' 55" E 423.47 ft. to a 5/8" iron rod found for corner;

N 64° 01' 20" E 123.74 ft. to a 5/8" iron rod found for corner;

N 09° 30' 20" E 186.23 ft. to a 5/8" iron rod found for corner;

N 29° 52' 58" W 189.26 ft. to a 5/8" iron rod found for corner;

N 72° 04' 02" W 164.47 ft. to a 5/8" iron rod found for corner;

N 01° 17' 22" W 143.59 ft. to a point for corner;

N 10° 38' 38" E 178.01 ft. to a point for corner;

N 13° 43' 37" E 179.61 ft. to a 5/8" iron rod found for corner;

N 43° 32' 53" E 153.77 ft. to a 5/8" iron rod found for corner;

S 79° 09' 47" E 151.84 ft. to a 5/8" iron rod found for corner;

N 36° 37' 28" W 398.70 ft. to a 5/8" iron rod found for corner;

N 56° 37' 16" W 230.69 ft. to a 5/8" iron rod found for corner;

N 73° 28' 55" E 557.75 ft. to a 5/8" iron rod found for corner;

S 55° 35' 05" E 245.53 ft. to a 5/8" iron rod found for corner;

S 88° 39' 30" E 311.39 ft. to a 5/8" iron rod found for corner;

N 65° 57' 22" E 156.01 ft. to a 5/8" iron rod found for corner;

S 89° 43' 15" E 227.75 ft. to a 5/8" iron rod found for corner;

N 73° 11' 36" E 156.86 ft. to a point for corner;

N 79° 50' 55" E 84.50 ft. to a point for corner;

N 66° 51' 55" E 182.50 ft. to a point for corner;

N 67° 31' 55" E 269.74 ft. to a point for corner;

N 85° 47' 55" E 136.14 ft. to a point for corner;

S 81° 10' 05" E 133.71 ft. to a point for corner;

S 73° 54' 05" E 127.61 ft. to a point for corner;

S 86° 23' 05" E 182.37 ft. to a point for corner;

N 42° 31' 55" E 92.51 ft. to a point for corner;

S 35° 22' 05" E 119.07 ft. to a point for corner;
N 54° 25' 55" E 97.95 ft. to a point for corner;
S 61° 24' 06" E 199.28 ft. to a point for corner;
S 71° 40' 06" E 88.64 ft. to a point for corner;
N 06° 38' 06" W 120.20 ft. to a point for corner;
N 73° 13' 54" E 122.59 ft. to a point for corner;
S 50° 18' 06" E 142.13 ft. to a point for corner;
S 68° 17' 06" E 179.83 ft. to a point for corner;
N 36° 56' 54" E 109.75 ft. to a point for corner;
N 52° 08' 54" E 203.06 ft. to a point for corner;
S 53° 49' 06" E 288.73 ft. to a point for corner;
N 25° 30' 06" W 89.47 ft. to a point for corner;
N 68° 01' 54" E 182.96 ft. to a point for corner;
N 60° 42' 54" E 122.23 ft. to a point for corner;
N 88° 15' 54" E 241.03 ft. to a point for corner;
S 38° 33' 06" E 140.94 ft. to a point for corner;
N 46° 29' 54" E 202.62 ft. to the north common corner between said Bass and Frewin tract and said Trinity River Authority called 454.26 acres, said point being located on the common survey line between said Davis and Adams Surveys;
Thence S 35° 33' 11" W, along the common line between said Bass and Frewin tract and said Trinity River Authority called 454.26 acre tract, same being the common survey line between said Davis and Adams Surveys, at 100.00 ft. pass a 1/2" iron rod set for reference, and continuing along said common line in all a total distance of 1,887.38 ft. to a concrete monument found for corner;
Thence S 35° 38' 38" W 2,389.62 ft. along the common line between said Bass and Frewin tract and said Trinity River Authority called 454.26 acre tract, same being the common survey line between said Davis and Adams Surveys, to a 5/8" iron rod with aluminum cap found for corner;
Thence S 54° 54' 24" E 54.79 ft. along the common line between said Bass and Frewin tract and said Trinity River Authority called 454.26 acre tract to a 5/8" iron rod with aluminum cap found for corner;
Thence S 16° 43' 59" E 381.40 ft. along the common line between said Bass and Frewin tract and said Trinity River Authority called 454.26 acre tract to a 5/8" iron rod with aluminum cap found for corner;
Thence S 23° 46' 05" W 303.32 ft. along the common line between said Bass and Frewin tract and said Trinity River Authority called 454.26 acre tract to a 5/8" iron rod with aluminum cap found for corner;
Thence S 64° 52' 16" E 582.75 ft. along the common line between said Bass and Frewin tract and said Trinity River Authority called 454.26 acre tract to a 5/8" iron rod with aluminum cap found for corner;
Thence S 33° 03' 59" E 499.08 ft. along the common line between said Bass and Frewin tract and said Trinity River Authority called 454.26 acre tract to a 5/8" iron rod with aluminum cap found for corner;
Thence S 37° 35' 29" E 368.71 ft. along the common line between said Bass and Frewin tract and said Trinity River Authority called 454.26 acre tract to the place of beginning and containing within these bounds 397.437 acres of land.

PARCEL TWO: 1.945 Acres

Beginning at a 5/8" iron rod with aluminum cap found for the south common corner between PARCEL ONE as described above (397.437 acres) and the called 454.26 acres described in deed to Trinity River Authority of Texas recorded in Volume 117, Page 163 of the San Jacinto County Deed Records, said point being and angle point in the north line of said Bass and Frewin called 1.941 acre tract;

Thence N 80° 24' 35" E 130.35 ft. along the common line between said Bass and Frewin called 1.941 acre tract and said Trinity River Authority called 454.26 acre tract to a 1/2" iron rod found for corner;

Thence S 84° 49' 09" E 375.48 ft. along the common line between said Bass and Frewin called 1.941 acre tract and said Trinity River Authority called 454.26 acre tract to a 1/2" iron rod found for corner;

Thence S 68° 51' 53" E 102.35 ft. along the common line between said Bass and Frewin called 1.941 acre tract and said Trinity River Authority called 454.26 acre tract to a 1/2" iron rod set for corner located on the west right of way line of the called 0.820 acre (120 ft. wide) easement granted to Trinity River Authority of Texas recorded in Volume 40, Page 455 of said Official Public Records (Horizon Properties Corporation Volume 133, Page 853, Deed Records), said easement also being described in said Bass and Frewin deeds;

Thence 116.87 ft. along the east line of said Bass and Frewin called 1.941 acre tract, same being the west right of way line of said 120 ft. wide Easement, in a curve to the left having a central angle of 14°33' 24", the radius being 460.00 ft. and the chord bears S 26° 49' 08" E 116.55 ft. to a 1/2" iron rod set for the east common corner between the herein described 1.945 acre tract and the called 381.948 acres described in deed to R. Kyle Reneau and Beth C. Reneau recorded under Clerk's File No. 01-4293, Page 15705 of said Official Public Records;

Thence N 85° 19' 05" W 703.57 ft. along the common line between said Bass and Frewin tract and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence N 38° 14' 09" W 106.79 ft. along the common line between said Bass and Frewin tract and said Reneau called 381.948 acres to a 1/2" iron rod found for the north common corner between said tracts, located on a south boundary line of the 397.437 acres described above;

Thence N 84° 13' 52" E 117.39 ft. along the common line between the herein described 1.945 acres and said 397.437 acres to the place of beginning and containing within these bounds 1.945 acres of land.

Bearings for this description are based on plat call for the south line of Block 4 of Waterwood Turtle Creek as shown on the plat recorded in Volume 7, Page 19 of the San Jacinto County Plat Records.

TRACT 2

Being 487.597 acres of land situated in the State of Texas, County of San Jacinto, a part of the John Davis Survey, A-13, and the John W. Adams Survey, A-1, and being the total combined acreage by resurvey of the called 381.948 acres described in deed to R. Kyle Reneau and Beth C. Reneau recorded under Clerk's File No. 01-4293, Page 15705 of the San Jacinto County Official Public Records and a part of the lands described in deed to Kyle Reneau and wife, Beth Reneau, recorded under Clerk's File No. 01-3453, Page 12713 of said Official Public Records and being Blocks One (1),

Two (2), Three (3) and Four (4) of Waterwood Turtle Creek, a subdivision in said San Jacinto County, as shown by the map or plat thereof recorded in Volume 7, Page 19 of the San Jacinto County Plat Records (said Plat being canceled by instrument recorded under Clerk's File No. 02-3382, Page 44056 of said Official Public Records), and this 487.597 acres being more particularly described by metes and bounds in two parcels (151.397 acres and 336.200 acres) as follows:

PARCEL ONE: 151.397 Acres

Beginning at a concrete right of way monument found for the southwest corner of "Parcel A" of Block One (1) of Waterwood Turtle Creek, said point being the south common corner between said Reneau lands and the called 157.1095 acres described as "Fifteenth Property, Parcel 11" in deed to Jacinto Investments, L.P. and CEM Properties, Inc. recorded in Volume 214, Page 648 of said Official Public Records, located on the north right of way line of F. M. Highway No. 980;

Thence N 20° 49' 16" W, along the common line between said Reneau tract and said Jacinto Investments, L.P. tract, same being the west line of said Block 1 of Waterwood Turtle Creek, at 553.01 ft. pass a 1/2" iron rod set for reference, and in all a total distance of 578.01 ft. to the intersection with the centerline of Newton Branch;

Thence along the centerline of Newton Branch, same being the common line between said Reneau called 381.948 acres and said Jacinto Investments, L.P. called 157.1095 acres, with its meanders as follows:

N 56° 16' 55" W 52.45 ft.;

S 88° 17' 16" W 88.52 ft.;

N 65° 06' 16" W 36.57 ft.;

N 33° 44' 28" W 45.84 ft.;

N 75° 00' 11" W 124.78 ft.;

N 44° 02' 57" E 39.31 ft.;

N 21° 11' 01" E 105.65 ft.;

N 09° 57' 18" E 94.29 ft.;

N 26° 59' 41" W 60.53 ft.;

N 36° 55' 25" E 106.00 ft.;

N 59° 49' 42" E 126.25 ft.;

N 66° 05' 40" E 73.64 ft.;

S 77° 43' 47" E 32.27 ft.;

N 52° 00' 36" E 59.23 ft.;

N 36° 49' 24" E 34.19 ft.;

N 58° 58' 03" E 103.85 ft.;

N 38° 35' 41" E 36.31 ft.;

N 16° 11' 08" W 68.39 ft.;

N 46° 27' 43" W 28.27 ft.;

N 32° 48' 37" E 59.03 ft.;

N 45° 34' 49" E 54.87 ft.;

N 07° 01' 33" E 30.22 ft.;

N 11° 42' 55" W 134.42 ft.;

N 24° 52' 21" W 74.06 ft.;

N 35° 46' 35" W 87.84 ft.;

N 16° 53' 53" E 33.43 ft.;

N 53° 14' 12" E 49.42 ft.;
N 03° 15' 55" W 125.38 ft.;
N 57° 38' 43" E 63.49 ft.;
S 86° 53' 44" E 32.93 ft.;
S 41° 15' 07" E 67.46 ft.;
S 06° 27' 07" W 66.39 ft.;
S 29° 12' 38" E 33.98 ft.;
S 75° 26' 31" E 46.50 ft.;
N 62° 35' 27" E 62.13 ft.;
N 17° 01' 30" E 36.69 ft.;
N 06° 36' 09" W 38.51 ft.;
N 38° 23' 05" W 55.51 ft.;
N 11° 00' 43" E 47.85 ft.;
N 58° 52' 11" E 82.09 ft.;
N 51° 06' 38" E 44.29 ft.;
N 25° 14' 12" E 42.88 ft.;
N 19° 16' 01" W 81.78 ft.;
N 16° 30' 33" W 138.28 ft.;
N 47° 28' 58" W 93.18 ft.;
N 09° 47' 43" W 26.67 ft.;
N 42° 41' 02" E 37.48 ft.;
N 74° 09' 01" E 52.89 ft.;
N 58° 50' 37" E 135.20 ft.;
N 80° 43' 43" E 59.97 ft.;
N 20° 59' 09" E 40.28 ft.;
N 49° 48' 38" W 67.47 ft.;
N 28° 58' 37" W 77.73 ft.;
N 36° 34' 42" E 47.36 ft.;
N 73° 09' 48" E 100.93 ft.;
N 07° 57' 39" W 201.32 ft.;
N 52° 10' 48" W 106.30 ft.;
N 28° 37' 40" E 113.97 ft.;
N 60° 54' 41" W 79.60 ft.;
S 75° 35' 33" W 47.38 ft.;
S 40° 24' 03" W 59.54 ft.;
S 62° 49' 28" W 28.54 ft.;
N 42° 03' 10" W 27.74 ft. and
N 02° 31' 29" W 102.23 ft. to the intersection

Of the center-line of Newton Branch with the Lake Livingston Fee Take Line, said point being the north common corner between said Reneau tract and said Jacinto Investments, L.P. tract, located on a south line of the called 322.05 acres described as "Fee Tract G-11" in deed to Trinity River Authority of Texas recorded in Volume 108, Page 161 of the San Jacinto County Deed Records;

Thence along the common line between said Reneau called 381.948 acres and said Trinity River Authority called 322.05 acres, same being the Lake Livingston Fee Take Line, as follows:

N 59° 40' 22" E 73.10 ft. to a point for corner;
N 53° 02' 22" E 187.29 ft. to a 5/8" iron rod found for corner;
N 48° 35' 38" W 195.98 ft. to a 5/8" iron rod found for corner;
N 25° 47' 23" E 93.02 ft. to a 5/8" iron rod found for corner;
N 35° 53' 16" E 158.04 ft. to a 5/8" iron rod found for corner;
N 21° 46' 39" E 69.42 ft. to a 5/8" iron rod found for corner;
N 23° 14' 40" W 161.16 ft. to a 5/8" iron rod found for corner;
N 30° 16' 55" W 127.41 ft. to a 5/8" iron rod found for corner;
N 44° 42' 44" W 208.53 ft. to a 5/8" iron rod found for corner;
N 34° 59' 23" W 79.67 ft. to a 5/8" iron rod found for corner;
N 56° 44' 16" E 105.21 ft. to a 5/8" iron rod found for corner;
N 28° 21' 36" E 117.46 ft. to a 5/8" iron rod found for corner;
N 19° 40' 01" W 144.28 ft. to a 5/8" iron rod found for corner;
N 65° 51' 06" W 178.11 ft. to a 5/8" iron rod found for corner;
N 43° 59' 25" E 205.51 ft. to a 1/2" iron rod set for the west common corner between said Reneau called 381.948 acres and the called 563 acres described in deed to Norm Frewin recorded under Clerk's File No. 01-1288, Pg. 5061 of said Official Public Records;
Thence N 82° 27' 29" E 352.04 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod set for corner;
Thence S 16° 03' 33" E 598.70 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod set for corner;
Thence S 85° 54' 34" E 279.21 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod set for corner;
Thence S 80° 31' 07" E 170.18 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 60d nail found for corner;
Thence N 83° 06' 27" E 426.68 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod found for corner;
Thence S 48° 52' 14" E 420.81 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod set for corner;
Thence S 02° 44' 05" E 91.72 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod found for corner;
Thence N 85° 56' 14" E 294.97 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod found for corner;
Thence S 01° 55' 41" W 714.74 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod found for the northwest corner of the called 5.029 acres (a 100 ft. wide strip for roadway purposes) described as "Second Tract" in said Frewin deed and a corner of a part of said Reneau called 381.948 acres;
Thence 2,163.75 ft. in a southwesterly direction along the common line between the herein described 151.397 acres and said Frewin called 5.029 acres, in a curve to the left having a central angle 76° 26' 56", the radius being 1,621.66 ft. and the chord bears S 17° 15' 27" W 2,006.78 ft. to a 1/2" iron rod set for the west common corner between said Frewin called 5.029 acres and the called 1.377 acres described as "Third Tract" in said Frewin deed, said point also being the common corner between a part of

said Reneau called 381.948 acres and said Block 2 of Waterwood Turtle Creek as described in said Reneau deed recorded under Clerk's File No. 01-3453, Page 12713 of said Official Public Records;

Thence S 20° 59' 27" E 600.00 ft. along the common line between said Frewin called 1.377 acres and said Block 2 of Waterwood Turtle Creek to a 1/2" iron rod set for the southeast corner of the herein described 151.397 acres, same being the south common corner between said Frewin tract and said Block 2, located on the north right of way line of said F. M. Highway No. 980;

Thence S 69° 00' 33" W 1,693.17 ft. along the north right of way line of said F. M. Highway No. 980, same being the south lines of said Waterwood Turtle Creek and said Reneau called 381.948 acres to a 1/2" iron rod set for corner, from said point a concrete right-of-way monument bears S 24° 40' 09" E 2.48 ft.;

Thence S 77° 02' 24" W 201.87 ft. along the north right of way line of said F. M. Highway No. 980, same being the south line of said Block 1 of Waterwood Turtle Creek to the place of beginning and containing within these bounds 151.397 acres of land.

PARCEL TWO: 336.200 Acres

Beginning at a concrete right of way monument found for the southeast corner of Block 4 of Waterwood Turtle Creek, a subdivision in said San Jacinto County, Texas, as shown by the map or plat recorded in Volume 7, Page 19 of the San Jacinto County Plat Records (said Plat being canceled by instrument recorded under Clerk's File No. 02-3382, Page 44056 of said Official Public Records) and being a part of the lands described in said deed to Kyle Reneau and Beth Reneau recorded under Clerk's File No. 01-3453, Page 12713 of said Official Public Records, located at the intersection of the north right of way line of F. M. Highway No. 980 (120 ft. wide right-of-way) with the west right of way line of Spur Highway No. 980 (120 ft. wide right-of-way);

Thence N 89° 15' 00" W 1,843.70 ft. along the north right of way line of said F. M. Highway No. 980, same being the south line of said Block 4 of Waterwood Turtle Creek, to a concrete right of way monument found for corner;

Thence 1,110.12 ft. in a southwesterly direction along the north right of way line of said F. M. Highway No. 980, same being the south line of said Block 4 of Waterwood Turtle Creek, a south line of the called 381.948 acres described in said deed to R. Kyle Reneau and Beth C. Reneau recorded under Clerk's File No. 01-4293, Page 15705 of said Official Public Records, and the south line of Block 3 of said Waterwood Turtle Creek, in a curve to the left having a central angle 21° 44' 27", the radius being 2,925.62 ft. and the chord bears S 79° 52' 47" W 1,103.47 ft. to a 1/2" iron rod set for corner, from said point a concrete right-of-way monument bears S 69° 14' 36" W 0.62 ft.;

Thence S 69° 00' 33" W 3,011.38 ft. along the north right of way line of said F. M. Highway No. 980, same being the south line of said Block 3 of Waterwood Turtle Creek, to a 1/2" iron rod set for the south common corner between said Block 3 and the called 1.377 acres described as "Third Tract" in deed to Norm Frewin recorded under Clerk's File No. 01-1288, Page 5061 of said Official Public Records;

Thence N 20° 59' 27" W 600.00 ft. along the common line between said Block 3 of Waterwood Turtle Creek and said Frewin called 1.377 acres to a 1/2" iron rod set for the west common corner between said Block 3 and a part of said Reneau called

381.948 acres, same being the east common corner between said Frewin called 1.377 acres and the called 5.029 acres described as "Second Tract" in said Frewin deed, said point being the P.C. of a curve;

Thence 2,220.00 ft. in a northeasterly direction along the west line of the herein described 336.200 acres, same being the common line between a part of said Reneau called 381.948 acres and said Frewin called 5.029 acres, in a curve to the right having a central angle $83^{\circ} 35' 27''$, the radius being 1,521.66 ft. and the chord bears $N 20^{\circ} 49' 48'' E$ 2,028.29 ft. to a 1/2" iron rod set for the north common corner between said tracts, located on the south line of the called 563 acres described in said Frewin deed;

Thence $N 86^{\circ} 03' 37'' E$ 393.56 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod found for corner;

Thence $N 02^{\circ} 00' 37'' W$ 371.79 ft. along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres to a 1/2" iron rod found for corner;

Thence $N 88^{\circ} 37' 20'' E$, along the common line between said Reneau called 381.948 acres and said Frewin called 563 acres, at 350.12 ft. pass the south common corner between said Frewin tract and the called 397.374 acres described as "Tract One" in deed to Jackie Q. Bass recorded under Clerk's File No. 00-5232, Page 17650 of said Official Public Records and in deed to Norman Frewin (undivided 1/2 interest) recorded under Clerk's File No. 04-1142, Page 5315 of said Official Public Records, located in the centerline of Shoemake Creek, and continuing $N 88^{\circ} 37' 20'' E$, along the common line between said Reneau tract and said Bass and Frewin called 397.374 acres, in all a total distance of 550.29 ft. to a boat spike found for corner;

Thence $N 81^{\circ} 43' 06'' E$ 584.33 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a boat spike found for corner;

Thence $N 87^{\circ} 04' 53'' E$ 380.15 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod found for corner;

Thence $N 42^{\circ} 49' 31'' E$ 490.69 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod set for corner;

Thence $N 88^{\circ} 10' 40'' E$ 705.26 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod found for corner;

Thence $S 89^{\circ} 44' 50'' E$ 436.38 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod found for corner;

Thence $N 07^{\circ} 35' 41'' W$ 379.86 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod set for corner;

Thence $N 79^{\circ} 54' 44'' E$ 216.33 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod found for corner;

Thence N 03° 24' 58" W 407.43 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod found for corner;

Thence N 05° 38' 50" W 214.60 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod found for corner;

Thence N 84° 13' 52" E 309.72 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 397.374 acres to a 1/2" iron rod found for the north common corner between said Reneau called 381.948 acres and the called 1.941 acres described as "Tract Two" in said Bass and Frewin deeds;

Thence S 38° 14' 09" E 106.79 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 1.941 acres to a 1/2" iron rod found for corner;

Thence S 85° 19' 05" E 703.57 ft. along the common line between said Reneau called 381.948 acres and said Bass and Frewin called 1.941 acres to a 1/2" iron rod set for the east common corner between said tracts, located on the west right of way line of a 120 ft. wide easement (called 0.820 acres) described in said Bass and Frewin deeds and also described in Easement granted to the Trinity River Authority of Texas recorded in Volume 40, Page 455 of said Official Public Records and to Horizon Properties Corporation in instrument recorded in Volume 133, Page 853 of the San Jacinto County Deed Records;

Thence 161.82 ft. in a southeasterly direction along the east line of said Reneau called 381.948 acres, same being the west right of way line of said 120 ft. wide Easement, in a curve to the left having a central angle of 20° 09' 19", the radius being 460.00 ft. and the chord bears S 44° 10' 29" E 160.98 ft. to a 1/2" iron rod set marking the P.T. of said curve;

Thence S 54° 15' 08" E, along the east line of said Reneau called 381.948 acres, same being the west right of way line of said 120 ft. wide Easement, at 100.00 ft. pass the southwest corner of said Easement, same being the terminal point of the west right of way line of said Spur Highway No. 980, and continuing S 54° 15' 08" E, along the east line of said Reneau called 381.948 acres, same being the west right of way line of said Spur Highway No. 980, in all a total distance of 296.56 ft. to a 1/2" iron rod set marking the P.C. of a curve in said right of way line;

Thence 1,042.41 ft. in a southeasterly direction along the east line of said Reneau called 381.948 acres, same being the west right of way line of said Spur Highway No. 980, in a curve to the right having a central angle of 55° 00' 00", the radius being 1,085.92 ft. and the chord bears S 26° 45' 08" E 1002.84 ft. to a 1/2" iron rod set marking the P.T. of said curve, from said point a concrete right of way monument bears N 00° 07' 03" E 94.27 ft.;

Thence S 00° 44' 52" W, along the east line of said Reneau called 381.948 acres, same being the west right of way line of said Spur Highway No. 980, at 1,243.44 ft. pass the east common corner between said Reneau called 381.948 acres and said Block 4 of Waterwood Turtle Creek, and continuing S 00° 44' 52" W, along the east line of said Block 4, same being the west right of way line of said Spur Highway No. 980, in all a total distance of 1,743.44 ft. to a 1/2" iron rod set for corner, from said point a concrete right of way monument bears N 15° 58' 12" E 4.92 ft.;

Thence S 45° 27' 39" W 142.79 ft. along the east line of said Reneau called 381.948 acres, same being the west right of way line of said Spur Highway No. 980, to the place of beginning and containing within these bounds 336.200 acres of land.

Bearings for this description are based on plat call for the south line of Block 4 of Waterwood Turtle Creek as shown on the plat recorded in Volume 7, Page 19 of the San Jacinto County Plat Records.

TRACT 3

Being 569.539 acres of land situated in the State of Texas, County of San Jacinto, a part of the John Davis Survey, A-13, and the John W. Adams Survey, A-1, 563.139 acres being the same lands called 563 acres and 6.400 acres being the total combined acreage by resurvey of the called 5.029 acres described as "Second Tract" and the called 1.377 acres described as "Third Tract" in deed to Norm Frewin recorded under Clerk's File No. 01-1288, Page 5061 of the San Jacinto County Official Public Records, and this 569.539 acres being more particularly described by metes and bounds in two parcels as follows:

PARCEL ONE: 563.139 Acres

Beginning at a 1/2" iron rod set for the west common corner between the herein described 563.139 acre tract and the called 381.948 acres described in deed to R. Kyle Reneau and Beth C. Reneau recorded under Clerk's File No. 01-4293, Page 15705 of said Official Public Records, located on an eastern boundary line of the called 322.05 acres described as "Fee Tract G-11" in deed to the Trinity River Authority of Texas recorded in Volume 108, Page 161 of the San Jacinto County Deed Records, same being the Lake Livingston Fee Take Line;

Thence along the common line between said Frewin called 563 acres and said Trinity River Authority called 322.05 acres, same being the Lake Livingston Fee Take Line, as follows:

N 43° 59' 25" E 48.31 ft. to a 5/8" iron rod found for corner;
N 11° 27' 52" E 152.90 ft. to a 5/8" iron rod found for corner;
N 20° 58' 42" W 261.91 ft. to a 5/8" iron rod found for corner;
N 29° 41' 48" E 178.53 ft. to a 5/8" iron rod found for corner;
N 20° 02' 35" W 184.78 ft. to a 5/8" iron rod found for corner;
N 67° 57' 31" W 210.26 ft. to a 5/8" iron rod found for corner;
S 85° 39' 40" W 136.50 ft. to a 5/8" iron rod found for corner;
N 88° 20' 32" W 93.85 ft. to a point for corner;
N 68° 51' 57" W 176.69 ft. to a point for corner;
N 40° 19' 19" W 209.71 ft. to a 5/8" iron rod found for corner;
N 28° 39' 53" E 98.53 ft. to a point for corner;
N 67° 51' 02" E 98.66 ft. to a point for corner;
N 17° 55' 17" E 135.50 ft. to a 5/8" iron rod found for corner;
N 10° 32' 11" E 201.67 ft. to a 5/8" iron rod found for corner;
N 54° 45' 20" W 304.06 ft. to a 5/8" iron rod found for corner;
S 75° 22' 07" W 86.45 ft. to a point for corner;
N 76° 58' 17" W 230.54 ft. to a 5/8" iron rod found for corner;
N 35° 59' 09" W 107.90 ft. to a 5/8" iron rod found for corner;
N 13° 59' 06" W 121.38 ft. to a 5/8" iron rod found for corner;
N 35° 42' 25" W 179.27 ft. to a 5/8" iron rod found for corner;

N 62° 33' 19" W 141.41 ft. to a 5/8" iron rod found for corner;
S 85° 00' 36" W 101.30 ft. to a 5/8" iron rod found for corner;
N 72° 13' 39" W 124.04 ft. to a point for corner;
N 66° 26' 40" W 116.69 ft. to a point for corner;
N 37° 54' 52" W 91.61 ft. to a point for corner;
S 88° 43' 26" E 161.06 ft. to a point for corner;
N 86° 40' 35" E 225.69 ft. to a 5/8" iron rod found for corner;
S 58° 34' 36" E 188.00 ft. to a 5/8" iron rod found for corner;
S 75° 31' 59" E 214.42 ft. to a point for corner;
N 76° 57' 15" E 206.03 ft. to a 5/8" iron rod found for corner;
S 45° 54' 13" E 217.33 ft. to a 5/8" iron rod found for corner;
S 88° 37' 31" E 158.63 ft. to a 5/8" iron rod found for corner;
N 53° 37' 23" E 88.11 ft. to a 5/8" iron rod found for corner;
N 76° 06' 17" W 206.03 ft. to a 5/8" iron rod found for corner;
N 25° 23' 17" W 102.73 ft. to a 5/8" iron rod found for corner;
N 57° 15' 13" W 232.49 ft. to a 5/8" iron rod found for corner;
S 58° 36' 26" W 120.00 ft. to a 5/8" iron rod found for corner;
N 77° 16' 02" W 147.55 ft. to a 5/8" iron rod found for corner;
N 35° 56' 12" W 190.40 ft. to a point for corner;
N 20° 06' 37" E 178.47 ft. to a 5/8" iron rod found for corner;
N 69° 14' 33" W 154.40 ft. to a 5/8" iron rod found for corner;
S 00° 14' 58" W 60.86 ft. to a 5/8" iron rod found for corner;
S 41° 21' 01" W 130.45 ft. to a point for corner;
S 87° 39' 08" W 133.95 ft. to a point for corner;
N 14° 10' 01" W 208.22 ft. to a 5/8" iron rod found for corner;
S 82° 44' 49" W 161.77 ft. to a 5/8" iron rod found for corner;
S 64° 23' 22" W 129.88 ft. to a point for corner;
N 54° 05' 33" W 145.00 ft. to a point for corner;
N 04° 28' 27" W 228.90 ft. to a 5/8" iron rod found for corner;
S 63° 14' 57" W 130.02 ft. to a 5/8" iron rod found for corner;
S 14° 16' 21" W 168.83 ft. to a 5/8" iron rod found for corner;
S 20° 42' 09" W 95.30 ft. to a point for corner;
N 41° 48' 27" W 150.26 ft. to a 5/8" iron rod found for corner;
N 67° 02' 48" W 102.44 ft. to a 5/8" iron rod found for corner;
S 20° 38' 47" W 247.97 ft. to a 5/8" iron rod found for corner;
S 87° 31' 22" W 103.84 ft. to a 5/8" iron rod found for corner;
S 53° 31' 18" W 111.37 ft. to a 5/8" iron rod found for corner;
S 59° 32' 39" W 140.33 ft. to a point for corner;
N 05° 45' 28" E 81.73 ft. to a point for corner;
N 29° 50' 50" W 87.65 ft. to a point for corner;
N 04° 25' 30" E 139.97 ft. to a point for corner;
N 13° 00' 19" E 190.22 ft. to a 5/8" iron rod found for corner;
N 01° 14' 04" W 160.12 ft. to a point for corner;
N 04° 38' 49" E 209.26 ft. to a point for corner;
N 12° 02' 40" E 265.69 ft. to a point for corner;
S 56° 54' 58" E 141.82 ft. to a 5/8" iron rod found for corner;

S 64° 41' 38" E 168.84 ft. to a 5/8" iron rod found for corner;
N 69° 59' 27" E 130.46 ft. to a 5/8" iron rod found for corner;
N 25° 56' 33" W 125.28 ft. to a point for corner;
N 23° 28' 34" W 128.76 ft. to a point for corner;
N 39° 53' 30" W 148.03 ft. to a point for corner;
N 25° 53' 33" W 162.59 ft. to a point for corner;
N 78° 44' 29" W 125.17 ft. to a point for corner;
N 20° 14' 04" E 108.52 ft. to a point for corner;
N 37° 53' 54" E 99.80 ft. to a point for corner;
N 37° 22' 54" E 140.64 ft. to a point for corner;
N 02° 29' 14" E 111.43 ft. to a point for corner;
N 02° 16' 44" W 147.48 ft. to a point for corner;
N 46° 49' 48" E 95.74 ft. to a point for corner;
S 22° 53' 27" E 214.38 ft. to a point for corner;
S 87° 11' 31" E 118.73 ft. to a point for corner;
S 30° 40' 30" E 195.62 ft. to a point for corner;
S 42° 20' 33" E 166.50 ft. to a point for corner;
S 45° 06' 11" E 199.48 ft. to a point for corner;
S 69° 47' 58" E 128.83 ft. to a 5/8" iron rod found for corner;
N 81° 53' 15" E 106.62 ft. to a 5/8" iron rod found for corner;
N 68° 17' 04" W 178.24 ft. to a 5/8" iron rod found for corner;
N 26° 46' 11" W 275.98 ft. to a point for corner;
N 11° 16' 21" W 166.37 ft. to a point for corner;
N 34° 54' 50" W 190.61 ft. to a point for corner;
N 26° 03' 46" W 182.60 ft. to a point for corner;
N 49° 12' 57" W 128.94 ft. to a point for corner;
N 37° 54' 52" W 97.97 ft. to a point for corner;
N 00° 11' 23" E 89.07 ft. to a point for corner;
S 85° 26' 48" E 181.82 ft. to a point marking the south common corner between said Trinity River Authority called 322.05 acres and the called 9.31 acres described as "Fee Tract G-35" in deed to the Trinity River Authority of Texas recorded in Volume 105, Page 330 of said Deed Records, and continuing along the common line between said Frewin called 563 acres and said Trinity River Authority "Fee Tract G-35";
S 84° 49' 48" E 0.44 ft. to a point for corner;
S 81° 03' 50" E 218.21 ft. to a point for corner;
S 80° 56' 50" E 339.05 ft. to a point for corner;
S 81° 36' 50" E 208.56 ft. to a point for corner;
S 80° 42' 50" E 281.51 ft. to a point marking the south common corner between said Trinity River Authority called 9.31 acres and the called 1,064.54 acres described as "Fee Tract G-17" in deed to the Trinity River Authority of Texas recorded in Volume 108, Page 161 of said Deed Records, and continuing along the common line between said Frewin called 563 acres and said Trinity River Authority "Fee Tract G-17";
N 88° 27' 08" E 77.39 ft. to a point for corner;
N 61° 44' 08" E 241.92 ft. to a point for corner;
N 77° 46' 48" E 359.69 ft. to a point for corner;
N 84° 48' 38" E 318.17 ft. to a point for corner;

N 73° 39' 53" E 296.36 ft. to a point for corner;
S 60° 29' 18" E 143.48 ft. to a point for corner;
S 38° 10' 25" E 120.64 ft. to a point for corner;
S 69° 29' 30" E 103.76 ft. to a point for corner;
N 26° 13' 51" W 289.20 ft. to a point for corner;
S 76° 50' 24" E 171.33 ft. to a point for corner;
N 78° 49' 50" E 135.81 ft. to a point for corner;
S 88° 36' 16" E 298.92 ft. to a point for corner;
S 45° 54' 51" E 178.72 ft. to a point for corner;
N 79° 13' 50" E 243.51 ft. to a point for corner;
S 68° 13' 15" E 210.07 ft. to a point for corner;
N 76° 37' 40" E 140.17 ft. to a point for corner;
S 83° 44' 43" E 235.85 ft. to a point for corner;
S 81° 05' 15" E 242.32 ft. to a point for corner;
N 86° 45' 39" E 236.19 ft. to a point for corner;
S 87° 48' 49" E 266.73 ft. to a point for corner;
S 64° 26' 27" E 201.34 ft. to a 5/8" iron rod found for corner;
S 71° 00' 40" E 257.22 ft. to a 5/8" iron rod found for corner;
S 30° 02' 49" W 107.38 ft. to a 5/8" iron rod found for corner;
S 24° 28' 16" W 384.68 ft. to a 5/8" iron rod found for corner;
S 05° 45' 42" E 219.99 ft. to a 5/8" iron rod found for corner;
S 20° 15' 47" E 187.27 ft. to a 5/8" iron rod found for corner;
S 86° 58' 49" E 221.30 ft. to a 5/8" iron rod found for corner;
S 17° 57' 41" W 210.48 ft. to a 5/8" iron rod found for corner;
S 33° 59' 23" W 146.91 ft. to a 5/8" iron rod found for corner;
S 61° 24' 34" W 146.12 ft. to a 5/8" iron rod found for corner;
S 24° 55' 03" W 279.37 ft. to a 5/8" iron rod found for corner;
S 00° 38' 32" W 192.36 ft. to a 5/8" iron rod found for corner;
S 27° 31' 09" E 222.62 ft. to a 5/8" iron rod found for corner;
S 19° 54' 24" W 113.75 ft. to a 5/8" iron rod found for corner;
S 05° 18' 18" E 160.95 ft. to a 5/8" iron rod found for corner;
S 27° 09' 31" E 131.42 ft. to a 5/8" iron rod found for corner;
S 02° 46' 35" E 134.45 ft. to a 5/8" iron rod found for corner;
S 12° 36' 09" W 181.74 ft. to a 5/8" iron rod found for corner;
S 37° 34' 09" W 112.89 ft. to a 5/8" iron rod found for corner;
S 02° 16' 03" W 142.29 ft. to a 5/8" iron rod found for corner;
S 47° 16' 40" E 203.32 ft. to the intersection of Shoemake Creek,
said point being the north common corner between said Frewin called 563 acres and
the called 397.374 acres described in deed to Jackie Q Bass recorded under Clerk's
File No. 00-5232, Page 17650 of said Official Public Records and in deed to Norman
Frewin (undivided 1/2 interest) recorded under Clerk's File No. 04-1142, Page 5315
of said Official Public Records;
Thence along the centerline of Shoemake Creek, same being the common line
between said Frewin called 563 acres and said Bass and Frewin called 397.374 acres,
with its meanders as follows:
S 56° 01' 31" W 90.53 ft.;

S 20° 38' 22" E 108.61 ft.;
S 05° 25' 47" W 92.61 ft.;
N 62° 03' 29" E 63.57 ft.;
S 85° 29' 47" E 65.21 ft.;
S 38° 22' 19" E 103.76 ft.;
S 13° 05' 26" W 56.00 ft.;
S 43° 31' 21" E 62.95 ft.;
S 14° 54' 09" E 47.34 ft.;
S 56° 52' 11" E 141.00 ft.;
S 34° 50' 20" E 109.02 ft.;
S 22° 57' 52" E 87.50 ft.;
S 33° 21' 03" E 88.36 ft.;
S 34° 14' 23" W 60.62 ft.;
S 22° 02' 03" E 71.15 ft.;
S 16° 06' 21" W 59.84 ft.;
S 18° 59' 42" E 67.27 ft.;
S 88° 06' 02" W 46.07 ft.;
S 25° 37' 00" W 105.66 ft.;
S 20° 53' 16" E 49.22 ft.;
S 10° 57' 26" W 40.69 ft.;
S 34° 18' 40" E 67.84 ft.;
S 08° 44' 10" W 114.59 ft.;
S 55° 29' 45" E 59.81 ft.;
S 04° 50' 54" W 302.36 ft.;
S 36° 38' 28" E 64.34 ft.;
S 37° 27' 52" W 147.02 ft.;
S 49° 46' 48" E 103.36 ft.;
S 23° 32' 06" W 88.38 ft.;
S 00° 31' 10" E 159.76 ft.;
S 43° 17' 40" W 37.10 ft.;
S 03° 08' 05" W 155.24 ft.;
S 46° 39' 24" W 100.59 ft.;
S 22° 03' 58" E 151.13 ft.;
N 63° 27' 04" W 81.77 ft.;
S 58° 48' 33" W 36.89 ft.;
S 10° 13' 24" E 95.69 ft.;
S 81° 11' 03" W 49.72 ft.;
N 26° 10' 49" W 71.99 ft.;
S 68° 22' 24" W 118.99 ft.;
S 15° 49' 41" E 78.85 ft.;
S 50° 57' 02" E 114.62 ft.;
S 04° 56' 40" E 117.36 ft.;
S 51° 40' 05" E 77.75 ft.;
S 51° 08' 31" W 37.66 ft.;
N 85° 14' 24" W 159.15 ft.;

S 24° 22' 49" W 31.08 ft. to the south common corner between said tracts, located on the north line of said Reneau called 381.948 acres;

Thence S 88° 37' 20" W 350.12 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence S 02° 00' 37" E 371.79 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence S 86° 03' 37" W, along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres, at 393.56 ft. pass the northwest corner of the called 5.029 acres (part of the 6.400 acres described below as "Parcel Two") described as "Second Tract" in said Frewin deed, and continuing along the common line between said called 563 acres and said called 5.029 acres, in all a total distance of 613.35 ft. to a 1/2" iron rod found for the northwest corner of said called 5.029 acres and a corner of said Reneau called 381.948 acres;

Thence N 01° 55' 41" E 714.74 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence S 85° 56' 14" W 294.97 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence N 02° 44' 05" W 91.72 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod set for corner;

Thence N 48° 52' 14" W 420.81 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod found for corner;

Thence S 83° 06' 27" W 426.68 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 60d nail found for corner;

Thence N 80° 31' 07" W 170.18 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod set for corner;

Thence N 85° 54' 34" W 279.21 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod set for corner;

Thence N 16° 03' 33" W 598.70 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to a 1/2" iron rod set for corner;

Thence S 82° 27' 29" W 352.04 ft. along the common line between said Frewin called 563 acres and said Reneau called 381.948 acres to the place of beginning and containing within these bounds 563.139 acres of land.

PARCEL TWO: 6.400 Acres

Beginning at a 1/2" iron rod found for the northwest corner of the called 5.029 acres described as "Second Tract" in said Frewin deed, said point being an exterior corner of the 563.139 acres described above and a corner of the called 381.948 acres described in deed to R. Kyle Reneau and Beth C. Reneau recorded under Clerk's File No. 01-4293, Page 15705 of said San Jacinto County Official Public Records, said point being the northwest corner of the herein described 6.400 acre tract;

Thence N 86° 03' 37" E 219.79 ft. along the common line between said called 5.029 acres and said 563.139 acres to the northeast corner of said called 5.029 acres and a corner of said Reneau called 381.948 acres, said point being the northeast corner of the herein described 6.400 acre tract;

Thence 2,220.00 ft. in a southwesterly direction along the common line between said called 5.029 acres and said Reneau called 381.948 acres, in a curve to the left having a central angle $83^{\circ} 35' 27''$, the radius being 1,521.66 ft. and the chord bears $S 20^{\circ} 49' 48'' W$ 2,028.29 ft. to a 1/2" iron rod set for the east common corner between said called 5.029 acre "Second Tract" and the called 1.377 acres described as "Third Tract" in said Frewin deed, said point being the northwest corner of Lot 1, Block 3 of Waterwood Turtle Creek, a subdivision in said San Jacinto County, Texas, as shown by the map or plat recorded in Volume 7, Page 19 of the San Jacinto County Plat Records (said Plat being canceled by instrument recorded under Clerk's File No. 02-3382, Page 44056 of said Official Public Records) and being a part of the lands described in deed to Kyle Reneau and wife, Beth Reneau, recorded under Clerk's File No. 01-3453, Page 12713 of said Official Public Records;

Thence $S 20^{\circ} 59' 27'' E$ 600.00 ft. along the common line between said called 1.377 acre "Third Tract" and said Reneau lands, same being the west line of said Lot 1, to a 1/2" iron rod set for corner, located on the north right of way line of F. M. Highway No. 980, said point being the southeast corner of the herein described 6.400 acre tract; Thence $S 69^{\circ} 00' 33'' W$ 100.00 ft. along the south line of said called 1.377 acres, same being the north right of way line of said F. M. Highway No. 980, to a 1/2" iron rod set for the south common corner between said called 1.377 acres and Parcel B, Block 2 of said Waterwood Turtle Creek (same being a part of the lands described in said Reneau deed recorded under Clerk's File No. 01-3453, Page 12713), said point being the southwest corner of the herein described 6.400 acre tract;

Thence $N 20^{\circ} 59' 27'' W$ 600.00 ft. along the common line between said called 1.377 acres and said Block 2 of Waterwood Turtle Creek to a 1/2" iron rod set for the west common corner between said called 1.377 acres and said called 5.029 acres and a corner of said Reneau called 381.948 acres, said point being the P.C. of a curve;

Thence 2,163.75 ft. in a northeasterly direction along the common line between said called 5.029 acres and said Reneau called 381.948 acres, in a curve to the right having a central angle $76^{\circ} 26' 56''$, the radius being 1,621.66 ft. and the chord bears $N 17^{\circ} 15' 27'' E$ 2,006.78 ft. to the place of beginning and containing within these bounds 6.400 acres of land.

Bearings for this description are based on plat call for the south line of Block 4 of Waterwood Turtle Creek as shown on the plat recorded in Volume 7, Page 19 of the San Jacinto County Plat Records.

SECTION 3. (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) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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 are fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

The amendment was read.

Senator Nichols moved to concur in the House amendment to **SB 1091**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1092 WITH HOUSE AMENDMENT

Senator Nichols called **SB 1092** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1092** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the creation of the Somerset Municipal Utility District No. 2; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

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

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8204 to read as follows:

CHAPTER 8204. SOMERSET MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8204.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Somerset Municipal Utility District No. 2.

Sec. 8204.002. NATURE OF DISTRICT. The district is a municipal utility district in San Jacinto County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8204.003. FINDING OF PUBLIC USE AND BENEFIT. The district is created to serve a public use and benefit.

Sec. 8204.004. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8204.023 before September 1, 2009:

- (1) the district is dissolved September 1, 2009, except that the district shall:
 - (A) pay any debts incurred;
 - (B) transfer to San Jacinto County any assets that remain after the payment of debts; and

(C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2012.

Sec. 8204.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes; or

(3) the legality or operation of the board.

[Sections 8204.006-8204.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8204.021. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Aaron Corey;

(2) Eric Lopez;

(3) Greg Attaway;

(4) Marty Grisham; and

(5) Eric Jones.

(b) If a temporary director fails to qualify for office, the temporary directors who have qualified shall appoint a person to fill the vacancy. If at any time there are fewer than three qualified temporary directors, the Texas Commission on Environmental Quality shall appoint the necessary number of persons to fill all vacancies on the board.

(c) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8204.023; or

(2) the date this chapter expires under Section 8204.004.

Sec. 8204.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the organizational meeting shall be at the San Jacinto County Courthouse.

Sec. 8204.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. The temporary directors shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

Sec. 8204.024. INITIAL ELECTED DIRECTORS; TERMS. The directors elected under Section 8204.023 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8204.025. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2012.

[Sections 8204.026-8204.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8204.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

[Sections 8204.052-8204.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8204.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8204.102. ROAD PROJECTS; LIMIT ON EMINENT DOMAIN POWER.

(a) The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution. If the district is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by resolution.

(d) The district may not exercise the power of eminent domain outside the district for a road project.

Sec. 8204.103. ROAD CONTRACTS. The district may contract for a road project in the manner provided by Subchapter I, Chapter 49, Water Code.

Sec. 8204.104. RECREATIONAL FACILITIES; LIMIT ON EMINENT DOMAIN POWER. (a) In this section, "recreational facilities" has the meaning assigned by Section 49.462, Water Code.

(b) The district may develop and maintain recreational facilities.

(c) The district may not, for the development or maintenance of a recreational facility, acquire by condemnation land, an easement, or other property inside or outside the district.

[Sections 8204.105-8204.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8204.151. OPERATION AND MAINTENANCE TAX. The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

Sec. 8204.152. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 8204.201.

Sec. 8204.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code;

(4) a cable operator as defined by 47 U.S.C. Section 522; or

(5) a person who provides to the public advanced telecommunications services.

[Sections 8204.154-8204.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8204.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance the construction, maintenance, or operation of projects under Section 8204.102.

(b) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money.

(c) The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxation to finance projects authorized by Section 8204.102 unless the issuance is approved by a vote of a two-thirds majority of district voters voting at an election called for that purpose.

(d) Bonds or other obligations issued or incurred to finance projects authorized by Section 8204.102 may not exceed one-fourth of the assessed value of the real property in the district.

[Sections 8204.202-8204.250 reserved for expansion]

SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8204.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district issues indebtedness secured by taxes or net revenue, the district may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 100 acres.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or

(2) a motion by the board.

(e) If the board decides to divide the district, the board shall:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations; and

(2) prepare a metes and bounds description for each proposed district.

Sec. 8204.252. ELECTION FOR DIVISION OF DISTRICT. (a) After the board has complied with Section 8204.251(e), the board shall hold an election in the district to determine whether the district should be divided as proposed.

(b) The board shall give notice of the election not later than the 35th day before the date of the election. The notice must state:

(1) the date and location of the election; and

(2) the proposition to be voted on.

(c) If a majority of the votes cast are in favor of the division:

(1) the district is divided; and

(2) not later than the 30th day after the date of the election, the district shall

provide written notice of the division to:

(A) the Texas Commission on Environmental Quality;

(B) the attorney general;

(C) the commissioners court of each county in which a new district is located; and

(D) any municipality having extraterritorial jurisdiction over territory in each new district.

(d) If a majority of the votes cast are not in favor of the division, the district may not be divided.

Sec. 8204.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Not later than the 90th day after the date of an election in favor of the division of the district, the board shall:

(1) appoint itself as the board of one of the new districts; and

(2) appoint five directors for each of the other new districts.

(b) Directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) On the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, the appointed board shall hold an election to elect five directors in each district for which directors were appointed under Subsection (a)(2). The directors shall draw lots to determine which two shall serve until the next regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8204.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Each new district may incur and pay debts and has all powers of the original district created by this chapter.

(b) If the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Debts shall be paid by revenue or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board under Section 8204.251(e).

(c) Any other district obligation is divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Sec. 8204.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for:

(1) water and wastewater services; or

(2) any other matter the boards of the new districts consider appropriate.

SECTION 2. The Somerset Municipal Utility District No. 2 initially includes all the territory contained in the following described area:

Being 494.607 acres of land situated in the State of Texas, County of San Jacinto, 465.349 acres being a part of the John Foster Survey, A-115, and the Francis Kennedy Survey, A-194, and being the same land described as "Tract No. 1" (called 465.192 acres), 9.492 acres being a part of said John Foster Survey, and being the

same land described as "Tract No. 2" (called 9.774 acres) in deed to Livingston Development, Ltd. recorded in Volume 173, Page 749 of the San Jacinto County Official Public Records, and 19.766 acres being a part of the John Colvin Survey, A-10, and the Michael B. Menard Survey, A-36, and being the same land called 19.771 acres in deed to Livingston Development, Ltd. recorded in Volume 251, Page 17 of said Official Public Records, and this 494.607 acres being more particularly described by metes and bounds in three parcels as follows:

Parcel One : 465.349 Acres

Beginning at the intersection of the centerline of Palmetto Creek with the northeast right of way line of F. M. Highway No. 980, said point being the west common corner between said called 465.192 acres and the called 221.47 acres (218.176 acres by resurvey) described in deed to Kevin G. Steely recorded in Volume 202, Page 739 of said Official Public Records, located on the northeast line of the called 14.509 acres described as "Part XIII" in deed to the State of Texas recorded in Volume 120, Page 82 of the San Jacinto County Deed Records;

Thence down said Palmetto Creek with its centerline meanders, same being the common line between said Livingston Development, Ltd. called 465.192 acres and said Steely 218.176 acres, as follows:

N 21° 09' 12" E 187.59 ft.,
 N 36° 05' 49" E 114.92 ft.,
 N 45° 36' 02" E 327.00 ft.,
 N 52° 26' 21" E 167.01 ft.,
 N 55° 46' 53" E 339.10 ft.,
 N 65° 44' 26" E 465.47 ft.,
 N 72° 42' 05" E 735.94 ft.,
 N 54° 23' 34" E 724.93 ft.,
 N 82° 55' 42" E 138.59 ft.,
 N 89° 03' 15" E 113.76 ft.,
 S 79° 06' 51" E 93.79 ft.,
 S 72° 05' 20" E 80.98 ft.,
 S 47° 32' 05" E 45.70 ft.,
 S 01° 43' 59" E 110.91 ft.,
 S 47° 35' 38" E 435.88 ft.,
 S 23° 34' 29" E 75.51 ft.,
 S 68° 51' 38" E 308.71 ft.,
 N 76° 08' 19" E 169.42 ft.,
 N 05° 00' 06" E 218.71 ft.,
 N 08° 36' 40" W 222.06 ft.,
 N 12° 20' 46" W 130.94 ft.,
 N 15° 31' 42" E 245.80 ft.,
 N 38° 47' 29" E 104.03 ft.,
 N 64° 54' 01" E 121.72 ft. and
 N 51° 24' 19" E 627.43 ft. to the

intersection of the centerline of said Palmetto Creek with the Trinity River Authority Lake Livingston Fee Take Line, said point being the west common corner between the called 16.53 acres described as Fee Tract F-15 in deed to the Trinity River Authority

of Texas recorded in Volume 108, Page 161 of the San Jacinto County Deed Records and the called 0.29 acre condemned by the Trinity River Authority of Texas and being save and excepted in deed recorded in Volume 129, Page 466 of said Deed Records;

Thence along the north line of said Livingston Development, Ltd. called 465.1192 acres, common in part with the south lines of said Trinity River Authority called 0.29 acre tract and said Trinity River Authority called 16.53 acres as follows:

S 25° 56' 00" E 75.00 ft. to a 1/2" iron rod set for corner;
 N 60° 29' 51" E 391.05 ft. to a 5/8" iron rod found for corner;
 S 83° 34' 52" E 343.22 ft. to a 1/2" iron rod set for corner;
 S 13° 22' 00" W 291.74 ft. to a 5/8" iron rod found for corner;
 S 12° 52' 49" W 257.26 ft. to a 5/8" iron rod found for corner;
 S 07° 59' 00" E 185.44 ft. to a 5/8" iron rod found for corner;
 S 41° 45' 58" E 198.24 ft. to a calculated point for corner on a bluff bank;
 S 54° 05' 58" E 169.98 ft. to a calculated point for corner on a bluff bank;
 N 81° 08' 02" E 150.95 ft. to a 5/8" iron rod found for corner;
 N 86° 52' 27" E 217.14 ft. to a 5/8" iron rod found for corner;
 N 82° 20' 10" E 177.63 ft. to a 5/8" iron rod found for corner;
 N 76° 35' 10" E 213.52 ft. to a 5/8" iron rod found for corner;
 N 81° 11' 18" E 151.61 ft. to a 5/8" iron rod found for corner;
 N 76° 37' 18" E 179.68 ft. to a 5/8" iron rod found for corner;
 N 63° 59' 23" E 143.31 ft. to a 5/8" iron rod found for corner;
 N 83° 27' 58" E 180.64 ft. to a 1/2" iron rod set for corner;
 S 13° 27' 58" W 95.68 ft. to a 5/8" iron rod found for corner;
 S 07° 12' 02" E 159.45 ft. to a 5/8" iron rod found for corner;
 S 40° 47' 34" E 95.13 ft. to a 5/8" iron rod found for corner;
 N 70° 37' 43" E 88.74 ft. to a 5/8" iron rod found for corner;
 N 55° 24' 41" W 116.66 ft. to a 5/8" iron rod found for corner;
 N 12° 40' 39" E 144.08 ft. to a 5/8" iron rod found for corner;
 N 09° 54' 12" W 76.56 ft. to a 5/8" iron rod found for corner;
 N 83° 12' 13" E 172.73 ft. to a 1/2" iron rod set for corner;
 N 79° 45' 13" E 299.28 ft. to a 5/8" iron rod found for corner
 and

N 72° 25' 51" E 7.80 ft. to a concrete monument found for the north common corner between said Livingston Development, Ltd. called 465.192 acres and said Livingston Development, Ltd. called 19.771 acres, same being the south common corner between said Trinity River Authority called 16.53 acres and the called 193.64 acres described in deed to said Trinity River Authority of Texas recorded in Volume 107, Page 336 of said Deed Records, said point being located on the common survey line between said Francis Kennedy Survey and said John Colvin Survey;

Thence S 23° 28' 18" E 494.42 ft. (deed call - S 23° 31' 00" E 494.23 ft.) along the common survey line between said Kennedy and Colvin Surveys, same being the common line between said called 465.192 acres and said called 19.771 acres, to a concrete monument found for the west common corner between said called 19.771 acres and the residue of the Thomas S. Foster Estate called 512 acres described in deed recorded in Volume 6, Page 378 of said Deed Records;

Thence S 22° 50' 57" E 286.62 ft. (deed call - S 22° 39' 12" E 286.83 ft.) along the common survey line between said Kennedy and Colvin Surveys, same being the common line between said Livingston Development, Ltd. called 465.192 acres and said Foster Estate residue tract, to a concrete monument found for a common survey corner between said Kennedy Survey, said Colvin Survey, and the Michael B. Menard Survey, A-36, said point also being the most northern corner of the 54.515 acres described in deed to Barbara D. Graves recorded in Volume 227, Page 375 of said Official Public Records;

Thence S 18° 41' 06" W (deed call - S 18° 40' 36" W) along the common survey line between said Kennedy and Menard Surveys, same being the common line between said called 465.192 acres and said Graves called 54.515 acres, at 5.41 ft. pass a concrete monument found on line, and continuing along said common line, a total distance of 2,794.57 ft. to a concrete monument found for the east common corner between said Kennedy Survey and the W. B. Clint Survey, A-424, said point being the east common corner between said Livingston Development, Ltd. lands and the called 20.33 acres titled to the Thomas S. Foster Estate and described as "Tract 28" in deed recorded in Volume 6, Page 378 of said Deed Records;

Thence S 87° 31' 40" W 633.25 ft. (deed call - S 87° 34' 26" W 637.29 ft.) along the common survey line between said Kennedy and Clint Surveys, same being the common line between said Livingston Development, Ltd. tract and said Foster Estate called 20.33 acres, to a 1/2" iron rod set at the intersection of said line with the north right of way line of said F. M. Highway No. 980, same being the north line of the called 11.117 acres described as "Part XIV" in said deed to the State of Texas recorded in Volume 120, Page 82 of said Deed Records;

Thence 782.21 ft. in a westerly direction along the north right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 11.117 acre tract, in a curve to the left having a central angle of 15° 16' 16", the radius being 2,934.79 ft., and the chord bears N 83° 21' 52" W 779.89 ft. to a 1/2" iron rod set marking a point of transition in said right of way line, from said point a concrete right-of-way monument found bears N 88° 09' 42" W 3.88 ft.;

Thence N 82° 16' 35" W 329.66 ft. along the north right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 11.117 acre tract, to a 1/2" iron rod set marking an angle point in said right of way line;

Thence S 86° 27' 19" W 900.89 ft. along the north right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 11.117 acre tract, to a 1/2" iron rod set marking an angle point in said right of way line;

Thence S 89° 00' 00" W 500.00 ft. along the north right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 11.117 acre tract, to a 1/2" iron rod set marking an angle point in said right of way line, from said point a concrete right-of-way monument found bears S 83° 34' 59" W 13.51 ft.;

Thence S 88° 32' 59" W 1,272.43 ft. along the north right of way line of said F. M. Highway No. 980, same being the south line of said Livingston Development, Ltd. tract, common in part with said State of Texas called 11.117 acre tract and said State of Texas called 14.509 acre tract, crossing the common survey line between said Kennedy Survey and said Foster Survey, to a 1/2" iron rod set marking an angle point in said right of way line, from said point a concrete right-of-way monument found bears S 05° 17' 10" W 0.88 ft.;

Thence N 86° 05' 06" W 315.22 ft. along the north right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, to a 1/2" iron rod set marking an angle point in said right of way line, from said point a concrete right-of-way monument found bears S 85° 05' 33" E 4.97 ft.;

Thence N 81° 08' 00" W 193.36 ft. along the north right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, to a 1/2" iron rod set marking the P.C. of a curve in said right of way line, from said point a concrete right-of-way monument found bears S 79° 01' 44" E 5.11 ft.;

Thence 1,038.16 ft. in a northwesterly direction along the north right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, in a curve to the right having a central angle of 32° 09' 18", the radius being 1,849.86 ft., and the chord bears N 59° 05' 39" W 1,024.59 ft. to a 1/2" iron rod found marking the P. T. of said curve;

Thence N 43° 01' 00" W 928.17 ft. along the northeast right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, to a 1/2" iron rod set marking an angle point in said right of way line, from said point a concrete right-of-way monument found bears N 21° 10' 38" W 1.74 ft.;

Thence N 34° 25' 00" W 200.03 ft. along the northeast right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, to a 1/2" iron rod set marking an angle point in said right of way line, from said point a concrete right-of-way monument found bears S 73° 58' 55" W 0.96 ft.;

Thence N 43° 01' 00" W 195.67 ft. along the northeast right of way line of said F. M. Highway No. 980, same being the common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, to the place of beginning and containing within these bounds 465.349 acres of land.

Parcel Two: 9.492 Acres

Beginning at a 1/2" iron rod found for the north common corner between said Livingston Development, Ltd. called 9.774 acres described as "Tract No. 2" in deed recorded in Volume 173, Page 749 of the San Jacinto County Official Public Records and the called 0.389 acre tract described as "Second Tract" in deed to Woodrow H. Archer, Sr. and wife, Fredrica A. Archer, recorded in Volume 216, Page 876 of said Official Public Records, located on the common survey line between the John Foster Survey, A-115, and the Francis Kennedy Survey, A-194, and also being located on the southwest right of way line of F. M. Highway No. 980, said point being the south

common corner between the called 14.509 acres described as "Part XIII" and the called 11.117 acres described as "Part XIV" in deed to the State of Texas recorded in Volume 120, Page 82 of said Deed Records;

Thence S 00° 49' 01" E, along the common survey line between said Foster and Kennedy Surveys, same being the common line between said Livingston Development, Ltd. tract and said Archer called 0.389 acre tract, at 51.10 ft. pass the west common corner between said Kennedy Survey and the O. C. Wakefield Survey, A-471, same being the west common corner between said Archer called 0.389 acre tract and the called 2 acre tract described as "First Tract" in said Archer deed, and continuing S 00° 49' 01" E, along the common survey line between said Foster and Wakefield Surveys, same being the common line between said Livingston Development, Ltd. and said Archer called 2 acre tract, in all a total distance of 178.93 to a concrete monument found for the northeast corner of the called 13.96 acre tract described in deed to Gordon Bryant Chamness recorded under Clerk's File No. 02-3693 of said Official Public Records, from said point a 1/2" iron rod found bears S 07° 29' 11" W 14.80 ft.;

Thence S 86° 24' 56" W 631.78 ft. along the north line of said Chamness called 13.96 acre tract to a 1" iron pipe found for the north common corner between said Chamness tract and the called 3.01 acre tract described in deed to George H. Carter recorded in Volume 119, Page 405 of said Deed Records;

Thence S 85° 17' 16" W 331.92 ft. along the north line of said Carter called 3.01 acre tract to a concrete monument found for west common corner between said Carter tract and said Livingston Development, Ltd. tract, located within the rights-of-way of Ryans Ferry Road [a 60 ft. wide county maintained public roadway], from said point a 6" cylinder found bears N 05° 45' 24" W 3.91 ft.;

Thence N 71° 52' 13" W 18.20 ft. along the south line of said Livingston Development, Ltd. tract, with the rights-of-way of said Ryans Ferry Road, to a rail road spike set for the south common corner between said Livingston Development, Ltd. tract and the called 0.62 acre tract described as "Tract Two" in deed to Troy L. Morgan and wife, Sheryl L. Morgan, recorded in Volume 241, Page 2 of said Official Public Records;

Thence N 42° 58' 13" W 286.92 ft. along the common line between said Livingston Development, Ltd. tract and said Morgan called 0.62 acre, within the rights-of-way of said Ryans Ferry Road, to a 5/8" iron rod found marking an angle point in said line located in the centerline of said road;

Thence N 53° 25' 00" W 304.89 ft. along the common line between said Livingston Development, Ltd. tract and said Morgan called 0.62 acre, same being the centerline of said Ryans Ferry Road, to a rail road spike set marking an angle point in said line;

Thence N 46° 05' 01" W 241.16 ft. along the common line between said Livingston Development, Ltd. tract and said Morgan called 0.62 acre, same being the centerline of said Ryans Ferry Road, to a rail road spike set marking an angle point in said line;

Thence S 88° 18' 01" W 77.58 ft. along the common line between said Livingston Development, Ltd. tract and said Morgan called 0.62 acre, crossing the southwest right-of-way line of said Ryans Ferry Road, to a concrete monument found

marking the common corner between said Livingston Development, Ltd. tract, said Morgan called 0.62 acre, the called 21.25 acre tract described as "Tract One" in said Morgan deed, and the called 6.64 acre tract described in deed to Frank O'Connor and wife, Wallie O'Connor, recorded in Volume 198, Page 816 of said Deed Records;

Thence N 51° 18' 00" W 161.95 ft. along the common line between said Livingston Development, Ltd. tract and said O'Connor called 6.64 acre tract to a concrete monument found for corner;

Thence N 33° 36' 54" W 261.13 ft. along the common line between said Livingston Development, Ltd. tract and said O'Connor called 6.64 acre tract to a 1/2" iron rod found for corner located in the centerline of Ryans Ferry Road;

Thence N 50° 18' 38" W 504.13 ft. along the southwest line of said Livingston Development, Ltd. tract, common in part with the northeast line of said O'Connor called 6.64 acre tract and the called 3.3 acres described in deed to Marine Williams Brown recorded in Volume 84, Page 531 of said Official Public Records, to a 1/2" iron rod found for corner, located within the rights-of-way of said Ryans Ferry Road;

Thence N 16° 16' 00" W 252.29 ft. along the common line between said Livingston Development, Ltd. tract and said Brown called 3.3 acre tract, crossing the northeast right of way line of said Ryans Ferry Road, to a 1/2" iron rod found for corner, located on the southwest right of way line of said F. M. Highway No. 980, same being the southwest line of said State of Texas called 14.509 acres;

Thence S 43° 01' 00" E 781.50 ft. along the common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, same being the southwest right of way line of said F. M. Highway No. 980, to a 1/2" iron rod set marking the P.C. of a curve in said right of way line, from said point a concrete right-of-way monument found bears S 44° 12' 03" E 0.49 ft.;

Thence 1,649.69 ft. in a southeasterly direction along the common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, same being the southwest right of way line of said F. M. Highway No. 980, in a curve to the left having a central angle of 47° 59' 00", the radius being 1,969.86 ft. and the chord bears S 67° 00' 30" E 1,601.91 to a 1/2" iron rod found marking the P.T. of said curve;

Thence S 89° 39' 00" E 389.52 ft. along common line between said Livingston Development, Ltd. tract and said State of Texas called 14.509 acre tract, same being the south right of way line of said F. M. Highway No. 980 to the place of beginning and containing within these bounds 9.492 acres of land.

Parcel Three: 19.766 Acres

Beginning at a concrete monument found marking the west common corner between said Livingston Development, Ltd. called 19.771 acres described in deed recorded in Volume 251, Page 17 of the San Jacinto County Official Public Records and the residue of the Thomas S. Foster Estate called 512 acres described in deed recorded in Volume 6, Page 378 of the San Jacinto County Deed Records, located on the common survey line between the John Colvin Survey, A-10, and the Francis Kennedy Survey, A-194, said point being an angle point in the northeast line of the called 465.192 acres (465.349 acres by re-survey) described as "Tract No. 1" in deed to Livingston Development, Ltd. recorded in Volume 173, Page 749 of said Official Public Records;

Thence N 23° 28' 18" W 494.42 ft. (called N 23° 31' 00" E 494.23 ft. in said called 465.192 acre deed) along common line between said Livingston Development, Ltd. called 19.771 acre tract and said Livingston Development, Ltd. 465.349 acre tract to a concrete monument found for the north common corner between said tracts, same being the south common corner between the called 193.64 acres described as Fee Tract F-5 in deed to the Trinity River Authority of Texas recorded in Volume 107, Page 336 of said Deed Records and the called 16.53 acres described as Fee Tract F-15 in deed to said Trinity River Authority of Texas recorded in Volume 108, Page 161 of said Deed Records;

Thence along the common line between said Livingston Development, Ltd. called 19.771 acres and said Trinity River Authority called 193.64 acres as follows:

N 72° 25' 51" E 134.07 ft. to a 5/8" iron rod found for corner;

N 36° 20' 36" E 171.32 ft. to a calculated point for corner on a bluff bank;

N 30° 58' 36" E 246.88 ft. to a calculated point for corner on a bluff bank;

N 42° 48' 36" E 136.19 ft. to a 5/8" iron rod found for corner;

N 78° 01' 43" E 160.46 ft. to a 5/8" iron rod found for corner;

S 86° 17' 35" E 140.42 ft. to a 5/8" iron rod found for corner;

S 45° 05' 45" E 121.07 ft. to a 5/8" iron rod found for corner;

S 25° 16' 35" W 141.35 ft. to a 5/8" iron rod found for corner;

S 20° 22' 07" W 161.28 ft. to a 5/8" iron rod found for corner;

N 52° 34' 00" E 247.87 ft. to a 5/8" iron rod found for corner;

N 15° 01' 29" W 157.48 ft. to a 5/8" iron rod found for corner;

N 83° 01' 46" E 120.34 ft. to a 5/8" iron rod found for corner;

S 85° 47' 26" E 155.87 ft. to a 5/8" iron rod found for corner;

N 49° 39' 35" E 173.19 ft. to a 5/8" iron rod found for corner;

N 65° 36' 49" E 119.65 ft. to a calculated point for corner;

N 76° 12' 49" E 107.67 ft. to a calculated point for corner;

S 07° 31' 49" W 305.54 ft. to a 5/8" iron rod found for corner;

S 37° 13' 51" W 209.79 ft. to a 5/8" iron rod found for corner;

N 57° 23' 45" E 97.30 ft. to a 5/8" iron rod found for corner;

S 55° 59' 18" E 90.80 ft. to a 5/8" iron rod found for corner;

S 31° 39' 00" W 144.07 ft. to a 5/8" iron rod found for corner;

S 08° 35' 00" E 1.20 ft. to a 5/8" iron rod found for the east common corner between said Livingston Development, Ltd. called 19.771 acres and said Foster Estate residue tract;

Thence S 67° 22' 17" W 1,310.57 ft. along the common line between said Livingston Development, Ltd. called 19.771 acre tract and said Foster Estate residue tract to the place of beginning and containing within these bounds 19.766 acres of land.

SECTION 3. (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) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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 are fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

The amendment was read.

Senator Nichols moved to concur in the House amendment to **SB 1092**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE ON HOUSE BILL 945

Senator Hinojosa called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 945** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 945** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hinojosa, Chair; Lucio, Carona, Janek, and Duncan.

SENATE BILL 560 WITH HOUSE AMENDMENTS

Senator Ellis called **SB 560** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 560** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to reimbursement for jury service.

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

SECTION 1. Section 61.001, Government Code, is amended to read as follows:

Sec. 61.001. REIMBURSEMENT OF EXPENSES OF JURORS AND PROSPECTIVE JURORS. (a) Except as provided by Subsection (c), a person who reports for jury service in response to the process of a ~~Each grand juror or petit juror~~

~~in a civil or criminal case in a district court, criminal district court, county court, county court at law, or justice] court is entitled to receive as reimbursement for travel and other expenses an amount:~~

(1) not less than \$6 for the first day or fraction of the first day the person is in attendance in court in response to the process and discharges the person's duty for that day [served as a juror]; and

(2) not less than \$40 for each day or fraction of each day the person is in attendance in court in response to the process [served as a juror] after the first day and discharges the person's duty for that day.

~~(b) In preparing and approving the annual budget for a county, the [Except as provided by Subsection (d), a person who responds to the process of a court but is excused from petit jury service by the court for any cause after the person's voir dire examination is entitled to receive as reimbursement for travel and other expenses an amount not less than \$6 nor more than \$50 for each day or fraction of each day in attendance in court in response to the process.~~

~~[(e) The] commissioners court of the [each] county shall determine [annually] the daily amount of reimbursement for [of] expenses for a person who reports for jury service and discharges the person's duty [jurors]. The amount of [Except as provided by Subsection (d), the] reimbursement for each day must be within the minimum and maximum amounts prescribed by this section and paid out of the jury fund of the county. The commissioners court may set different daily amounts of reimbursement [reimbursements] for:~~

~~(1) grand and petit jurors; or~~

~~(2) different petit jurors based on:~~

~~(A) whether a juror serves in a small claims court, justice court, constitutional county court, county court at law, or district court; or~~

~~(B) any other reasonable criteria determined by the commissioners court.~~

~~(c) A person who reports for jury service in a municipal court is not entitled to reimbursement under this chapter, but the municipality may provide reimbursement for expenses to the person in an amount to be determined by the municipality.~~

~~(d) [(e-1)] In a specific case, the presiding judge, with the agreement of the parties involved or their attorneys, may increase the daily amount of reimbursement for a person who reports for jury service [jurors] in that case [to an amount not to exceed the maximum amount prescribed by this section]. The difference between the usual daily amount of reimbursement and the daily amount of reimbursement for a person who reports for jury service [jurors] in a specific case shall be paid, in equal amounts, by the parties involved in the case.~~

~~[(d) The commissioners court of a county may reduce or eliminate the daily reimbursement prescribed by this section for persons who attend court for only one day or a fraction of one day. The funds retained by a county as a result of reducing or eliminating reimbursement as provided by this subsection may only be used to increase the daily reimbursement prescribed by this section for jurors and for persons who attend court for more than one day.]~~

(e) A check drawn on the jury fund by the district clerk of the county may be transferred by endorsement and delivery and is receivable at par from the holder for all county taxes.

(f) A reimbursement for expenses under this section is not a property right of a person who reports for jury service [~~juror or prospective juror~~] for purposes of Chapters 72 and 74, Property Code. If a check or other instrument representing a reimbursement under this section is not presented for payment or redeemed before the 90th day after it is issued:

(1) the instrument is considered forfeited and is void; and

(2) the money represented by the instrument may be placed in the county's jury fund, the county's general fund, or any other fund in which county funds can be legally placed, at the discretion of the commissioners court.

SECTION 2. Chapter 61, Government Code, is amended by adding Section 61.0011 to read as follows:

Sec. 61.0011. DEFINITION OF PERSON WHO REPORTS FOR JURY SERVICE. In this chapter, the term "person who reports for jury service" means a person who reports in person for duty on a grand jury or a petit jury, regardless of whether the person is selected to serve on the jury.

SECTION 3. Subsection (a), Section 61.0015, Government Code, is amended to read as follows:

(a) The state shall reimburse a county \$34 a day for the reimbursement paid under Section 61.001 to a person who reports for jury service in response to the process of a court [~~grand juror or petit juror under Section 61.001~~] for each day or fraction of each day [~~served as a juror~~] after the first day in attendance in court in response to the process.

SECTION 4. Subsections (a) and (c), Section 61.002, Government Code, are amended to read as follows:

(a) If a civil case is moved by change of venue and tried in another county by a jury, the county in which the case was originally filed is liable for the payment of persons who report for jury service for [~~jurors serving in the trial of~~] the case.

(c) The commissioners court shall prepare an account against another county that is liable for the payment of persons who report for jury service [~~jurors~~] in a case transferred on a change of venue. The account must show the number of days that each person who reported for jury service was in attendance in court in response to the process and discharged the person's duty [~~the jury served~~] and the amount paid as reimbursement under this chapter [~~for jury service~~] in the case.

SECTION 5. Section 61.003, Government Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (a-1) to read as follows:

(a) Each person who reports [~~prospective juror reporting~~] for jury service shall be personally provided a form letter that when signed by the person [~~prospective juror~~] directs the county treasurer to donate all, or a specific amount designated by the person, of the person's daily [~~prospective juror's~~] reimbursement under this chapter [~~for jury service~~] to:

(1) the compensation to victims of crime fund under Subchapter B, Chapter 56, Code of Criminal Procedure;

(2) the child welfare board of the county appointed under Section 264.005, Family Code;

(3) any program selected by the commissioners court that is operated by a public or private nonprofit organization and that provides shelter and services to victims of family violence; or

(4) any other program approved by the commissioners court of the county.

(a-1) The form letter provided under Subsection (a) must include a blank in which a person may enter the amount of the daily reimbursement the person wishes to donate.

(b) The county treasurer or a designated county employee shall collect each form letter directing the county treasurer to donate the [a prospective juror's] reimbursement of a person who reports for jury service.

(c) The county treasurer shall:

(1) send all donations made under Subsection (a)(1) to the comptroller, at the time and in the manner prescribed by the attorney general, for deposit to the credit of the compensation to victims of crime fund;

(2) deposit donations made to the county child welfare board under Subsection (a)(2) in a fund established by the county to be used by the child welfare board in a manner authorized by the commissioners court of the county; and

(3) send all donations made under Subsection (a)(3) or (a)(4) directly to the program specified on the form letter signed by the person who reported for jury service [prospective juror].

SECTION 6. The change in law made by this Act applies only to a person summoned to appear for jury service who is required to appear on or after the effective date of this Act. A person summoned to appear for jury service who is required to appear before the effective date of this Act is governed by the law in effect on the date the person is required to appear, and the former law is continued in effect for that purpose.

SECTION 7. This Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 560** (House committee printing) as follows:

(1) In SECTION 5 of the bill, in Subdivision (4), Subsection (a), Section 61.003, Government Code (page 5, line 22), between "county" and the period, insert ", including a program established under Article 56.04(f), Code of Criminal Procedure, that offers psychological counseling to jurors in criminal cases involving graphic evidence or testimony".

(2) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS accordingly:

SECTION _____. Article 56.04, Code of Criminal Procedure, is amended by adding Subsection (f) to read as follows:

(f) The commissioners court may approve a program in which the crime victim liaison or victim assistance coordinator may offer not more than 10 hours of posttrial psychological counseling for a person who serves as a juror or an alternate juror in the trial of an offense under Section 19.02, 19.03, 21.11, 22.011, 22.021, 43.05, 43.25, or 43.251, Penal Code, involving graphic evidence or testimony and who requests the posttrial psychological counseling not later than the 180th day after the date on which

the jury in the trial is dismissed. The crime victim liaison or victim assistance coordinator may provide the counseling using a provider that assists local criminal justice agencies in providing similar services to victims.

SECTION _____. The change in law made by this Act in adding Subsection (f), Article 56.04, Code of Criminal Procedure, applies only to the provision of counseling for a juror or an alternate juror in a criminal trial that begins on or after the effective date of this Act.

The amendments were read.

Senator Ellis moved to concur in the House amendments to **SB 560**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE RULE 11.13 SUSPENDED
(Consideration of Bills in Committees)

On motion of Senator Brimer and by unanimous consent, Senate Rule 11.13 was suspended to grant all conference committees permission to meet while the Senate was meeting today.

SENATE BILL 924 WITH HOUSE AMENDMENT

Senator Brimer called **SB 924** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 924** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to rules and policies adopted by state agencies regarding engineering or architectural errors or omissions.

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

SECTION 1. Subchapter Z, Chapter 2252, Government Code, is amended by adding Section 2252.904 to read as follows:

Sec. 2252.904. CERTAIN RULES OR POLICIES OF STATE AGENCIES. (a)

In this section:

(1) "Contract" means a contract awarded by a state agency for general construction, an improvement, a service, or a public works project, including a contract subject to Section 201.112, Transportation Code.

(2) "Private design professional" means an individual registered as an architect under Chapter 1051, Occupations Code, or an individual licensed as an engineer under Chapter 1001, Occupations Code, who provides professional architectural or engineering services.

(3) "State agency" means a board, commission, office, department, or other agency in the judicial or executive branch of state government.

(b) A rule or policy adopted by a state agency relating to the recovery of costs arising from an engineering or architectural error or omission by a private design professional on a project must:

(1) provide that the private design professional be notified at the time a problem with project plans or specifications is identified by the agency;

(2) provide an opportunity for the private design professional to be involved in the resolution of a problem identified under Subdivision (1);

(3) provide guidelines for distinguishing an error or omission from other reasons for the submission of a change order;

(4) provide a process for determining the cost of errors or omissions by private design professionals;

(5) provide for an evaluation of the totality of project services provided by private design professionals, including the level of quality, performance, and value provided over the term of the entire project;

(6) provide that an internal management review of the agency's claim for costs may be used, if available, without requiring that the claim be paid before the internal management review may be used;

(7) provide a process for tracking the cost of errors or omissions by agency employees; and

(8) recognize that some errors, omissions, or changes are likely to occur during a design and construction project.

SECTION 2. This Act takes effect September 1, 2007.

The amendment was read.

Senator Brimer moved to concur in the House amendment to **SB 924**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1942 WITH HOUSE AMENDMENT

Senator Deuell called **SB 1942** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1942** (House committee printing) in SECTION 2 of the bill, on page 12, between lines 1 and 2, by inserting the following:

Thence S 46° 33' 43" E 681.89 ft. for a point for corner;

The amendment was read.

Senator Deuell moved to concur in the House amendment to **SB 1942**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1788 WITH HOUSE AMENDMENT

Senator Shapiro called **SB 1788** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1788** in SECTION 1 of the bill, between added Sections 30A.104 and 30A.105, Education Code (House committee report, page 11, between lines 7 and 8), by inserting the following:

Sec. 30A.1041. DRIVER EDUCATION COURSES. (a) A school district, open-enrollment charter school, or public or private institution of higher education may seek approval to offer through the state virtual school network the classroom portion of a driver education and traffic safety course that complies with the requirements for the program developed under Section 29.902.

(b) A school district, open-enrollment charter school, or public or private institution of higher education may not offer through the state virtual school network the laboratory portion of a driver education and traffic safety course.

(c) A driver education and traffic safety course offered in compliance with this section must be the equivalent in instructional rigor and scope to a course that is provided in a traditional classroom setting for a period of 56 hours.

The amendment was read.

Senator Shapiro moved to concur in the House amendment to **SB 1788**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1972 WITH HOUSE AMENDMENT

Senator Fraser called **SB 1972** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1972** (House committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 5, Chapter 287, Acts of the 61st Legislature, Regular Session, 1969, is amended to read as follows:

Sec. 5. The board of directors shall manage, control, and administer the hospital system and all funds and resources of the district, but in no event shall any operating, depreciation, or building fund reserves be invested in any funds or securities authorized by law, including Chapter 2256, Government Code. The board is given full authority to establish rules and regulations relating to seniority of employees of the district, including a retirement plan based thereon, and may give effect to previous years of service for those employees who have been continuously employed in the operation or management of the hospital facilities acquired, including those acquired upon the creation thereof by reason of Section 2 of this Act, or constructed by the district. The district, through its board of directors, shall have the power and authority to sue and be sued, and shall be entitled to all causes of action and defenses enjoyed by similar authorities, to promulgate rules and regulations governing the operation of

the hospital, hospital system, its staff, and its employees. The board of directors shall appoint a qualified person to be known as the administrator or manager of the hospital district and may in its discretion appoint an assistant to the administrator or manager. Such administrator or manager and assistant administrator or manager, if any, shall serve at the will of the board and shall receive such compensation as may be fixed by the board. The administrator or manager shall, upon assuming his duties, execute a bond payable to the hospital district in an amount to be set by the board of directors, in no event less than \$500,000 conditioned that he shall perform the duties required of him, and containing such other conditions as the board may require. The administrator or manager shall supervise all the work and activities of the district and shall have general direction of the affairs of the district, subject to the limitations as may be prescribed by the board. The board of directors shall have the authority to appoint to the staff such doctors as it may be deemed necessary for the efficient operation of the district, and may provide for temporary appointments to the staff if warranted by circumstances. The board may employ physicians or other health care providers as the board considers necessary for the efficient operation of the district. This section does not authorize the board to supervise or control the practice of medicine, as prohibited by Subtitle B, Title 3, Occupations Code. The board may delegate to the administrator or manager the authority to employ technicians, nurses, and employees of the district other than physicians. Such board shall be authorized to contract with any other public or private entity, including a county, municipality, hospital district, or any other political subdivision, or a charitable organization, to provide health care or related services inside or outside of the district.

The amendment was read.

Senator Fraser moved to concur in the House amendment to **SB 1972**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

(Senator Brimer in Chair)

SENATE BILL 410 WITH HOUSE AMENDMENT

Senator Harris called **SB 410** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 410** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the authority of certain municipal peace officers on a lake located partly in a municipality.

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

SECTION 1. Subchapter E, Chapter 31, Parks and Wildlife Code, is amended by adding Section 31.1211 to read as follows:

Sec. 31.1211. JURISDICTION OF MUNICIPAL PEACE OFFICERS. (a) Notwithstanding any other law limiting the enforcement jurisdiction of a peace officer, a peace officer of a municipality who is certified as a marine safety enforcement officer under Section 31.121 may enforce the provisions of this chapter within an area of a lake that is outside the enforcement jurisdiction of the peace officer if:

(1) any portion of the lake is contained in the corporate limits or extraterritorial jurisdiction of the municipality; and

(2) the municipality has entered into a memorandum of understanding with the governmental entity having enforcement jurisdiction in that area granting the peace officer enforcement jurisdiction in the area.

(b) The memorandum of understanding under Subsection (a)(2) must:

(1) designate the jurisdiction that has the authority to conduct any prosecution or ongoing investigation of a violation resulting from an enforcement action under this section; and

(2) be approved by the Parks and Wildlife Department.

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, 2007.

The amendment was read.

Senator Harris moved to concur in the House amendment to **SB 410**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1984 WITH HOUSE AMENDMENT

Senator Ellis called **SB 1984** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1984** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the creation of the Spectrum Management District; providing authority to levy an assessment, impose a tax, and issue bonds.

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

SECTION 1. SPECTRUM MANAGEMENT DISTRICT. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3840 to read as follows:

CHAPTER 3840. SPECTRUM MANAGEMENT DISTRICT SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3840.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Spectrum Management District.

Sec. 3840.002. SPECTRUM MANAGEMENT DISTRICT. The Spectrum Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3840.003. PURPOSE; DECLARATION OF INTENT. (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 of Pearland, Harris County, 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 Harris County and the City of Pearland from providing the level of services provided as of the effective date of the Act enacting this chapter, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Sec. 3840.004. 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 creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) 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 community and business center;

(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;

(4) provide for water, wastewater, and drainage needs of the district; and

(5) provide for recreational facilities, sports arenas, and other athletic facilities.

(e) 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.

(f) 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. 3840.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district 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 in any way affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 3840.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by a municipality under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by a municipality under Chapter 312, Tax Code; or

(3) an enterprise zone created under Chapter 2303, Government Code.

Sec. 3840.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. (a) Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

(b) Subchapter B, Chapter 375, and Sections 375.064(f), 375.069, 375.070, 375.071, 375.113, and 375.114, Local Government Code, do not apply to the district.

Sec. 3840.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

[Sections 3840.009-3840.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3840.051. COMPOSITION; TERMS. (a) The district is governed by a board of seven voting directors who serve staggered terms of four years, with three or four directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Sec. 3840.052. APPOINTMENT OF DIRECTORS. (a) The mayor and the governing body of the City of Pearland shall appoint voting directors from persons recommended by the board.

(b) A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Sec. 3840.053. DISQUALIFICATION. Section 49.052, Water Code, does not apply to the district.

Sec. 3840.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Sec. 3840.055. QUORUM. For purposes of determining the requirements for a quorum, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Sec. 3840.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

| <u>Pos. No.</u> | <u>Name of Director</u> |
|-----------------|-------------------------|
| <u>1</u> | <u>Fred Welch</u> |
| <u>2</u> | <u>Charlie Whynot</u> |
| <u>3</u> | <u>Cullum Heard</u> |
| <u>4</u> | <u>Darrell Jordan</u> |
| <u>5</u> | <u>Mark Evans</u> |
| <u>6</u> | <u>Ronnie Hecht</u> |
| <u>7</u> | <u>Shareen Larmond</u> |

(b) Of the initial voting directors, the terms of directors appointed for positions 1 through 4 expire June 1, 2009, and the terms of directors appointed for positions 5 through 7 expire June 1, 2011.

(c) Section 3840.052 does not apply to this section.

(d) This section expires September 1, 2012.

[Sections 3840.057-3840.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3840.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) an economic development corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, or maintain a project described by that section;

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) a sports facilities district under Chapter 325, Local Government Code.

Sec. 3840.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation.

(d) The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a director of the corporation is not required to reside in the district.

Sec. 3840.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3840.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Harris County or the City of Pearland, to provide law enforcement services in the district for a fee.

Sec. 3840.105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3840.106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(b) For purposes of this section, the district has all of the powers of a municipality under Chapter 380, Local Government Code.

Sec. 3840.107. PROPERTY. The district may construct, purchase, sell, or lease property, including facilities, to accomplish a district purpose.

Sec. 3840.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

[Sections 3840.109-3840.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3840.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3840.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Sec. 3840.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by:

(1) the owners of a majority of the assessed value of real property in the district subject to the proposed assessment according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of real property in the district if more than 50 persons own real property in the district as determined by the most recent certified tax appraisal roll for Harris County.

Sec. 3840.154. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Sec. 3840.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) 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;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) 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. 3840.156. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3840.160, the district may impose an annual ad valorem tax on taxable property in the district for any district purpose, including to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

(b) The board shall determine the tax rate.

Sec. 3840.157. UTILITY PROPERTY EXEMPT FROM IMPACT FEES OR ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Sec. 3840.158. BONDS AND OTHER OBLIGATIONS. (a) The district may issue by competitive bid or negotiated sale bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) 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.

(c) The term of a bond issued under this chapter may not exceed 40 years from the date of issuance.

(d) In addition to any other terms authorized by the board by bond order or resolution, the proceeds of the district's bonds may be used for a reserve fund, credit enhancement, or capitalized interest for the bonds.

(e) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Sec. 3840.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose a continuing direct ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Sec. 3840.160. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax or issues bonds payable from ad valorem taxes.

(b) The board may include more than one issue in a single proposition at an election.

(c) Section 375.243, Local Government Code, does not apply to the district.

Sec. 3840.161. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

Sec. 3840.162. BIDDING REQUIREMENTS. Section 375.221, Local Government Code, and Sections 49.273(d), (e), (f), and (g), Water Code, do not apply to the district.

Sec. 3840.163. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

[Sections 3840.164-3840.200 reserved for expansion]

SUBCHAPTER E. SALES AND USE TAX

Sec. 3840.201. MEANINGS OF WORDS AND PHRASES. Words and phrases used in this subchapter that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

Sec. 3840.202. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS.

(a) Except as otherwise provided by this subchapter, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to taxes imposed under this subchapter and to the administration and enforcement of those taxes in the same manner that those laws apply to state taxes.

(b) Chapter 321, Tax Code, relating to municipal sales and use taxes, applies to the application, collection, change, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 321, Tax Code, to a municipality referred to the district and references to a governing body referred to the board.

(c) Sections 321.106, 321.401, 321.402, 321.403, 321.404, 321.406, 321.409, 321.506, 321.507, and 321.508, Tax Code, do not apply to a tax imposed under this subchapter.

Sec. 3840.203. AUTHORIZATION; ELECTION. (a) The district may adopt a sales and use tax to serve the purposes of the district after an election in which a majority of the voters of the district voting in the election authorize the adoption of the tax.

(b) The board by order may call an election to authorize a sales and use tax. The election may be held with any other district election.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Section 3840.160.

(d) The ballots shall be printed to provide for voting for or against the proposition: "Authorization of a district sales and use tax in the Spectrum Management District at a rate not to exceed _____ percent."

Sec. 3840.204. ABOLISHING SALES AND USE TAX. (a) Except as provided by Subsection (b), the board, with the consent of the governing body of the City of Pearland, may abolish the sales and use tax without an election.

(b) The board may not abolish the sales and use tax if the district has outstanding debt secured by the tax.

Sec. 3840.205. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax on the receipts from the sale at retail of taxable items in the district, and an excise tax on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer in the district during the period that the tax is in effect.

(b) The board shall determine the rate of the tax, which may be in one-eighth of one percent increments not to exceed the maximum rate authorized by the district voters at the election. The board may lower the tax rate to the extent it does not impair any outstanding debt or obligations payable from the tax.

(c) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.

[Sections 3840.206-3840.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3840.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

SECTION 2. BOUNDARIES. As of the effective date of this Act, the Spectrum Management District includes all territory contained in the following described area:

Beginning at the intersection of the East boundary of the right of way of State Highway 288 and the Harris County line at Clear Creek;

Thence, West along the Harris County line following Clear Creek to the East boundary of the right of way of Almeda School Road (County Road 48);

Thence, North along the East boundary of the right of way of Almeda School Road (County Road 48) to the South boundary of the right of way of Beltway 8 (Sam Houston Parkway);

Thence, East along the South boundary of the right of way of Beltway 8 (Sam Houston Parkway) to the East boundary of the right of way of State Highway 288;

Thence, South along the East boundary of the right of way of State Highway 288 to the point of beginning.

SAVE AND EXCEPT and land contained within the boundaries of the Pearland Municipal Management District No. 1.

SECTION 3. LEGISLATIVE FINDINGS. The legislature finds that:

(1) proper and 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 by the constitution and laws of this state, including the governor, who has submitted the notice and Act to the Texas Commission on Environmental Quality;

(2) the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time;

(3) the general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with; and

(4) 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 4. 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, 2007.

The amendment was read.

Senator Ellis moved to concur in the House amendment to **SB 1984**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1535 WITH HOUSE AMENDMENT

Senator Fraser called **SB 1535** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1535** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the issuance of bonds by a municipality for a defined area in an abolished municipal utility district; authorizing a tax.

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

SECTION 1. Subtitle A, Title 4, Local Government Code, is amended by adding Chapter 108 to read as follows:

CHAPTER 108. MUNICIPAL BONDS FOR CERTAIN DEFINED AREAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 108.001. DEFINITION. In this chapter, "defined area" means a defined area created by a municipal utility district under Subchapter J, Chapter 54, Water Code.

Sec. 108.002. APPLICATION OF CHAPTER. This chapter applies only to a municipality that under Section 43.075 or any other law abolishes a municipal utility district created under Section 59, Article XVI, Texas Constitution, that contains a defined area.

Sec. 108.003. CONFLICT WITH OTHER LAWS. To the extent of a conflict between this chapter and any other law, including Subchapter A, Chapter 372, this chapter controls.

[Sections 108.004-108.050 reserved for expansion]

SUBCHAPTER B. BONDS USED TO CARRY OUT PURPOSES OF
DEFINED AREA IN ABOLISHED MUNICIPAL UTILITY DISTRICT

Sec. 108.051. BONDS ORIGINALLY AUTHORIZED IN ABOLISHED MUNICIPAL UTILITY DISTRICT; PROPERTY TAXES. (a) If, before its abolition, a municipal utility district voted to issue bonds secured by property taxes for a defined area under Section 54.806, Water Code, and if some or all of the bonds were not issued, sold, and delivered before the abolition, the governing body of the municipality that abolished the district may issue and sell municipal bonds:

(1) in an amount not to exceed the amount of the unissued district bonds approved by the voters; and

(2) for the purpose of carrying out the purposes for which the district bonds were voted.

(b) The bonds are issued under the authority under which they were voted, particularly Section 59, Article XVI, Texas Constitution. The bonds must be secured by a tax under the authority under which they were voted, particularly a tax on the property in the defined area of the abolished district.

(c) The bonds must be authorized by ordinance of the governing body of the municipality. The ordinance must provide for the levy of taxes on all taxable property in the defined area of the abolished district to pay the principal of and interest on the bonds when due.

Sec. 108.052. BONDS AUTHORIZED UNDER PUBLIC IMPROVEMENT DISTRICT; ASSESSMENTS. (a) If, before its abolition, a municipal utility district voted to issue bonds secured by property taxes for a defined area under Section 54.806, Water Code, and if some or all of the bonds were not issued, sold, and delivered before the abolition, the governing body of the municipality that abolished the district may, on its own motion, establish a public improvement district under Subchapter A, Chapter 372, for the purpose of issuing and selling municipal bonds:

(1) in an amount not to exceed the amount of the unissued district bonds approved by the voters; and

(2) for the purpose of carrying out the purposes for which the district bonds were voted, including the cost of facilities constructed after creation of the defined area in accordance with the plan for improvements adopted by the board of directors of the abolished district.

(b) A municipality that establishes a public improvement district under this section may:

(1) enter into agreements with developers of property in the public improvement district for the construction, acquisition, expansion, improvement, or extension of improvements in the public improvement district;

(2) reimburse a developer for the costs of the improvements through assessments payable in installments on property in the public improvement district;

(3) pledge any type of assessment, including installment assessments, levied against property in the public improvement district as security for bonds and agreements; and

(4) structure the assessments in any manner determined by the governing body of the municipality.

(c) In structuring an assessment under this section, the municipality may include in the assessment:

(1) a coverage factor;

(2) any prepayment dates;

(3) terms or amounts; and

(4) any other methodology or amounts determined necessary or convenient

by the governing body of the municipality.

(d) Any bonds issued by the municipality under this section must be authorized by ordinance of the governing body of the municipality and shall provide for the collection of the assessments as authorized by Subchapter A, Chapter 372, and this chapter.

(e) The bonds may be payable in installments, as determined by the governing body of the municipality, against the property in the defined area.

(f) The municipality may use the bonds to:

(1) pay or reimburse a developer for public improvements in the public improvement district under a development or other agreement with the developer;

(2) pay the principal of and interest on the bonds when due; or

(3) pay any combination of purposes described by Subdivisions (1) and (2).

Sec. 108.053. PLEDGES TO SECURE BONDS. The municipality may further pledge any available funds to secure the bonds, including taxes or other revenue.

Sec. 108.054. CHOICE OF LAWS. (a) A municipality may exercise powers under Section 108.051 or 108.052, but may not exercise powers under both sections for the same defined area

(b) A municipality that exercises powers under Section 108.051 or 108.052 to reimburse a developer's infrastructure costs in a defined area shall not be required to provide payment to the developer under Section 43.0715, Local Government Code.

Sec. 108.055. CONFLICT WITH MUNICIPAL CHARTER. This subchapter prevails over a municipal charter provision to the extent of a conflict with this subchapter.

Sec. 108.056. EFFECT ON OTHER MUNICIPAL BONDS. This subchapter does not affect the authority of a municipality to issue bonds for other purposes.

SECTION 2. Chapter 108, Local Government Code, as added by this Act, applies to a municipal utility district abolished, or a district vote to issue bonds that occurred, before, on, or after the effective date of this Act.

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, 2007.

The amendment was read.

Senator Fraser moved to concur in the House amendment to **SB 1535**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1391 WITH HOUSE AMENDMENT

Senator Uresti called **SB 1391** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 1391** (House committee printing) as follows:

(1) In SECTION 1 of the bill, in added Subdivision (1), Subsection (a), Section 1215.002, Insurance Code, following the underlined semicolon (page 2, line 15), insert "and".

(2) In SECTION 1 of the bill, in added Subdivision (2), Subsection (a), Section 1215.002, Insurance Code (page 2, line 21), strike "; and" and substitute an underlined period.

(3) In SECTION 1 of the bill, strike added Subdivision (3), Subsection (a), Section 1215.002, Insurance Code (page 2, lines 22-25).

The amendment was read.

Senator Uresti moved to concur in the House amendment to **SB 1391**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 222 ADOPTED**

Senator Ellis called from the President's table the Conference Committee Report on **SB 222**. The Conference Committee Report was filed with the Senate on Thursday, May 24, 2007.

On motion of Senator Ellis, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 363 WITH HOUSE AMENDMENT

Senator Van de Putte called **SB 363** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 363** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to protecting certain members of the Texas National Guard from exposure to depleted uranium and assisting certain members who may have been exposed to obtain federal government services.

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

SECTION 1. Subchapter A, Chapter 431, Government Code, is amended by adding Section 431.0185 to read as follows:

Sec. 431.0185. TESTING FOR EXPOSURE TO DEPLETED URANIUM.

(a) In this section:

(1) "Depleted uranium" means uranium containing less uranium-235 than the naturally occurring distribution of uranium isotopes.

(2) "Eligible member" means a member or former member of the Texas National Guard who served:

(A) in an area designated as a combat zone or qualified hazardous duty area by the president of the United States during Operation Enduring Freedom or Operation Iraqi Freedom; or

(B) in any other military assignment in which there was a high probability that the person was exposed to depleted uranium from exploded munitions containing depleted uranium.

(3) "Medically qualified screening test" means:

(A) a best practice health screening test for exposure to depleted uranium using a bioassay procedure involving:

(i) sensitive methods capable of detecting depleted uranium at low levels; and

(ii) the use of equipment with the capacity to discriminate between different radioisotopes in naturally occurring levels of uranium and the characteristic ratio and marker for depleted uranium; or

(B) a closely comparable test that is equally capable or more capable of detecting depleted uranium at low levels in the body.

(4) "Military physician" includes a physician who is under contract with the United States Department of Defense to provide physician services to members of the armed forces.

(b) The adjutant general and the Texas Veterans Commission shall assist an eligible member to obtain federal government treatment services, including a medically qualified screening test, if the eligible member:

(1) has been assigned a risk level I, II, or III for depleted uranium exposure by the member's branch of service;

(2) is referred by a military physician; or

(3) has reason to believe that the member was exposed to depleted uranium during military service.

SECTION 2. (a) In this section, "depleted uranium" and "eligible member" have the meanings assigned by Section 431.0185, Government Code, as added by this Act.

(b) Not later than December 1, 2008, the adjutant general shall report in writing to the presiding officer of the standing committee of each house of the legislature with primary jurisdiction over military and veterans matters on the scope and adequacy of instruction received by members of the national guard on detecting whether their service as eligible members is likely to entail, or to have entailed, exposure to depleted uranium. In determining the scope and adequacy of the instruction provided to eligible members, the adjutant general must consider:

(1) the information provided to eligible members on potential exposure to depleted uranium and other toxic chemical substances;

(2) whether the eligible members were provided an opportunity to ask questions; and

(3) whether the eligible members were provided with information on referrals to appropriate federal agencies.

(c) The report must include an assessment of the feasibility and cost of adding predeployment instruction concerning potential exposure to depleted uranium and other toxic chemical substances and the precautions recommended under combat and noncombat conditions while in a combat zone.

SECTION 3. This Act takes effect September 1, 2007.

The amendment was read.

Senator Van de Putte moved to concur in the House amendment to **SB 363**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE ON HOUSE BILL 2034

Senator Shapiro called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 2034** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 2034** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Shapiro, Chair; Williams, Uresti, Nelson, and Hinojosa.

CONFERENCE COMMITTEE ON HOUSE BILL 1521

Senator Hegar called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1521** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1521** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hegar, Chair; Nichols, Zaffirini, Carona, and Brimer.

SENATE BILL 141 WITH HOUSE AMENDMENT

Senator Nelson called **SB 141** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Committee Amendment No. 1

Amend **SB 141** (Senate engrossment) as follows:

(1) In SECTION 1 of the bill, in proposed Subsection (a), Section 61.0661, Education Code (page 1, line 13), strike "shall" and substitute "may".

(2) In SECTION 1 of the bill, in proposed Subsection (b), Section 61.0661, Education Code (page 1, lines 18 and 19), strike "Not later than September 30, 2008, the board shall complete the study required by Subsection (a)" and substitute "If the board conducts the study authorized by Subsection (a), not later than September 30, 2008, the board shall complete the study".

The amendment was read.

Senator Nelson moved to concur in the House amendment to **SB 141**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 714 WITH HOUSE AMENDMENT

Senator Fraser called **SB 714** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 714** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to reports regarding certain water wells required by a groundwater conservation district.

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

SECTION 1. Section 36.111, Water Code, is amended to read as follows:

Sec. 36.111. RECORDS AND REPORTS. (a) The district may ~~shall~~ require that records be kept and reports be made of the drilling, equipping, and completing of water wells and of the production and use of groundwater.

(b) In implementing Subsection (a), a district may adopt rules that require an owner or operator of a water well that is required to be registered with or permitted by the district, except for the owner or operator of a well that is exempt from permit requirements under Section 36.117(b)(1), to report groundwater withdrawals using reasonable and appropriate reporting methods and frequency.

SECTION 2. This Act takes effect September 1, 2007.

The amendment was read.

Senator Fraser moved to concur in the House amendment to **SB 714**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1207 WITH HOUSE AMENDMENT

Senator Hegar called **SB 1207** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1207** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the removal by the county commissioners court of appointed special district board members who engage in misconduct.

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

SECTION 1. Subtitle C, Title 5, Local Government Code, is amended by adding Chapter 177 to read as follows:

CHAPTER 177. REMOVAL OF SPECIAL DISTRICT BOARD MEMBERS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 177.001. DEFINITIONS. In this chapter:

- (1) "Board" means the governing body of a special district.
- (2) "Director" means a board member.
- (3) "Misconduct" means intentionally or knowingly:
 - (A) violating a law relating to the office of director; or

(B) misapplying any thing of value belonging to a special district that has come into the custody or possession of a director by virtue of the director's office.

(4) "Special district" means a political subdivision of this state with a limited geographic area created by local law or under general law for a special purpose.

[Sections 177.002-177.050 reserved for expansion]

SUBCHAPTER B. REMOVAL OF APPOINTED BOARD MEMBERS FOR MISCONDUCT

Sec. 177.051. APPLICABILITY. This subchapter applies to any type of special district with a board that is wholly or partly appointed, including:

- (1) agricultural development districts;
- (2) appraisal districts;
- (3) athletic stadium authorities;
- (4) civic center authorities;
- (5) coastal water authorities;
- (6) coordinated county transportation authorities;
- (7) conservation and reclamation districts;
- (8) county development districts;
- (9) county health care funding districts;
- (10) county hospital authorities;
- (11) county mass transit authorities;
- (12) crime control and prevention districts;
- (13) defense adjustment management authorities;
- (14) defense base development authorities;
- (15) districts governing groundwater;
- (16) drainage districts;
- (17) emergency communication districts;
- (18) emergency services districts;
- (19) fire control, prevention, and emergency medical services districts;
- (20) freight rail districts;
- (21) fresh water supply districts;
- (22) groundwater conservation districts;
- (23) health care funding districts;
- (24) health services districts;
- (25) higher education facility authorities;
- (26) hospital districts;
- (27) improvement districts;
- (28) indigent health care districts;
- (29) intermunicipal commuter rail districts;
- (30) irrigation districts;
- (31) jail districts;
- (32) levee improvement districts;
- (33) library districts;
- (34) metropolitan rapid transit authorities;
- (35) multi-jurisdictional library districts;
- (36) municipal development districts;

- (37) municipal hospital authorities;
- (38) municipal management districts;
- (39) municipal utility districts;
- (40) navigation districts;
- (41) noxious weed control districts;
- (42) park and recreation districts;
- (43) parks and recreational facilities districts;
- (44) port authorities;
- (45) public improvement districts;
- (46) rail districts;
- (47) rapid transit authorities;
- (48) regional districts;
- (49) regional transportation authorities;
- (50) river authorities;
- (51) road districts;
- (52) road utility districts;
- (53) rural rail transportation districts;
- (54) rural transit districts;
- (55) school districts;
- (56) seawall commissions;
- (57) solid waste management districts;
- (58) soil and water conservation districts;
- (59) special utility districts;
- (60) sports and community venue districts;
- (61) sports facility districts;
- (62) stormwater control districts;
- (63) subsidence districts;
- (64) urban transit districts;
- (65) water control and improvement districts;
- (66) water control and preservation districts;
- (67) water districts;
- (68) water import authorities; and
- (69) water improvement districts.

Sec. 177.052. EXEMPTIONS. (a) This subchapter does not apply to a regional planning commission under Chapter 391.

(b) This subchapter does not apply to a director who is a county officer under Section 24, Article V, Texas Constitution.

Sec. 177.053. REMOVAL OF DIRECTOR BY COMMISSIONERS COURT FOR MISCONDUCT. (a) The commissioners court of a county may remove for misconduct a director who:

(1) serves as a director of a special district located wholly or partly in the county; and

(2) was appointed by the commissioners court.

(b) To the extent of a conflict, this section prevails over any conflicting law.

Sec. 177.054. HEARING. (a) A commissioners court that desires to remove a director for misconduct shall hold a hearing on the director's removal.

(b) The director and any interested person is entitled to appear at the hearing.

Sec. 177.055. ORDER REMOVING DIRECTOR. (a) To remove a director of a special district located wholly in one county, the commissioners court of the county must:

(1) find after the hearing that the director engaged in misconduct; and

(2) issue an order removing the director.

(b) To remove a director of a special district located in more than one county:

(1) a commissioners court that appointed the director on its sole authority must find after the hearing that the director engaged in misconduct and issue an order removing the director; or

(2) for a director appointed other than on the sole authority of a single commissioners court, the commissioners court of each county in which the district is located must find after the hearing held by that court that the director engaged in misconduct and issue an order removing the director.

Sec. 177.056. VACANCY. (a) If a general or special law that governs the special district does not provide a method for filling a vacancy, the commissioners court that removed the director by order may appoint a director to serve the remainder of the removed director's term.

(b) If the special district is located wholly or partly in more than one county and if the action of more than one commissioners court was needed under Section 177.055(b)(2) to remove the director, the commissioners court of each of those counties must agree on the appointment.

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, 2007.

The amendment was read.

Senator Hegar moved to concur in the House amendment to **SB 1207**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2004 ADOPTED

Senator Lucio called from the President's table the Conference Committee Report on **HB 2004**. The Conference Committee Report was filed with the Senate on Tuesday, May 22, 2007.

On motion of Senator Lucio, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1339 WITH HOUSE AMENDMENT

Senator Estes called **SB 1339** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1 on Third Reading

Amend **SB 1339** on third reading in SECTION 1 of the bill, in added Subsection (c) to Section 418.073, Government Code, as follows:

(1) Strike "severe drought or wildfire" and substitute "severe drought, wildfire, flood, storm, or hurricane".

(2) Between "any farm or ranch product" and the period, insert ", including a product produced by aquaculture as defined by Section 134.001, Agriculture Code".

The amendment was read.

Senator Estes moved to concur in the House amendment to **SB 1339**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 962 WITH HOUSE AMENDMENT

Senator Shapleigh called **SB 962** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 962** (House committee printing) between SECTIONS 2 and 3 of the bill (page 2, between lines 3 and 4), by inserting the following new SECTION, appropriately numbered, and renumbering the subsequent SECTION of the bill accordingly:

SECTION _____. Section 46.034, Education Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding Subsection (b), a school district is entitled to state assistance under this subchapter based on the district's tax rate for the current school year if the district demonstrates to the commissioner's satisfaction that the district meets the criteria under Section 46.006(c-2).

The amendment was read.

Senator Shapleigh moved to concur in the House amendment to **SB 962**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 649 WITH HOUSE AMENDMENT

Senator Shapleigh called **SB 649** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 649** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to a study by the Texas Higher Education Coordinating Board concerning the effectiveness of joint partnerships between institutions of higher education.

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

SECTION 1. Subchapter C, Chapter 61, Education Code, is amended by adding Section 61.0661 to read as follows:

Sec. 61.0661. STUDY OF JOINT PARTNERSHIPS BETWEEN INSTITUTIONS OF HIGHER EDUCATION. (a) The board may conduct a study to determine whether institutions of higher education, including component institutions of different university systems, may effectively enter into joint partnership agreements to:

(1) develop joint degree programs and joint research programs;

(2) make joint appointments of faculty or other personnel to the partnership and to either or both institutions; and

(3) maintain joint facilities for purposes of conducting joint programs described by Subdivision (1).

(b) If the board conducts a study under Subsection (a), the board shall report to the legislature concerning the results of the study not later than January 1, 2009. The report must include the board's recommendations for implementing effective joint partnerships between institutions of higher education.

(c) The board may take action under this section only to the extent existing resources are available for that purpose.

(d) This section expires June 1, 2009.

SECTION 2. This Act takes effect September 1, 2007.

The amendment was read.

Senator Shapleigh moved to concur in the House amendment to **SB 649**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

RECESS

On motion of Senator Harris, the Senate at 1:30 p.m. recessed until 2:00 p.m. today.

AFTER RECESS

The Senate met at 2:27 p.m. and was called to order by Senator Eltife.

SENATE BILL 909 WITH HOUSE AMENDMENTS

Senator Whitmire called **SB 909** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 909** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the continuation and functions of the Texas Board of Criminal Justice, the Texas Department of Criminal Justice, and the Correctional Managed Health Care Committee, and to the functions of the Board of Pardons and Paroles.

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

SECTION 1. Section 8(a), Article 42.09, Code of Criminal Procedure, is amended to read as follows:

(a) A county that transfers a defendant to the Texas Department of Criminal Justice under this article shall deliver to an officer designated by the department:

(1) a copy of the judgment entered pursuant to Article 42.01 of this code, completed on a standardized felony judgment form described by Section 4 of that article;

(2) a copy of any order revoking community supervision and imposing sentence pursuant to Section 23, Article 42.12, of this code, including:

(A) any amounts owed for restitution, fines, and court costs, completed on a standardized felony judgment form described by Section 4, Article 42.01, of this code; and

(B) a copy of the client supervision plan prepared for the defendant by the community supervision and corrections department supervising the defendant, if such a plan was prepared;

(3) a written report that states the nature and the seriousness of each offense and that states the citation to the provision or provisions of the Penal Code or other law under which the defendant was convicted;

(4) a copy of the victim impact statement, if one has been prepared in the case under Article 56.03 of this code;

(5) a statement as to whether there was a change in venue in the case and, if so, the names of the county prosecuting the offense and the county in which the case was tried;

(6) a copy of the record of arrest for each offense;

(7) if requested, information regarding the criminal history of the defendant, including the defendant's state identification number if the number has been issued;

(8) a copy of the indictment or information for each offense;

(9) a checklist sent by the department to the county and completed by the county in a manner indicating that the documents required by this subsection and Subsection (c) of this section accompany the defendant;

(10) if prepared, a copy of a presentence or postsentence investigation report prepared under Section 9, Article 42.12 of this code;

(11) a copy of any detainer, issued by an agency of the federal government, that is in the possession of the county and that has been placed on the defendant; ~~and~~

(12) if prepared, a copy of the defendant's Texas Uniform Health Status Update Form; and

(13) a written description of a hold or warrant, issued by any other jurisdiction, that the county is aware of and that has been placed on or issued for the defendant.

SECTION 2. Section 15, Article 42.12, Code of Criminal Procedure, is amended by adding Subsections (i), (j), and (k) to read as follows:

(i) If a defendant is convicted of a state jail felony and the sentence is executed, the judge sentencing the defendant may release the defendant to a medically suitable placement if the judge determines that the defendant does not constitute a threat to public safety and the Texas Correctional Office on Offenders with Medical or Mental Impairments:

(1) in coordination with the Correctional Managed Health Care Committee prepares a case summary and medical report that identifies the defendant as being elderly, physically disabled, mentally ill, terminally ill, or mentally retarded or having a condition requiring long-term care; and

(2) in cooperation with the community supervision and corrections department serving the sentencing court, prepares for the defendant a medically recommended intensive supervision and continuity of care plan that:

(A) ensures appropriate supervision of the defendant by the community supervision and corrections department; and

(B) requires the defendant to remain under the care of a physician at and reside in a medically suitable placement.

(j) The Texas Correctional Office on Offenders with Medical or Mental Impairments shall submit to a judge who releases a defendant to an appropriate medical care facility under Subsection (i) a quarterly status report concerning the defendant's medical and treatment status.

(k) If a defendant released to a medically suitable placement under Subsection (i) violates the terms of that release, the judge may dispose of the matter as provided by Subsections (e) and (f)(1).

SECTION 3. Section 20, Article 42.12, Code of Criminal Procedure, is amended to read as follows:

Sec. 20. REDUCTION OR TERMINATION OF COMMUNITY SUPERVISION. (a) At any time[~~7~~] after the defendant has satisfactorily completed one-third of the original community supervision period or two years of community supervision, whichever is less, the period of community supervision may be reduced or terminated by the judge. On completion of one-half of the original community supervision period or two years of community supervision, whichever is more, the judge shall review the recommendation made under Section 76.019, Government Code, by the community supervision and corrections department supervising the defendant and determine whether to reduce or terminate the defendant's period of community supervision. If the judge determines that the defendant has failed to satisfactorily fulfill the conditions of community supervision, the judge shall advise the defendant in writing of the requirements for satisfactorily fulfilling those conditions. Upon the satisfactory fulfillment of the conditions of community supervision, and the expiration of the period of community supervision, the judge, by order duly entered, shall amend or modify the original sentence imposed, if necessary, to conform to the community supervision period and shall discharge the defendant. If the judge discharges the defendant under this section, the judge may set aside the verdict or permit the defendant to withdraw the defendant's [his] plea, and shall dismiss the accusation, complaint, information or indictment against the defendant,

who shall thereafter be released from all penalties and disabilities resulting from the offense or crime of which the defendant [he] has been convicted or to which the defendant [he] has pleaded guilty, except that:

(1) proof of the conviction or plea of guilty shall be made known to the judge should the defendant again be convicted of any criminal offense; and

(2) if the defendant is an applicant for a license or is a licensee under Chapter 42, Human Resources Code, the Health and [Texas Department of] Human Services Commission may consider the fact that the defendant previously has received community supervision under this article in issuing, renewing, denying, or revoking a license under that chapter.

(b) This section does not apply to a defendant convicted of an offense under Sections 49.04-49.08, Penal Code, a defendant convicted of an offense for which on conviction registration as a sex offender is required under Chapter 62, or a defendant convicted of a felony described by Section 3g[-, as added by Chapter 668, Acts of the 75th Legislature, Regular Session, 1997, or a defendant convicted of an offense punishable as a state jail felony].

SECTION 4. Article 61.06(c), Code of Criminal Procedure, is amended to read as follows:

(c) In determining whether information is required to be removed from an intelligence database under Subsection (b), the three-year period does not include any period during which the individual who is the subject of the information is:

(1) confined in a correctional facility operated by or under contract with the [institutional division or the state jail division of the] Texas Department of Criminal Justice; or

(2) confined in a county jail in lieu of being confined in a correctional facility operated by or under contract with the Texas Department of Criminal Justice.

SECTION 5. Section 76.004, Government Code, is amended by amending Subsection (a) and adding Subsection (h) to read as follows:

(a) After complying with the requirements of Subsection (h), the [The] judges described by Section 76.002 shall appoint a department director who must meet, at a minimum, the eligibility requirements for officers established under Section 76.005.

(h) When there is a vacancy in the position of department director, the judges described by Section 76.002 shall:

(1) publicly advertise the position;

(2) post a job description, the qualifications for the position, and the application requirements;

(3) conduct a competitive hiring process and adhere to state and federal equal employment opportunity laws; and

(4) review applicants who meet the posted qualifications and comply with the application requirements.

SECTION 6. Chapter 76, Government Code, is amended by adding Section 76.019 to read as follows:

Sec. 76.019. RECOMMENDATIONS CONCERNING TERMINATION OF COMMUNITY SUPERVISION. (a) In this section, "routine offender assessment" means any regularly scheduled evaluation, assessment, or reassessment of a defendant's progress in satisfactorily completing the defendant's term of community supervision that is conducted by the department supervising the defendant.

(b) During the first routine offender assessment conducted after the date on which a defendant completes one-half of the original community supervision period or two years of community supervision, whichever is later, the department supervising the defendant shall:

(1) determine whether the defendant:

(A) has satisfactorily fulfilled the conditions of community supervision;

and

(B) is an appropriate candidate for termination of community supervision under Section 20, Article 42.12, Code of Criminal Procedure; and

(2) recommend to the court that placed the defendant on community supervision whether the court should reduce the period of community supervision or terminate community supervision and discharge the defendant under Section 20, Article 42.12, Code of Criminal Procedure.

(c) The department supervising the defendant may not recommend to the court under Subsection (b)(2) that the court reduce the defendant's period of community supervision or terminate the defendant's community supervision and discharge the defendant if the defendant:

(1) has not completed court-ordered counseling or treatment; or

(2) is delinquent in paying any fees, fines, court costs, or restitution that:

(A) the court ordered the defendant to pay as a condition of community supervision; and

(B) the department determines the defendant has the ability to pay.

SECTION 7. The heading to Subtitle C, Title 3, Government Code, is amended to read as follows:

SUBTITLE C. LEGISLATIVE AGENCIES AND OVERSIGHT COMMITTEES

SECTION 8. Subtitle C, Title 3, Government Code, is amended by adding Chapter 328 to read as follows:

CHAPTER 328. CRIMINAL JUSTICE LEGISLATIVE OVERSIGHT COMMITTEE

Sec. 328.001. DEFINITION. In this chapter, "committee" means the Criminal Justice Legislative Oversight Committee.

Sec. 328.002. ESTABLISHMENT; COMPOSITION. (a) The Criminal Justice Legislative Oversight Committee is established to provide objective research, analysis, and recommendations to help guide state criminal justice policies.

(b) The committee is composed of six members as follows:

(1) the chair of the Senate Committee on Criminal Justice;

(2) the chair of the House Committee on Corrections;

(3) two members of the senate appointed by the lieutenant governor; and

(4) two members of the house of representatives appointed by the speaker of the house of representatives.

(c) An appointed member of the committee serves at the pleasure of the appointing official.

Sec. 328.003. PRESIDING OFFICER; TERM. (a) The lieutenant governor and the speaker of the house of representatives shall appoint the presiding officer of the committee on an alternating basis.

(b) The presiding officer of the committee serves a two-year term that expires February 1 of each odd-numbered year.

Sec. 328.004. POWERS AND DUTIES. (a) The committee shall:

(1) use statistical analyses and other research methods to conduct an in-depth examination of the criminal justice system in this state that includes:

(A) an assessment of the cost-effectiveness of the use of state and local funds in the criminal justice system;

(B) an identification of critical problems in the criminal justice system;
and

(C) a determination of the long-range needs of the criminal justice system;

(2) recommend to the legislature:

(A) strategies to solve the problems identified under Subdivision (1)(B);
and

(B) policy priorities to address the long-range needs determined under Subdivision (1)(C); and

(3) advise and assist the legislature in developing plans, programs, and proposed legislation to improve the effectiveness of the criminal justice system.

(b) The committee has all other powers and duties provided to a special committee by:

(1) Subchapter B, Chapter 301;

(2) the rules of the senate and the house of representatives; and

(3) policies of the senate and house committees on administration.

Sec. 328.005. MEETINGS. The committee shall meet at the call of the presiding officer.

Sec. 328.006. STAFF; AUTHORITY TO CONTRACT. The committee may hire staff or may contract with universities or other suitable entities to assist the committee in carrying out the committee's duties. Funding to support the operation of the committee shall be provided from funds appropriated to the Texas Legislative Council.

Sec. 328.007. REPORT. Not later than January 1 of each odd-numbered year, the committee shall submit to the legislature a report that contains the recommendations described by Section 328.004(a)(2).

SECTION 9. Section 492.012, Government Code, is amended to read as follows:

Sec. 492.012. SUNSET PROVISION. The Texas Board of Criminal Justice and the Texas Department of Criminal Justice are subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board and the department are abolished September 1, 2011 ~~September 1, 2007~~.

SECTION 10. Chapter 492, Government Code, is amended by adding Sections 492.0125, 492.015, and 492.016 to read as follows:

Sec. 492.0125. COMPLIANCE WITH SUNSET RECOMMENDATIONS. (a) The department shall:

(1) comply with and implement the management action recommendations regarding the department adopted by the Sunset Advisory Commission on January 10, 2007, as a result of its review of the department; and

(2) report to the Sunset Advisory Commission not later than November 1, 2008, the information the Sunset Advisory Commission requires regarding the department's implementation of the recommendations under Subdivision (1).

(b) This section expires June 1, 2009.

Sec. 492.015. USE OF TECHNOLOGY. The board shall implement a policy requiring the department to use appropriate technological solutions to improve the department's ability to perform its functions. The policy must ensure that the public is able to interact with the department on the Internet.

Sec. 492.016. NEGOTIATED RULEMAKING; ALTERNATIVE DISPUTE RESOLUTION. (a) The board shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008 for the adoption of department rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009 to assist in the resolution of internal and external disputes under the department's jurisdiction.

(b) The department's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The board shall designate a trained person to:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) serve as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures, as implemented by the department.

SECTION 11. Chapter 493, Government Code, is amended by adding Section 493.0151 to read as follows:

Sec. 493.0151. DYNAMIC RISK ASSESSMENT OF SEX OFFENDERS. (a) For purposes of this section, "sexual offense" means a criminal offense the conviction of which requires a person to register as a sex offender under Chapter 62, Code of Criminal Procedure.

(b) Before an inmate who is serving a sentence for a sexual offense is discharged or is released on parole or mandatory supervision from the department, the department shall use the dynamic risk assessment tool developed by the Council on Sex Offender Treatment under Section 110.164, Occupations Code, to assign the inmate a risk level of low, medium, or high.

(c) The department shall conduct the risk assessment required by this section in addition to any other risk assessment the department is required to conduct.

SECTION 12. Chapter 493, Government Code, is amended by adding Section 493.026 to read as follows:

Sec. 493.026. CERTAIN INTERAGENCY COMMUNICATIONS PROHIBITED. The department, regardless of available capacity in the program, may not prohibit a parole panel from, or request a parole panel to refrain from, requiring an inmate to participate in and complete a treatment program operated by the department before the inmate is released on parole.

SECTION 13. Chapter 493, Government Code, is amended by adding Section 493.027 to read as follows:

Sec. 493.027. MANAGEMENT-EMPLOYEE MEETINGS. (a) The director of the department shall meet regularly with representatives of an eligible state employee organization, as certified by the comptroller under Section 403.0165, that represents department employees in disciplinary or grievance matters to identify:

(1) department policies or practices that impair the efficient, safe, and effective operation of department facilities; and

(2) issues that could lead to unnecessary conflicts between the department and department employees and that could undermine retention and recruitment of those employees.

(b) The director annually shall submit a report to the Criminal Justice Legislative Oversight Committee on the outcome of meetings held under this section. The report must:

(1) be signed by the director and each representative of an employee organization described by Subsection (a) that participates in the meetings; and

(2) include a statement from each party regarding the impact of the meetings on the recruitment and retention of department employees and on employee morale.

SECTION 14. Section 494.008, Government Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) The department may allow employees who are granted law enforcement authority under this section to assist municipal, county, state, or federal law enforcement [peace] officers [in any county of the state] if:

(1) the assistance is requested for an emergency situation that presents an immediate or potential threat to public safety if assistance is not received, including [the purpose of] apprehending an escapee of a municipal or county jail or privately operated or federal correctional facility; and

(2) [if] the department determines that the assistance will not jeopardize the safety and security of the department and its personnel.

(b-1) An employee who assists under Subsection (b) a law enforcement [peace] officer in the performance of the officer's duties has the same powers and duties as the officer requesting assistance.

SECTION 15. Sections 497.006(b) and (c), Government Code, are amended to read as follows:

(b) With the approval of the board, the office may enter into a contract with a private business to conduct a program on or off property operated by the department. Except as provided by Subsection (c), a contract entered into under this section must comply with all requirements of the Private Sector/Prison Industry Enhancement Certification Program operated by the Bureau of Justice Assistance and authorized by 18 U.S.C. Section 1761. In determining under Section 497.062 the number of participants participating in private sector prison industries programs, the department

shall count the number of work program participants participating in a program under a contract entered into under this section. Not more than 700 [~~500~~] work program participants may participate in programs under contracts entered into under this subsection.

(c) A contract for the provision of services under this section must:

(1) be certified by the Private Sector Prison Industries Oversight Authority as complying with all requirements of the Private Sector/Prison Industry Enhancement Certification Program operated by the Bureau of Justice Assistance and authorized by 18 U.S.C. Section 1761, other than a requirement relating to the payment of prevailing wages, so long as the contract requires payment of not less than the federal minimum wage;

(2) be certified by the authority, under rules adopted under Section 497.059, that the contract would not cause the loss of existing jobs of a specific type provided by the contracting party in this state; and

(3) be approved by the board.

SECTION 16. Subchapter B, Chapter 501, Government Code, is amended by adding Sections 501.059 and 501.064 to read as follows:

Sec. 501.059. SCREENING FOR AND EDUCATION CONCERNING FETAL ALCOHOL EXPOSURE DURING PREGNANCY. (a) The department shall establish a screening program to identify female inmates who are:

(1) between the ages of 18 and 44;

(2) sentenced to a term of confinement not to exceed two years; and

(3) at risk for having a pregnancy with alcohol-related complications, including giving birth to a child with alcohol-related birth defects.

(b) The screening program established under Subsection (a) must:

(1) evaluate the family planning practices of each female inmate described by Subsection (a) in relation to the inmate's consumption of alcohol and risk of having a pregnancy with alcohol-related complications;

(2) include an objective screening tool to be used by department employees administering the screening program; and

(3) occur during the diagnostic process or at another time determined by the department.

(c) The department shall provide:

(1) a brief substance abuse intervention to all female inmates identified by the screening program as being at risk for having a pregnancy with alcohol-related complications; and

(2) an educational brochure describing the risks and dangers of consuming alcohol during pregnancy to all female inmates.

Sec. 501.064. AVAILABILITY OF CORRECTIONAL HEALTH CARE INFORMATION TO INMATES. The department shall ensure that the following information is available to any inmate confined in a facility operated by or under contract with the department:

(1) a description of the level, type, and variety of health care services available to inmates;

(2) the formulary used by correctional health care personnel in prescribing medication to inmates;

(3) correctional managed care policies and procedures; and

(4) the process for the filing of inmate grievances concerning health care services provided to inmates.

SECTION 17. Section 501.132, Government Code, is amended to read as follows:

Sec. 501.132. APPLICATION OF SUNSET ACT. The Correctional Managed Health Care Committee is subject to review under Chapter 325 (Texas Sunset Act) regarding the committee's role and responsibilities. The committee shall be reviewed during the period in which the Texas Department of Criminal Justice is reviewed. ~~[Unless continued in existence as provided by that chapter, the committee is abolished and this subchapter expires September 1, 2007.]~~

SECTION 18. Subchapter E, Chapter 501, Government Code, is amended by adding Section 501.1325 to read as follows:

Sec. 501.1325. COMPLIANCE WITH SUNSET RECOMMENDATIONS. (a) The committee, The University of Texas Medical Branch at Galveston, and the Texas Tech University Health Sciences Center shall:

(1) comply with and implement the management action recommendations regarding the committee, The University of Texas Medical Branch at Galveston, and the Texas Tech University Health Sciences Center adopted by the Sunset Advisory Commission on January 10, 2007, as a result of its review of the committee; and

(2) report to the Sunset Advisory Commission not later than November 1, 2008, the information the Sunset Advisory Commission requires regarding the committee and the health care providers' implementation of the recommendations under Subdivision (1).

(b) This section expires June 1, 2009.

SECTION 19. Section 501.137, Government Code, is amended to read as follows:

Sec. 501.137. PRESIDING OFFICER. The governor shall designate a public ~~[physician]~~ member of the committee who is licensed to practice medicine in this state as presiding officer. The presiding officer serves in that capacity at the will of the governor.

SECTION 20. Section 501.148(a), Government Code, is amended to read as follows:

(a) The committee shall:

(1) develop statewide policies for the delivery of correctional health care;

(2) maintain [the] contracts for health care services in consultation with the department and the health care providers;

(3) communicate with the department and the legislature regarding the financial needs of the correctional health care system;

(4) allocate funding made available through legislative appropriations for correctional health care;

(5) monitor the expenditures of The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center to ensure that those expenditures comply with applicable statutory and contractual requirements;

(6) serve as a dispute resolution forum [~~(2) determine a capitation rate reflecting the true cost of correctional health care, including necessary catastrophic reserves;~~

~~(3) monitor and develop reports on general quality of care issues;~~

~~(4) act as an independent third party in the allocation of money to inmate health care providers, including the allocation of money between The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center;~~

~~(5) act as an independent third party for the purpose of dispute resolution]~~
in the event of a disagreement relating to inmate health care services between:

(A) the department and the health care providers; or

(B) The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center;

(7) address problems found through monitoring activities by the department and health care providers ~~and~~

~~(6) enforce compliance with contract provisions],~~ including requiring corrective action if care does not meet expectations as determined by those ~~[quality of care]~~ monitoring activities;

(8) identify and address long-term needs of the correctional health care system; and

(9) report to the Texas Board of Criminal Justice at the board's regularly scheduled meeting each quarter on the committee's policy decisions, the financial status of the correctional health care system, and corrective actions taken by or required of the department or the health care providers.

SECTION 21. Section 501.150, Government Code, is amended to read as follows:

Sec. 501.150. QUALITY OF CARE MONITORING BY THE DEPARTMENT AND HEALTH CARE PROVIDERS. (a) The committee shall establish a procedure for monitoring the quality of care delivered by the health care providers. Under the procedure, the department shall monitor the quality of care delivered by the health care providers, including ~~[department's monitoring activities must be limited to]~~ investigating medical grievances, ensuring access to medical care, and conducting periodic operational reviews of medical care provided at its units.

(b) The department and the medical care providers shall cooperate in monitoring quality of care. The clinical and professional resources of the health care providers shall be used to the greatest extent feasible for clinical oversight of quality of care issues. The department may require the health care providers to take corrective action if the care provided does not meet expectations as determined by quality of care monitoring.

(c) The department and the medical care providers shall communicate the results of their monitoring activities, including a list of and the status of any corrective actions required of the health care providers, to the committee and to the Texas Board of Criminal Justice.

SECTION 22. Sections 501.151(a) and (b), Government Code, are amended to read as follows:

(a) The committee shall maintain a file on each written complaint filed with the committee by a member of the general public. The file must include:

- (1) the name of the person who filed the complaint;
- (2) the date the complaint is received by the committee;
- (3) the subject matter of the complaint;
- (4) the name of each person contacted in relation to the complaint;
- (5) a summary of the results of the review or investigation of the complaint;

and

(6) an explanation of the reason the file was closed, if the committee closed the file without taking action other than to investigate the complaint.

(b) The committee shall ~~make information available describing its procedures for [provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the committee's policies and procedures relating to]~~ complaint investigation and resolution.

SECTION 23. Subchapter E, Chapter 501, Government Code, is amended by adding Sections 501.153, 501.154, and 501.155 to read as follows:

Sec. 501.153. ALTERNATIVE DISPUTE RESOLUTION. (a) The committee shall develop and implement a policy to encourage the use of appropriate alternative dispute resolution procedures under Chapter 2009 to assist in the resolution of internal and external disputes under the committee's jurisdiction.

(b) The committee's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The committee shall designate a trained person to:

- (1) coordinate the implementation of the policy adopted under Subsection (a);
- (2) serve as a resource for any training needed to implement the procedures for alternative dispute resolution; and
- (3) collect data concerning the effectiveness of those procedures, as implemented by the committee.

Sec. 501.154. USE OF TECHNOLOGY. The committee shall implement a policy requiring the committee to use appropriate technological solutions to improve the committee's ability to perform its functions. The policy must ensure that the public is able to interact with the committee on the Internet.

Sec. 501.155. AVAILABILITY OF CORRECTIONAL HEALTH CARE INFORMATION TO THE PUBLIC. (a) The committee shall ensure that the following information is available to the public:

- (1) contracts between the department, the committee, and health care providers, and other information concerning the contracts, including a description of the level, type, and variety of health care services available to inmates;
- (2) the formulary used by correctional health care personnel in prescribing medication to inmates;
- (3) correctional managed care policies and procedures;
- (4) quality assurance statistics and data, to the extent permitted by law;
- (5) general information concerning the costs associated with correctional health care, including at a minimum:

(A) quarterly and monthly financial reports; and

(B) aggregate cost information for:

(i) salaries and benefits;

(ii) equipment and supplies;

(iii) pharmaceuticals;

(iv) offsite medical services; and

(v) any other costs to the correctional health care system;

(6) aggregate statistical information concerning inmate deaths and the prevalence of disease among inmates;

(7) the process for the filing of inmate grievances concerning health care services provided to inmates;

(8) general statistics on the number and types of inmate grievances concerning health care services provided to inmates filed during the preceding quarter;

(9) contact information for a member of the public to submit an inquiry to or file a complaint with the department or a health care provider;

(10) information concerning the regulation and discipline of health care professionals, including contact information for the Health Professions Council and a link to the council's website;

(11) unit data regarding health care services, including hours of operation, available services, general information on health care staffing at the unit, statistics on an inmate's ability to access care at the unit in a timely manner, and, if the unit is accredited by a national accrediting body, the most recent accreditation review date; and

(12) dates and agendas for quarterly committee meetings and the minutes from previous committee meetings.

(b) The committee shall make the information described by Subsection (a) available on the committee's website and, on request, in writing. The committee shall cooperate with the department and the health care providers to ensure that the committee's website:

(1) is linked to the websites of the department and the health care providers;

(2) is accessible through the State of Texas website; and

(3) can be located through common search engines.

(c) In determining the specific information to be made available under this section, the committee shall cooperate with the department to ensure that public disclosure of the information would not pose a security threat to any individual or to the criminal justice system.

SECTION 24. Subchapter B, Chapter 507, Government Code, is amended by adding Section 507.028 to read as follows:

Sec. 507.028. SCREENING FOR AND EDUCATION CONCERNING FETAL ALCOHOL EXPOSURE DURING PREGNANCY. (a) The department shall establish and use a screening program in state jail felony facilities that is substantially similar to the program established and used by the department under Section 501.059.

(b) The department shall provide to all female defendants confined in state jail felony facilities an educational brochure describing the risks and dangers of consuming alcohol during pregnancy.

SECTION 25. Section 508.033, Government Code, is amended by amending Subsections (a), (b), (c), and (d) and adding Subsection (f) to read as follows:

(a) A person is not eligible for appointment as a member of the board or for employment as a parole commissioner if the person or the person's spouse:

(1) is employed by or participates in the management of a business entity or other organization receiving funds from the department or the board;

(2) owns or controls, directly or indirectly, more than a 10-percent interest in a business entity or other organization:

(A) regulated by the department; or

(B) receiving funds from the department or the board; or

(3) uses or receives a substantial amount of tangible goods, services, or funds from the department or the board, other than compensation or reimbursement authorized by law for board membership, attendance, or expenses.

(b) In determining eligibility under Subsection (a)(3), the compensation or reimbursement that a board member's spouse or parole commissioner's spouse receives as an employee of the board or the department may not be considered. This subsection does not affect any restriction on employment or board membership imposed by any other law.

(c) A person may not serve as a parole commissioner, may not be a member of the board, and may not be an employee of the division or the board employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of criminal justice; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of criminal justice.

(d) A person who is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation in or on behalf of a profession related to the operation of the board may not:

(1) serve as a member of the board or as a parole commissioner; or

(2) act as the general counsel to the board or division.

(f) A person who is a current or former employee of the department may not serve as a parole commissioner before the second anniversary of the date the person's employment with the department ceases.

SECTION 26. Section 508.036(b), Government Code, is amended to read as follows:

(b) The board shall:

(1) adopt rules relating to the decision-making processes used by the board and parole panels;

(2) prepare information of public interest describing the functions of the board and make the information available to the public and appropriate state agencies;

(3) comply with federal and state laws related to program and facility accessibility; ~~and~~

(4) prepare annually a complete and detailed written report that meets the reporting requirements applicable to financial reporting provided in the General Appropriations Act and accounts for all funds received and disbursed by the board during the preceding fiscal year; and

(5) develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the board, with the exception of an individual parole determination or clemency recommendation.

SECTION 27. Section 508.036, Government Code, is amended by adding Subsection (e) to read as follows:

(e) The board, in accordance with the rules and procedures of the Legislative Budget Board, shall prepare, approve, and submit a legislative appropriations request that is separate from the legislative appropriations request for the department and is used to develop the board's budget structure. The board shall maintain the board's legislative appropriations request and budget structure separately from those of the department.

SECTION 28. Subchapter B, Chapter 508, Government Code, is amended by adding Sections 508.053, 508.054, and 508.055 to read as follows:

Sec. 508.053. USE OF TECHNOLOGY. The board shall implement a policy requiring the board to use appropriate technological solutions to improve the board's ability to perform its functions. The policy must ensure that the public is able to interact with the board on the Internet.

Sec. 508.054. RECORDS OF COMPLAINTS. (a) The board shall maintain a system to promptly and efficiently act on complaints filed with the board. The board shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.

(b) The board shall make information available describing its procedures for complaint investigation and resolution.

(c) The board shall periodically notify the complaint parties of the status of the complaint until final disposition.

(d) This section does not apply to a complaint about an individual parole determination or clemency recommendation.

Sec. 508.055. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION. (a) The board shall develop and implement a policy to encourage the use of:

(1) negotiated rulemaking procedures under Chapter 2008 for the adoption of board rules; and

(2) appropriate alternative dispute resolution procedures under Chapter 2009 to assist in the resolution of internal disputes under the board's jurisdiction.

(b) The board's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

(c) The board shall designate a trained person to:

(1) coordinate the implementation of the policy adopted under Subsection (a);

(2) serve as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures, as implemented by the board.

SECTION 29. Subchapter D, Chapter 508, Government Code, is amended by adding Section 508.1131 to read as follows:

Sec. 508.1131. SALARY CAREER LADDER FOR PAROLE OFFICERS. (a) The executive director shall adopt a salary career ladder for parole officers. The salary career ladder must base a parole officer's salary on the officer's classification and years of service with the department.

(b) For purposes of the salary schedule, the department shall classify all parole officer positions as Parole Officer I, Parole Officer II, Parole Officer III, Parole Officer IV, or Parole Officer V.

(c) Under the salary career ladder adopted under Subsection (a), a parole officer to whom the schedule applies and who received an overall evaluation of at least satisfactory in the officer's most recent annual evaluation is entitled to an annual salary increase, during each of the officer's first 10 years of service in a designated parole officer classification as described by Subsection (b), equal to one-tenth of the difference between:

(1) the officer's current annual salary; and

(2) the minimum annual salary of a parole officer in the next highest classification.

SECTION 30. Section 508.117(g)(1), Government Code, is amended to read as follows:

(1) "Close relative of a deceased victim" means a person who was:

(A) the spouse of the victim at the time of the victim's death;

(B) a parent of the deceased victim; ~~or~~

(C) an adult brother, sister, or child of the deceased victim; or

(D) the nearest relative of the deceased victim by consanguinity, if the persons described by Paragraphs (A) through (C) are deceased or are incapacitated due to physical or mental illness or infirmity.

SECTION 31. Section 508.144, Government Code, is amended by amending Subsections (a) and (b) and adding Subsections (d), (e), and (f) to read as follows:

(a) The board shall:

(1) develop according to an acceptable research method the parole guidelines that are the basic criteria on which a parole decision is made;

(2) base the guidelines on the seriousness of the offense and the likelihood of a favorable parole outcome;

(3) ensure that the guidelines require consideration of an inmate's progress in any programs in which the inmate participated during the inmate's term of confinement; and

(4) implement the guidelines; ~~and~~

~~[(4) review the guidelines periodically].~~

(b) If a board member or parole commissioner deviates from the parole guidelines in voting on a parole decision, the member or parole commissioner shall:

(1) produce a [brief] written statement describing in detail the specific circumstances regarding the departure from the guidelines; [and]

(2) place a copy of the statement in the file of the inmate for whom the parole decision was made; and

(3) provide a copy of the statement to the inmate.

(d) The board shall meet annually to review and discuss the parole guidelines developed under Subsection (a). The board may consult outside experts to assist with the review. The board must consider:

(1) how the parole guidelines serve the needs of parole decision-making;

(2) how well the parole guidelines reflect parole panel decisions; and

(3) how well parole guidelines predict successful parole outcomes.

(e) Based on the board's review of the parole guidelines under Subsection (d), the board may:

(1) update the guidelines by:

(A) including new risk factors; or

(B) changing the values of offense severity or risk factor scores; or

(2) modify the recommended parole approval rates under the guidelines, if parole approval rates differ significantly from the recommended rates.

(f) The board is not required to hold an open meeting to review the guidelines as required by Subsection (d), but any modifications or updates to the guidelines made by the board under Subsection (e) must occur in an open meeting.

SECTION 32. Subchapter E, Chapter 508, Government Code, is amended by adding Section 508.1445 to read as follows:

Sec. 508.1445. ANNUAL REPORT ON GUIDELINES REQUIRED. (a) The board annually shall submit a report to the Criminal Justice Legislative Oversight Committee, the lieutenant governor, the speaker of the house of representatives, and the presiding officers of the standing committees in the senate and house of representatives primarily responsible for criminal justice regarding the board's application of the parole guidelines adopted under Section 508.144.

(b) The report must include:

(1) a brief explanation of the parole guidelines, including how the board:

(A) defines the risk factors and offense severity levels; and

(B) determines the recommended parole approval rates for each guideline score;

(2) a comparison of the recommended approval rates under the parole guidelines to the actual approval rates for individual parole panel members, regional offices, and the state as a whole; and

(3) a description of instances in which the actual parole approval rates do not meet the recommended approval rates under the parole guidelines, an explanation of the variations, and a list of actions that the board has taken or will take to meet the guidelines.

SECTION 33. Section 508.155(c), Government Code, is amended to read as follows:

(c) The division may allow a releasee to serve the remainder of the releasee's sentence without supervision and without being required to report if a parole supervisor at the regional level has approved the releasee's early release from supervision under Section 508.1555[+:

~~[(1) the releasee has been under supervision for at least one half of the time that remained on the releasee's sentence when the releasee was released from imprisonment;~~

~~[(2) during the period of supervision the releasee's parole or release to mandatory supervision has not been revoked; and~~

~~[(3) the division determines:~~

~~[(A) that the releasee has made a good faith effort to comply with any restitution order imposed on the releasee by a court; and~~

~~[(B) that allowing the releasee to serve the remainder of the releasee's sentence without supervision and reporting is in the best interest of society].~~

SECTION 34. Subchapter E, Chapter 508, Government Code, is amended by adding Section 508.1555 to read as follows:

Sec. 508.1555. PROCEDURE FOR THE EARLY RELEASE FROM SUPERVISION OF CERTAIN RELEASEES. (a) A parole officer annually shall identify the releasees under the parole officer's supervision who are eligible for early release from supervision under Section 508.155(c). A releasee is eligible for early release if:

(1) the releasee has been under supervision for at least one-half of the time that remained on the releasee's sentence when the releasee was released from imprisonment;

(2) during the preceding two-year period, the releasee has not committed any violation of the rules or conditions of release;

(3) during the period of supervision the releasee's parole or release to mandatory supervision has not been revoked; and

(4) the division determines:

(A) that the releasee has made a good faith effort to comply with any restitution order imposed on the releasee by a court; and

(B) that allowing the releasee to serve the remainder of the releasee's sentence without supervision and reporting is in the best interest of society.

(b) After identifying any releasees who are eligible for early release under Subsection (a), the parole officer shall review the eligible releasees, including any releasees the parole officer has previously declined to recommend for early release, to determine if a recommendation for early release from supervision is appropriate. In conducting the review and determining recommendations, the parole officer shall consider whether the releasee:

(1) has a low risk of recidivism as determined by an assessment developed by the department; and

(2) has made a good faith effort to comply with the conditions of release.

(c) A parole officer shall forward to the parole supervisor at the regional level any recommendations for early release the parole officer makes under Subsection (b). If the parole supervisor approves the recommendation, the division shall allow a releasee to serve the remainder of the releasee's sentence without supervision and without being required to report as authorized by Section 508.155.

SECTION 35. Section 509.011, Government Code, is amended by amending Subsections (a) and (e) and adding Subsections (i) and (j) to read as follows:

(a) If the division determines that a department complies with division standards and if the community justice council has submitted a community justice plan under Section 76.003 and the supporting information required by the division and the division determines the plan and supporting information are acceptable, the division shall prepare and submit to the comptroller vouchers for payment to the department as follows:

(1) for per capita funding, a per diem amount for:

(A) each felony defendant placed on community supervision and [directly] supervised by the department pursuant to lawful authority; and

(B) each felony defendant participating in a pretrial program and supervised by the department pursuant to lawful authority;

(2) for per capita funding, a per diem amount for a period not to exceed 182 days for each misdemeanor defendant placed on community supervision and supervised by the department pursuant to lawful authority[~~, other than a felony defendant~~]; and

(3) for formula funding, an annual amount as computed by multiplying a percentage determined by the allocation formula established under Subsection (f) times the total amount provided in the General Appropriations Act for payments under this subdivision.

(e) In establishing the per capita funding formula under Subsection (i) [~~per diem payments authorized by Subsections (a)(1) and (a)(2)~~], the division shall consider the amounts appropriated in the General Appropriations Act for basic supervision as sufficient to provide basic supervision in each year of the fiscal biennium.

(i) The division annually shall establish a per capita funding formula to determine the percentage of the total amount provided in the General Appropriations Act for payments to departments that each department is entitled to receive as per capita funding under Subsections (a)(1) and (2). With reference to funding distributed under Section (a)(1)(A), the formula must include:

(1) higher per capita rates for those felony defendants supervised by a department who are serving the early years of a term of community supervision than for those felony defendants who are serving the end of a term of community supervision;

(2) penalties in per capita funding with respect to each felony defendant supervised by a department whose community supervision is revoked due to a technical violation of an applicable condition of community supervision; and

(3) awards in per capita funding with respect to each felony defendant supervised by a department who is discharged following an early termination of community supervision under Section 5 or Section 20, Article 42.12, Code of Criminal Procedure, as applicable.

(j) The board by rule may adopt a policy limiting the percentage of benefit or loss a department may realize as a result of the operation of the per capita funding formula established under Subsection (i).

SECTION 36. Subchapter B, Chapter 659, Government Code, is amended by adding Section 659.0155 to read as follows:

Sec. 659.0155. PAYMENT TO EMPLOYEES OF TEXAS DEPARTMENT OF CRIMINAL JUSTICE FOR OVERTIME. The Texas Department of Criminal Justice shall compensate a person employed by the department for any overtime accrued by the employee for which the employee is entitled to compensation under Section 659.015 by not later than the date the department compensates employees at the regular rate of pay for the period in which the employee accrued the overtime.

SECTION 37. Section 614.0032(a), Health and Safety Code, is amended to read as follows:

(a) The office shall perform duties imposed on the office by Section 508.146, Government Code, and Section 15(i), Article 42.12, Code of Criminal Procedure.

SECTION 38. Subchapter D, Chapter 110, Occupations Code, is amended by adding Section 110.164 to read as follows:

Sec. 110.164. DYNAMIC RISK ASSESSMENT TOOL. (a) The council shall develop or adopt a dynamic risk assessment tool to be used in determining the likelihood that a person who is confined in a penal institution and will become subject to Chapter 62, Code of Criminal Procedure, on being released from the institution will commit an offense described by Article 62.001(5), Code of Criminal Procedure, after being released from the institution.

(b) The dynamic risk assessment tool must enable the assignment to a person of a risk level of low, medium, or high.

SECTION 39. Section 110.302(c), Occupations Code, is amended to read as follows:

(c) The [~~Texas Board of Criminal Justice or the~~] governing board of the Texas Youth Commission may vote to exempt employees of the [~~Texas Department of Criminal Justice or the~~] Texas Youth Commission[~~, as appropriate,~~] from a specific licensing requirement imposed under this section if the board determines that the requirement causes financial or operational hardship on the agency. The Texas Board of Criminal Justice may not exempt any employee of the Texas Department of Criminal Justice from a licensing requirement imposed by this section for any reason.

SECTION 40. Section 721.003(a), Transportation Code, is amended to read as follows:

(a) The governing bodies of the following state agencies or divisions by rule may exempt from the requirements of Section 721.002 a motor vehicle that is under the control and custody of the agency or division:

- (1) Texas Commission on Fire Protection;
- (2) Texas State Board of Pharmacy;
- (3) [~~Texas~~] Department of State Health Services and Department of Aging and Disability Services [~~Mental Health and Mental Retardation~~];
- (4) Department of Public Safety of the State of Texas;
- (5) [~~the institutional division or the pardons and paroles division of the~~]

Texas Department of Criminal Justice;

- (6) Board of Pardons and Paroles;
- (7) Parks and Wildlife Department;
- (8) Railroad Commission of Texas;
- (9) Texas Alcoholic Beverage Commission;
- (10) Texas Department of Banking;
- (11) [~~Savings and Loan~~] Department of Savings and Mortgage Lending;
- (12) Texas Juvenile Probation Commission;
- (13) Texas [~~Natural Resource Conservation~~] Commission on Environmental

Quality;

- (14) Texas Youth Commission;
- (15) Texas Lottery Commission;
- (16) the office of the attorney general;
- (17) Texas Department of Insurance; and
- (18) an agency that receives an appropriation under an article of the General Appropriations Act that appropriates money to the legislature.

SECTION 41. (a) The Texas Department of Criminal Justice shall study the operation and maintenance of different types of electronic monitoring equipment. The study conducted under this subsection must examine:

- (1) the relative cost-effectiveness of using various types of electronic monitoring equipment and funding proposals for costs to the department associated with the various types of equipment;
- (2) the relative level of supervision provided by different types of electronic monitoring equipment; and
- (3) the different rehabilitation and treatment options afforded by different types of electronic monitoring equipment.

(b) Not later than December 1, 2009, the department shall submit a report summarizing the findings of the study conducted under Subsection (a) of this section to the governor, the lieutenant governor, the speaker of the house of representatives, and appropriate standing committees of the legislature.

SECTION 42. The change in law made by this Act to Section 8(a), Article 42.09, Code of Criminal Procedure, applies only to a defendant transferred to the Texas Department of Criminal Justice on or after the effective date of this Act. A defendant transferred to the department before the effective date of this Act is covered by the law in effect when the defendant is transferred, and the former law is continued in effect for that purpose.

SECTION 43. The change in law made by this Act in amending Section 20, Article 42.12, Code of Criminal Procedure, and adding Section 76.019, Government Code, applies only to a defendant initially placed on community supervision on or after the effective date of this Act. A defendant initially placed on community supervision before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 44. (a) The speaker of the house of representatives and the lieutenant governor shall appoint members to the Criminal Justice Legislative Oversight Committee under Chapter 328, Government Code, as added by this Act, not later than January 1, 2008.

(b) Notwithstanding Section 328.003, Government Code, as added by this Act, the speaker of the house of representatives, not later than January 15, 2008, shall appoint a presiding officer for the committee. The presiding officer appointed by the speaker of the house of representatives under this section serves a one-year term that begins on February 1, 2008, and ends on February 1, 2009.

SECTION 45. Section 493.0151, Government Code, as added by this Act, applies to an inmate discharged or released on parole or mandatory supervision from the Texas Department of Criminal Justice on or after the effective date of this Act, regardless of whether the offense for which the inmate is serving a sentence was committed before, on, or after the effective date of this Act.

SECTION 46. Not later than March 1, 2008, the Texas Department of Criminal Justice shall establish the screening programs concerning fetal alcohol exposure under Sections 501.059 and 507.028, Government Code, as added by this Act. Not later than September 1, 2008, the department shall begin screening all inmates or defendants confined in state jail felony facilities as required by those sections.

SECTION 47. The Texas Department of Criminal Justice shall ensure that information is made available to inmates as required by Section 501.064, Government Code, as added by this Act, not later than March 1, 2008.

SECTION 48. The Correctional Managed Health Care Committee shall ensure that information is made available to the public as required by Section 501.155, Government Code, as added by this Act, not later than January 1, 2008.

SECTION 49. Section 508.033, Government Code, as amended by this Act, applies only to a person hired by the Board of Pardons and Paroles as a parole commissioner on or after the effective date of this Act. A person hired as a parole commissioner before the effective date of this Act is covered by the law in effect on the date the person was hired, and the former law is continued in effect for that purpose.

SECTION 50. As soon as practicable after the effective date of this Act, but not later than the 30th day after that date, the executive director of the Texas Department of Criminal Justice shall adopt a salary career ladder for parole officers as required by Section 508.1131, Government Code, as added by this Act. Beginning the first day of the month following the date on which the executive director adopts the salary career ladder, each parole officer to whom the schedule applies and who received an overall evaluation of at least satisfactory in the officer's most recent annual evaluation is entitled to a salary in an amount that meets or exceeds the amount specified in the schedule for the officer's classification and years of service with the department.

SECTION 51. Section 508.144(b), Government Code, as amended by this Act, applies only to a parole decision made on or after the effective date of this Act. A parole decision made before the effective date of this Act is covered by the law in effect on the date the decision was made, and the former law is continued in effect for that purpose.

SECTION 52. Not later than September 1, 2008, the Board of Pardons and Paroles shall hold its first annual meeting to review the parole guidelines as required by Section 508.144(d), Government Code, as added by this Act.

SECTION 53. Not later than December 1, 2008, the Board of Pardons and Paroles shall submit its first annual report on the parole guidelines as required by Section 508.1445, Government Code, as added by this Act.

SECTION 54. Section 508.155(c), Government Code, as amended by this Act, applies to any person who is a releasee on or after the effective date of this Act and whose recommendation for release is approved under Section 508.1555, Government Code, as added by this Act, regardless of when the person was originally released to parole or mandatory supervision.

SECTION 55. Not later than September 1, 2008, each parole officer shall complete the officer's first annual identification of releasees under the officer's supervision who are eligible for early release from supervision, as required by Section 508.1555, Government Code, as added by this Act.

SECTION 56. (a) Not later than January 1, 2008, the community justice assistance division of the Texas Department of Criminal Justice shall establish the per capita funding formula described by Section 509.011(i), Government Code, as added by this Act, that is to be used for the state fiscal year beginning September 1, 2008.

(b) Sections 509.011(a) and (e), Government Code, as amended by this Act, and Sections 509.011(i) and (j), Government Code, as added by this Act, apply to appropriations made for any state fiscal year beginning on or after September 1, 2008.

SECTION 57. 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, 2007.

Floor Amendment No. 1

Amend **CSSB 909** (House committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 495, Government Code, is amended by adding Sections 495.025 and 495.026 to read as follows:

Sec. 495.025. CERTAIN COMMISSARY CONTRACTS; TASTE TESTS. (a) For the purchase of commissary food goods, the department may conduct a taste test as consideration for a bid award only if, to conduct the test, the department contracts with a private marketing vendor, a university, or another independent organization that is experienced in food product evaluation and taste tests.

(b) In awarding a bid for commissary food goods for which a taste test is conducted, the department may use the taste test results as not more than 30 percent of the criteria used for the bid award.

(c) A contract into which the department enters under Subsection (a) must require the vendor, university, or other organization, at the expense of the vendor, university, or organization, to annually re-conduct the taste test to ensure that the product meets the original specifications of the request for proposal that resulted in the department entering a contract for the tested product.

Sec. 495.026. PRODUCT BUNDLING, BULK PURCHASING, AND VENDOR DISCOUNTS. The department may provide for the practice of bundling products into categories to ensure savings through bulk purchasing, discounts for advance invoice payments, and online ordering.

SECTION _____. Sections 495.025 and 495.026, Government Code, as added by this Act, apply only to a contract that the Texas Department of Criminal Justice enters on or after the effective date of this Act. A contract that the department enters before the effective date of this Act is governed by the law in effect at the time the contract is entered, and that law is continued in effect for that purpose.

Floor Amendment No. 2

Amend Amendment No. 1 by Madden to **CSSB 909** as follows:

(1) On page 1, line 5, strike "Sections 495.025 and 495.026" and substitute "Sections 495.025, 495.026, and 495.027".

(2) On page 1, line 25, strike "shall" and substitute "may".

(3) On page 1, between lines 28 and 29, insert the following:

Sec. 495.027. PREFERENCE FOR CONTRACTORS PROVIDING FOODS OF HIGHER NUTRITIONAL VALUE. (a) In awarding a bid for food goods for a cafeteria in a department facility, the department shall give preference to contractors who provide foods of higher nutritional value and who do not provide foods containing trans fatty acids for consumption in the cafeteria.

(b) In complying with this section, the department shall review the Department of Agriculture's nutrition standards.

(4) On page 1, line 29, strike "Sections 495.025 and 495.026" and substitute "Sections 495.025, 495.026, and 495.027".

Floor Amendment No. 4

Amend **CSSB 909** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 19, Article 42.12, Code of Criminal Procedure, is amended by amending Subsections (a) and (b) and adding Subsection (g) to read as follows:

(a) Except as otherwise provided by this subsection, a judge granting community supervision shall fix a fee of not less than \$25 and not more than \$60 per month to be paid during the period of community supervision by the defendant to the court of original jurisdiction or, in the case of an intrastate transfer described by Section 10(b) of this article, to the court to which jurisdiction of the defendant's case is transferred [~~by the defendant during the community supervision period~~]. The judge may make payment of the fee a condition of granting or continuing the community supervision. The judge may waive or reduce the fee or suspend a monthly payment of the fee if the judge determines that payment of the fee would cause the defendant a significant financial hardship.

(b) A ~~The~~ judge shall deposit any fee [~~the fees~~] received under Subsection (a) of this section in the special fund of the county treasury, to be used for the same purposes for which state aid may be used under Chapter 76, Government Code.

(g) A court to which jurisdiction of a defendant's case is transferred under Section 10(b) of this article shall enter an order directing the defendant to pay the monthly fee described by Subsection (a) of this section to that court in lieu of paying

the monthly fee to the court of original jurisdiction. To the extent of any conflict between an order issued under this subsection and an order issued by a court of original jurisdiction, the order entered under this subsection prevails.

Floor Amendment No. 5

Amend **CSSB 909** (House committee printing) as follows:

(1) In SECTION 13 of the bill, in proposed Subsection (a), Section 493.027, Government Code (page 13, line 13), strike "(a)".

(2) In SECTION 13 of the bill, in proposed Subsection (a), Section 493.027, Government Code (page 13, line 14), strike "shall meet" and substitute "may meet".

(3) In SECTION 13 of the bill, in proposed Subsection (a), Section 493.027, Government Code (page 13, lines 16-18), strike "that represents department employees in disciplinary or grievance matters".

(4) In SECTION 13 of the bill, in proposed Section 493.027, Government Code (page 13, line 25, through page 14, line 6), strike proposed Subsection (b).

Floor Amendment No. 6

Amend Floor Amendment No. 5 by Madden on **CSSB 909** by striking Item (2) of the amendment (page 1, lines 4 through 6) and substituting the following:

(2) In SECTION 13 of the bill, in proposed Subsection (a), Section 493.027, Government Code (page 13, line 14), strike "regularly".

Floor Amendment No. 9

Amend **CSSB 909** (House committee printing) in SECTION 2 as follows:

(1) In the recital to SECTION 2 (page 3, line 5), between "(i)," and "(j)", insert "(i-1),".

(2) In added Subsection (i), Section 15, Article 42.12, Code of Criminal Procedure (page 3, lines 8 and 9), between "may" and "release", insert ", subject to Subsection (i-1),".

(3) In amended Section 15, Article 42.12, Code of Criminal Procedure (page 3, between lines 26 and 27), insert the following:

(i-1) The judge may not enter an order releasing a defendant to a medically suitable placement under Subsection (i) without holding a hearing and providing to the attorney representing the state and to the defendant the opportunity to present evidence on the matter.

Floor Amendment No. 10

Amend **CSSB 909** (House committee printing) in SECTION 3, in amended Section 20, Article 42.12, Code of Criminal Procedure (page 5, between lines 20 and 21), by inserting the following:

(a-1) The judge may not enter an order terminating community supervision under Subsection (a) without holding a hearing and providing to the attorney representing the state and to the defendant the opportunity to present evidence on the matter.

Floor Amendment No. 11

Amend **CSSB 909** (House committee printing) in SECTION 3, in amended Section 20, Article 42.12, Code of Criminal Procedure (page 5, lines 21-27), by striking Subsection (b) and substituting the following:

(b) This section does not apply to a defendant convicted of an offense under Sections 49.04-49.08, Penal Code, a defendant convicted of an offense for which on conviction registration as a sex offender is required under Chapter 62, a defendant convicted of a felony described by Section 3g~~[-as added by Chapter 668, Acts of the 75th Legislature, Regular Session, 1997]~~, or a defendant convicted of an offense punishable as a state jail felony.

Floor Amendment No. 12

Amend **CSSB 909** (House committee printing) in SECTION 6, in added Section 76.019, Government Code, as follows:

(1) In Subsection (c)(1) (page 8, line 5), strike "or".

(2) In Subsection (c)(2)(B) (page 8, line 11), strike the period and substitute:

; or

(3) during the period of community supervision:

(A) has been the subject of a motion to revoke community supervision;

(B) has committed a criminal offense;

(C) has failed to appear as required before a department officer on three or more occasions;

(D) has tested positive on three or more occasions for use of alcohol or controlled substances or dangerous drugs; or

(E) is prohibited by a protective order, condition of release on bond, or condition of community supervision from communicating with or going within a specified distance of any person.

(3) Immediately after Subsection (c) (page 8, between lines 11 and 12), insert the following:

(d) A department may not recommend the reduction or termination of a period of community supervision for a defendant under this section unless the department first provides notice to a victim of the defendant's offense, as indicated on a victim impact statement, and provides the defendant with an opportunity to comment on the recommendation.

Floor Amendment No. 14

Amend **CSSB 909** (House committee printing) by striking added Subsection (f), Section 508.033, Government Code (page 27, lines 10-13), and substituting the following:

(f) A person who is a current or former department employee may not serve as a parole commissioner before the second anniversary of the date the person's employment with the department ceases if the person's job description or routine job duties while employed by the department include supervising other department employees who directly supervise inmates or directly ensure inmate welfare and safety.

Floor Amendment No. 15

Amend Amendment No. 14 to **CSSB 909** by Hodge as follows:

(1) On page 1, line 4, of the amendment strike "department employee" and substitute "member of the board may not serve as a parole commissioner before the second anniversary of the date the person's membership on the board ceases.".

(2) On page 1, strike lines 5 through 10 of the amendment.

Floor Amendment No. 16

Amend **CSSB 909** (House committee printing) in SECTION 35, in added Subsection (i), Section 509.011, Government Code, as follows:

(1) On page 37, line 23, immediately after "supervision;", add "and".

(2) On page 37, lines 24-27, strike existing Subdivision (2).

(3) On page 38, line 1, strike "(3)" and substitute "(2)".

Floor Amendment No. 17

Amend **CSSB 909** (House committee printing) in SECTION 35 of the bill as follows:

(1) In the recitation to SECTION 35 (page 36, line 9) strike "and (j)" and substitute ", (j), and (k)".

(2) In amended Section 509.011, Government Code, immediately after added Subsection (j) (page 38, between lines 9 and 10) insert the following:

(k) For purposes of Subsection (i)(2), the community supervision of a felony defendant is not revoked due to a technical violation of a condition of community supervision if the revocation is based on:

(1) the failure of the defendant to complete court-ordered treatment or counseling;

(2) the failure of the defendant to pay fees, fines, court costs, or restitution that the defendant has the ability to pay;

(3) the commission of a new criminal offense by the defendant;

(4) the failure of the defendant to appear as required before a community supervision and corrections department officer on three or more occasions;

(5) a positive test by the defendant on three or more occasions for use of alcohol or controlled substances or dangerous drugs; or

(6) the existence of a protective order, condition of release on bond, or condition of community supervision that prohibits the defendant from communicating with or going within a specified distance of any person.

Floor Amendment No. 18

Amend Amendment No. 17 by Gattis to **CSSB 909** by adding the following appropriately numbered item to the amendment and renumbering subsequent items of the amendment accordingly:

() Add the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Article 42.14, Code of Criminal Procedure, is amended to read as follows:

Art. 42.14. IN ABSENCE OF DEFENDANT. (a) In a misdemeanor case, the [The] judgment and sentence [in a misdemeanor case] may be rendered in the absence of the defendant.

(b) In a felony case, the judgment and sentence may be rendered in the absence of the defendant only if:

(1) the defendant is imprisoned in a penal institution;

(2) the defendant in writing before a district court having jurisdiction in the county where the defendant is imprisoned:

(A) waives the right to be present at the rendering of the judgment and sentence or to have counsel present;

(B) affirms that the defendant does not have anything to say as to why the sentence should not be pronounced and that there is no reason to prevent sentence under Article 42.07;

(C) states that the defendant has entered into a written plea agreement with the attorney representing the state in the prosecution of the case; and

(D) requests the judge to pronounce sentence in the case in accordance with the plea agreement;

(3) the defendant and the attorney representing the state in the prosecution of the case have entered into a written plea agreement that is made a part of the record in the case; and

(4) sentence is pronounced in accordance with the plea agreement.

(c) In this article, "penal institution" has the meaning assigned by Section 1.07, Penal Code.

SECTION ____ . Article 42.14, Code of Criminal Procedure, as amended by this Act, applies 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 at the time 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 was committed before that date.

Floor Amendment No. 19

Amend Amendment No. 17 by Gattis to **CSSB 909** (House committee printing) by adding the following appropriately numbered item to the amendment and renumbering existing items of the amendment accordingly:

() Section 16, Article 42.12, Code of Criminal Procedure, is amended by adding Subsection (f) to read as follows:

(f) In lieu of requiring a defendant to work a specified number of hours at a community service project or projects under Subsection (a), the judge may order a defendant to make a specified donation to a nonprofit food bank or food pantry in the community in which the defendant resides.

Floor Amendment No. 20

Amend **CSSB 909** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Subchapter A, Chapter 501, Government Code, is amended by adding Section 501.011 to read as follows:

Sec. 501.011. ZERO-TOLERANCE POLICY. (a) The department shall adopt a zero-tolerance policy concerning the detection, prevention, and punishment of the sexual abuse, including consensual sexual contact, of inmates in the custody of the department.

(b) The department shall establish standards for reporting and collecting data on the sexual abuse of inmates in the custody of the department.

(c) The department shall establish a procedure for inmates in the custody of the department and department employees to report incidents of sexual abuse involving an inmate in the custody of the department. The procedure must designate a person employed at the department facility in which the abuse is alleged to have occurred as well as a person who is employed at the department's headquarters to whom a person may report an incident of sexual abuse.

(d) The department shall prominently display the following notice in the office of the chief administrator of each department facility, the employees' break room of each department facility, the cafeteria of each department facility, and at least six additional locations in each department facility:

THE TEXAS LEGISLATURE HAS ADOPTED A ZERO-TOLERANCE POLICY REGARDING THE SEXUAL ABUSE, INCLUDING CONSENSUAL SEXUAL CONTACT, OF AN INMATE IN THE CUSTODY OF THE DEPARTMENT. ANY SUCH VIOLATION MUST BE REPORTED TO

Floor Amendment No. 21

Amend **CSSB 909** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) The Texas Department of Criminal Justice shall conduct a study regarding:

(1) the number of inmates confined in facilities operated by or under contract with the department who pose no significant risk of recidivism or danger to society due to the:

(A) inmate's age or health;

(B) nature of the crime committed by the inmate; or

(C) reasonably successful rehabilitation of the inmate while incarcerated;

(2) alternatives to confining inmates described by Subdivision (1) in a facility operated by or under contract with the department;

(3) to the extent permitted by federal law, the possibility of conducting a prisoner exchange with the United Mexican States or another foreign country in which foreign nationals in the custody of the department are exchanged for United States citizens incarcerated in another country; and

(4) measures that the department can take to assure that inmates sent to a foreign country under a prisoner exchange described by Subdivision (3) will not be released early.

(b) The department shall submit a report to the members of the 81st Legislature regarding the results of the study conducted under Subsection (a).

Floor Amendment No. 22

Amend **CSSB 909** by adding the following appropriately numbered SECTIONS:
SECTION _____. Section 508.146, Government Code, is amended by amending Subsection (d) and adding Subsections (g) and (h) to read as follows:

(d) The Texas Correctional Office on Offenders with Medical or Mental Impairments and the ~~[Texas]~~ Department of Aging and Disability ~~[Human]~~ Services shall jointly request proposals from public or private vendors to provide under contract services for inmates released on medically recommended intensive supervision. A request for proposals under this subsection may require that the services be provided in a medical care facility located in an urban area. ~~[For the purposes of this subsection, "urban area" means the area in this state within a metropolitan statistical area, according to the standards of the United States Bureau of the Census.]~~

(g) The Texas Correctional Office on Offenders with Medical or Mental Impairments and the Department of Aging and Disability Services may jointly:

(1) with a real estate investment trust, enter into a lease agreement 20 or fewer years in length to finance, design, and build in a county contiguous to an urban area a medical facility to house inmates released on medically recommended intensive supervision under this section; and

(2) contract with a private vendor to provide treatment services at a facility described by Subdivision (1).

(h) In this section, "urban area" means the area in this state within a metropolitan statistical area, according to the standards of the United States Bureau of the Census.

(i) for purposes of this section, the Texas Correctional Office on Offenders with Medical and Mental Impairments shall be construed to be providing technical assistance to ensure that the State of Texas receive credit for Medicare funding.

Floor Amendment No. 23

Amend **CSSB 909** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Not later than October 31, 2007, the Texas Department of Criminal Justice shall transfer to the City of Winnsboro, for consideration to which the parties mutually agree, the real property described by Subsection (d) of this section.

(b) Consideration for the transfer authorized by Subsection (a) of this section may be in the form of an agreement between the parties that requires the City of Winnsboro to use the property for a purpose that benefits the public interest of the state. If the consideration for the transfer is in the form of an agreement described by this subsection:

(1) the City of Winnsboro may use the property transferred under this Act only for a purpose that benefits the public interest of the state; and

(2) ownership of the property automatically reverts to the Texas Department of Criminal Justice if the City of Winnsboro no longer uses the property for a purpose that benefits the public interest of the state.

(c) The Texas Department of Criminal Justice shall transfer the property by an appropriate instrument of transfer. If the consideration for the transfer is in the form of an agreement described by Subsection (b) of this section, the instrument of transfer must include a provision that:

(1) requires the City of Winnsboro to use the property for a purpose that benefits the public interest of the state; and

(2) indicates that ownership of the property automatically reverts to the Texas Department of Criminal Justice if the City of Winnsboro no longer uses the property for a purpose that benefits the public interest of the state.

(d) The real property to which Subsection (a) of this section refers consists of two tracts of land described as follows:

(1) Tract 1 consists of 21.423 acres out of the Gray B. King Survey located in Wood County and further described as follows:

All that certain tract or parcel of land situated in the County of Wood, State of Texas, being in the Gray B. King Survey, Abstract No. 3, and being a portion of that 2.226 acre Tract One and a portion of that 36.154 acre Tract Four, both conveyed from Wood County to Texas Department of Criminal Justice and recorded in Volume 1319, page 147, being a portion of that 2.1 acre tract conveyed from Wood County to Texas Department of Criminal Justice and recorded in Volume 1319, page 145, being a portion of that 21.3 acre tract conveyed from Wood County to Texas Department of Criminal Justice and recorded in Volume 1319, page 152, being a portion of that 98 acre Tract One and a portion of that 47.815 acre Tract Two, both conveyed from Wood County to Texas Department of Criminal Justice and recorded in Volume 1319, page 140, and being a portion of that 6.360 acre tract conveyed from Wood County to Texas Department of Criminal Justice and recorded in Volume 1319, page 150, all of the Real Property Records of said county and bounded as follows:

Beginning at a ½" steel rod found in the curve of Wood County Road No. 4608 (now abandoned) and being the southeast corner of the above mentioned 21.3 acre tract, also being the southwest corner of a 27.90 acre tract conveyed to the City of Winnsboro and recorded in Volume 624, page 105 of the Deed Records of said county, same being in the north boundary line of a 99.273 acre tract conveyed to the City of Winnsboro and recorded in Volume 1490, page 357 of the Real Property Records of said county;

Thence South 89 deg. 05 min. 44 sec. West, with said abandoned county road, 847.63 feet to a ½" steel rod found at the southwest corner of the above mentioned 21.3 acre tract, and being the southeast corner of the above mentioned 98 acre Tract One;

Thence South 89 deg. 29 min. 55 sec. West, continuing with said abandoned county road, 829.80 feet to a steel spike found at the northeast corner of a 20.83 acre tract conveyed to Carl Welch et al and recorded in Volume 1154, page 680 of the Real Property Records of said county, same being the northwest corner of the 99.273 acre City of Winnsboro tract;

Thence South 89 deg. 21 min. 40 sec. West, continuing with said abandoned county road, with the north boundary line of the 20.83 acre tract (Vol. 1154, pg. 680), with the north boundary line of a 20.83 acre tract (Vol. 1154, pg. 684), and with the north boundary line of a 20.83 acre tract (Vol. 1154, pg. 676), for a distance of 702.75 feet

to a 3/8" steel rod found at the southwest corner of the 98 acre Texas Department of Criminal Justice tract and being the southeast corner of the 47.815 acre Texas Department of Criminal Justice tract;

Thence South 89 deg. 26 min. 50 sec. West, continuing with said abandoned county road, 197.23 feet to a railroad spike found at the lower southwest corner of the 47.815 acre tract, and being the southeast corner of the above mentioned 6.360 acre tract, same being in the north boundary line of a 31.1 acre tract conveyed to Jerry David Jackson et al and recorded in Volume 704, page 637 of the Deed Records of said county;

Thence South 89 deg. 26 min. 16 sec. West, continuing with said abandoned county road, 0.29 feet to a typical steel rod set (typical steel rod is a 1/2" by 24" rebar with surveyor's cap marked "Noble") in the north boundary line of the 31.1 acre Jackson tract;

Thence North 0 deg. 36 min. 30 sec. West, 0.16 feet to a typical steel rod set in the south right-of-way line of relocated Wood County Road No. 4608;

Thence North 89 deg. 23 min. 30 sec. East, with the south right-of-way line of said relocated county road, 1200.00 feet to a typical steel rod set at the beginning of a curve to the left;

Thence in a northeasterly direction continuing with said county road right-of-way line and along said curve: Radius=1492.40 feet, Long Chord bears North 53 deg. 06 min. 08 sec. East, 1766.59 feet, through a Central Angle of 72 deg. 34 min. 27 sec., for an Arc Length of 1890.48 feet to a typical steel rod set in the east right-of-way line of F.M. Highway No. 3530;

Thence North 16 deg. 49 min. 03 sec. East, with said highway right-of-way line, 1434.14 feet to a typical steel rod set in the north boundary line of the 2.226 acre Texas Department of Criminal Justice tract and being in the south boundary line of a 1.974 acre tract conveyed from Tommy Ray Clay et ux to Wood County and recorded in Volume 1284, page 308 of the Real Property Records of said county;

Thence South 83 deg. 10 min. 02 sec. East, with the south boundary line of the 1.974 acre Wood County tract, 114.39 feet to a 1/2" steel rod found for an angle point;

Thence South 82 deg. 57 min. 53 sec. East, 200.38 feet to a 60 d nail found at the southeast corner of the 1.974 acre tract and being the northeast corner of the 2.226 acre Texas Department of Criminal Justice tract, same being in the centerline of Wood County Road No. 4608 (now abandoned), and being in the west boundary line of the 27.90 acre City of Winnsboro tract;

Thence South 18 deg. 42 min. 44 sec. West, with said abandoned county road, 255.06 feet to a 60 d nail found at the southeast corner of the said 2.226 acre tract, and being the northeast corner of the 36.154 acre Texas Department of Criminal Justice tract;

Thence South 18 deg. 38 min. 50 sec. West, continuing with said abandoned county road, 734.22 feet to a 1/2" steel pipe found at the southeast corner of the 2.1 acre Texas Department of Criminal Justice tract, and being a lower northeast corner of the 36.154 acre Texas Department of Criminal Justice tract;

Thence South 16 deg. 59 min. 43 sec. West, continuing with said abandoned county road, 638.94 feet to a 60 d nail found at the southeast corner of the 36.154 acre tract and being the lower northeast corner of the 21.3 acre Texas Department of Criminal Justice tract;

Thence South 17 deg. 21 min. 12 sec. West, continuing with said abandoned county road, 869.07 feet to the place of beginning and containing 21.423 acres of land.

(2) Tract 2 consists of 2.30 acres out of the Gray B. King Survey located in Wood County and further described as follows:

All that certain tract or parcel of land situated in the County of Wood, State of Texas, being in the Gray B. King Survey, Abstract No. 3, being a portion of that 43.815 acre tract conveyed from Wood County to Texas Department of Criminal Justice and recorded in Volume 1319, page 137, and being a portion of that 0.352 acre Tract Two conveyed from Wood County to Texas Department of Criminal Justice and recorded in Volume 1319, page 154, both of the Real Property Records of said county and bounded as follows:

Beginning at a ½" steel pipe found in the west side of Wood County Road No. 4608 (now abandoned), same being the southwest corner of a 4.32 acre tract conveyed to the City of Winnsboro and recorded in Volume 624, page 112 of the Deed Records of said county, same being the upper southeast corner of the above mentioned 43.815 acre tract;

Thence North 84 deg. 36 min. 17 sec. West, with the south boundary line of the 43.815 acre tract, 29.73 feet to a typical steel rod set (typical steel rod is a ½" by 24" rebar with surveyor's cap marked "Noble") in the east right-of-way line of F.M. Highway No. 3530;

Thence North 16 deg. 49 min. 03 sec. East, with said highway right-of-way line, 604.38 feet to a ½" steel rod found at the beginning of a curve to the right;

Thence in a northeasterly direction continuing with said highway right-of-way line and along said curve: Radius=894.93 feet, Long Chord bears North 38 deg. 09 min. 29 sec. East, 651.35 feet, through a Central Angle of 42 deg. 40 min. 52 sec., for an Arc Length of 666.66 feet to a ½" steel rod found at the end of said curve;

Thence North 59 deg. 29 min. 55 sec. East, continuing with said highway right-of-way line, 112.62 feet to a typical steel rod set in the west line of the above mentioned abandoned county road and being in the east boundary line of the said 0.352 acre tract, same being in the west boundary line of an 18 acre tract conveyed to J.L. Mullinax and recorded in Volume 169, page 23 of the Deed Records of said county, said corner lies South 17 deg. 12 min. 56 sec. West, 59.97 feet from the northeast corner of the 0.352 acre tract;

Thence South 17 deg. 12 min. 56 sec. West, with the west line of said abandoned county road, passing the southeast corner of the 0.352 acre tract, same being the northeast corner of the 43.815 acre tract, and continuing along same course for a total distance of 378.14 feet to a ½" steel rod found for a corner;

Thence South 72 deg. 54 min. 13 sec. West, continuing with said right-of-way line of said abandoned county road, 350.00 feet to a 5/8" steel rod found at the northwest corner of the 4.32 acre City of Winnsboro tract;

Thence South 16 deg. 06 min. 32 sec. West, continuing along said right-of-way line of said abandoned county road, 714.62 feet to the place of beginning and containing 2.30 acres of land.

NOTE: Bearings shown hereon are "true bearings" as determined by solar observation.

Floor Amendment No. 24

Amend **CSSB 909** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. Subtitle E, Title 2, Health and Safety Code, is amended by adding Chapter 115 to read as follows:

CHAPTER 115. CENTER FOR CORRECTIONAL PUBLIC HEALTH AND HEALTH PROMOTION

Sec. 115.001. DEFINITION. In this chapter, "center" means the Center for Correctional Public Health and Health Promotion.

Sec. 115.002. SUNSET PROVISION. The Center for Correctional Public Health and Health Promotion is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the center is abolished and this chapter expires September 1, 2019.

Sec. 115.003. COMPOSITION OF GOVERNING BOARD. (a) The governing board of the center is composed of:

(1) the administrative head of the following agencies or that person's designee:

- (A) the Department of State Health Services; and
- (B) the Texas Department of Criminal Justice; and

(2) the following members appointed by the Texas Department of Criminal

Justice:

- (A) a representative of a county correctional department;
- (B) a correctional health care worker;
- (C) a representative of an organization that represents inmates; and
- (D) a representative from the University of Texas Health Science Center

at Houston.

(b) Members of the governing board of the center appointed by the Texas Department of Criminal Justice serve staggered two-year terms, with the terms of two members expiring on February 1 of each year.

Sec. 115.004. CENTER FOR CORRECTIONAL PUBLIC HEALTH AND HEALTH PROMOTION. The Center for Correctional Public Health and Health Promotion shall be based at the University of Texas Health Science Center at Houston.

Sec. 115.005. POWERS AND DUTIES. (a) The center shall focus its efforts at preventing and reducing communicable diseases in inmate populations at correctional facilities and in those populations that are most likely to come in contact with inmates in a correctional environment.

(b) The center shall emphasize preventive programs that emphasize risk situations and risk behaviors.

(c) In developing and implementing programs under this chapter, the center:

(1) shall work with state and local correctional health agencies, including providers of correctional health care and the public health section of the Texas Department of Criminal Justice health services division; and

(2) may work with the American Correctional Association, the American Correctional Health Services Association, the Centers for Disease Control and Prevention, and organizations representing inmates.

(d) The center shall:

(1) develop and implement preventive education and risk reduction programs;

(2) perform behavioral interventions;

(3) perform health screenings and provide early intervention or care;

(4) provide immunizations where available;

(5) assess the cost-effectiveness of interventions and demonstration projects;

(6) assess the impact of correctional programs on community health;

(7) provide graduate and continuing education in correctional public health and infectious diseases;

(8) evaluate demonstration projects in correctional institutions and disseminate the results; and

(9) carry out joint research projects with correctional administrations.

(e) The center shall carry out research and training, with specific funded fellowship positions being available for correctional staff to spend a semester or longer or to undertake graduate education in the area within the center.

(f) Not later than September 1 of each year, the center shall file a report with the Texas Department of Criminal Justice, the legislature, and the governor, containing the center's policy recommendations for preventing and reducing communicable diseases in inmate populations at correctional facilities and in those populations that are most likely to come in contact with inmates in a correctional environment.

Sec. 115.006. EMPLOYEES OF CENTER. The center shall employ full-time and part-time faculty members of the University of Texas Health Science Center at Houston. The faculty members must have research interests in issues relating to public health and disease prevention in correctional institutions, including:

(1) HIV, sexually transmitted diseases, hepatitis B and C, and tuberculosis;

(2) substance abuse;

(3) health promotion and health education;

(4) program evaluation;

(5) health policy;

(6) criminology and criminal justice;

(7) correctional health care and treatment; or

(8) other relevant areas.

SECTION _____. Not later than December 1, 2007, the Texas Department of Criminal Justice shall appoint members to the governing board of the Center for Correctional Public Health and Health Promotion as required by Section 115.003, Health and Safety Code, as added by this Act. In making the initial appointments to the governing board, the Texas Department of Criminal Justice shall designate two members for terms expiring February 1, 2008, and two members for terms expiring February 1, 2009.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 909** on third reading as follows:

(1) Strike proposed Sections 115.005 and 115.006, Health and Safety Code, as added by Floor Amendment No. __ by Coleman (Floor amendment No. ____, page 2, line 11, through page 3, line 24), and substitute the following:

Sec. 115.005. POWERS AND DUTIES. (a) The center shall act as a clearinghouse for research and information relating to correctional public health and infectious disease issues.

(b) The center shall identify priorities for correctional health care providers, including performing behavioral interventions, performing health screenings, and providing immunizations.

(c) The center may work with state and local correctional health agencies, including the Correctional Managed Health Care Committee, in performing its duties.

Sec. 105.006. STAFF; AUTHORITY TO CONTRACT. The center may hire staff or may contract with universities or other suitable entities to assist the center in carrying out the center's duties.

(2) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS as appropriate.

SECTION _____. (a) The Texas Department of Criminal Justice shall contract with the University of Texas Health Science Center at Houston Institute for Health Policy to perform a study to provide research and recommendations regarding the prevention and reduction of communicable diseases in inmate populations that are most likely to come into contact with inmates in a correctional environment.

(b) The study should:

(1) identify and describe inmate public health threats such as HIV, sexually transmitted diseases, hepatitis B and C, tuberculosis, other communicable diseases, and other results of substance abuse;

(2) emphasize overall public health preventative programs, including programs that focus on risk situations and risky behavior; and

(3) evaluate the cost of interventions and demonstration projects.

(c) In conducting the study, the University of Texas Health Science Center at Houston Institute for Health Policy shall work with state and local correctional health agencies, including providers of correctional health care and the public health section of the Texas Department of Criminal Justice.

(d) The contract must require the University of Texas Health Science Center at Houston Institute for Health Policy to file with the Texas Department of Criminal Justice a report on the results of the study, with research findings and recommendations, not later than December 1, 2008. The health science center shall provide copies of the report to the legislature and the governor.

Floor Amendment No. 2 on Third Reading

Amend **CSSB 909** on third reading by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subsection (a), Article 15.19, Code of Criminal Procedure, is amended to read as follows:

(a) If the arrested person [~~accused~~] fails or refuses to give bail, as provided in [~~the preceding~~] Article 15.18, the arrested person [~~he~~] shall be committed to the jail of the county where the person [~~he~~] was arrested; and the magistrate committing the arrested person [~~him~~] shall immediately provide notice to [~~notify~~] the sheriff of the county in which the offense is alleged to have been committed regarding:

(1) [~~of~~] the arrest and commitment, which notice may be given by telegraph, [~~by~~] mail, or [~~by~~] other written means; and

(2) whether the person was also arrested under a warrant issued under Section 508.251, Government Code [~~notice~~].

SECTION _____. Article 15.20, Code of Criminal Procedure, is amended to read as follows:

Art. 15.20. DUTY OF SHERIFF RECEIVING NOTICE. (a) Subject to Subsection (b), the [~~The~~] sheriff receiving the notice of arrest and commitment under Article 15.19 shall forthwith go or send for the arrested person [~~prisoner~~] and have the arrested person [~~him~~] brought before the proper court or magistrate.

(b) A sheriff who receives notice under Article 15.19(a)(2) of a warrant issued under Section 508.251, Government Code, shall have the arrested person brought before the proper magistrate or court before the 11th day after the date the person is committed to the jail of the county in which the person was arrested.

SECTION _____. Article 15.21, Code of Criminal Procedure, is amended to read as follows:

Art. 15.21. PRISONER DISCHARGED IF NOT TIMELY DEMANDED. If the proper office of the county where the offense is alleged to have been committed does not demand the arrested person [~~prisoner~~] and take charge of the arrested person before the 11th day after the date the person [~~him within ten days from the day he~~] is committed to the jail of the county in which the person is arrested, the arrested person [~~such prisoner~~] shall be discharged from custody.

SECTION _____. The change in law made by this Act to Articles 15.19(a), 15.20, and 15.21, Code of Criminal Procedure, apply only to a person who, on or after the effective date of this Act, is arrested under a warrant, regardless of the date on which the warrant under which the person is arrested was issued.

Floor Amendment No. 3 on Third Reading

Amend **CSSB 909** on third reading by adding an appropriately numbered SECTION to the bill to read as follows and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Chapter 493, Government Code, is amended by adding Section 493.0022 to read as follows:

Sec. 493.0022. CHAPLAINCY DIVISION. (a) The chaplaincy division is a division within the department. The division shall provide chaplaincy and other spiritual services to inmates confined in the department and shall perform other tasks assigned by the board.

(b) The board shall employ a person as the director of the chaplaincy division. The director of the chaplaincy division reports directly to the board.

Floor Amendment No. 4 on Third Reading

Amend **CSSB 909** on third reading by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 15(a)(1), Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(1) On conviction of a state jail felony under Section 481.115(b), 481.1151(b)(1), 481.116(b), 481.121(b)(3), or 481.129(g)(1), Health and Safety Code, that is punished under Section 12.35(a), Penal Code, the judge shall suspend the imposition of the sentence and place the defendant on community supervision, unless the defendant has previously been convicted of a felony or unless the conviction resulted from an adjudication of the guilt of a defendant previously placed on deferred adjudication community supervision for the offense, in which event the judge may suspend the imposition of the sentence and place the defendant on community supervision or may order the sentence to be executed. The provisions of this subdivision requiring the judge to suspend the imposition of the sentence and place the defendant on community supervision do not apply to a defendant who under Section 481.1151(b)(1), Health and Safety Code, possessed more than five abuse units of the controlled substance or under Section 481.121(b)(3), Health and Safety Code, possessed more than one pound of marihuana.

SECTION _____. The change in law made by this Act in amending Section 15(a)(1), Article 42.12, Code of Criminal Procedure, applies only to a defendant placed on deferred adjudication community supervision for an offense committed on or after the effective date of this Act. A defendant placed on deferred adjudication for an offense committed before the effective date of this Act is covered 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 was committed before that date.

Floor Amendment No. 5 on Third Reading

Amend Amendment No. 4 by Haggerty to **CSSB 909** on third reading by adding the following appropriately numbered item to the amendment and renumbering subsequent items of the amendment accordingly:

(____) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Article 11.07, Code of Criminal Procedure, is amended by adding Section 4A and amending Section 5 to read as follows:

SECTION _____. Subsection (b), Section 5, Article 42.12, Code of Criminal Procedure, is amended to read as follows:

(b) On violation of a condition of community supervision imposed under Subsection (a) of this section, the defendant may be arrested and detained as provided in Section 21 of this article. The defendant is entitled to a hearing limited to the determination by the court of whether it proceeds with an adjudication of guilt on the original charge. This determination is reviewable in the same manner as a revocation hearing conducted under Section 21 in a case in which an adjudication of guilt had not been deferred [~~No appeal may be taken from this determination~~]. After an adjudication of guilt, all proceedings, including assessment of punishment, pronouncement of sentence, granting of community supervision, and defendant's appeal continue as if the adjudication of guilt had not been deferred. A court assessing punishment after an adjudication of guilt of a defendant charged with a state jail felony may suspend the imposition of the sentence and place the defendant on community supervision or may order the sentence to be executed, regardless of whether the defendant has previously been convicted of a felony.

SECTION _____. Subsection (b), Section 5, Article 42.12, Code of Criminal Procedure, as amended by this Act, applies to a hearing conducted under that section on or after the effective date of this Act, regardless of when the adjudication of guilt was originally deferred or when the offense giving rise to the grant of deferred adjudication community supervision was committed.

The amendments were read.

Senator Whitmire moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 909** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Whitmire, Chair; Seliger, Williams, Hinojosa, and Brimer.

SENATE BILL 1436 WITH HOUSE AMENDMENTS

Senator West called **SB 1436** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 1436** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter E, Chapter 88, Education Code, is amended by adding Section 88.503 to read as follows:

Sec. 88.503. SPATIAL REFERENCE CENTER. (a) The board may create and operate a spatial reference center at Texas A&M University–Corpus Christi for the purpose of:

(1) facilitating the federal height modernization project for the state;

(2) conducting basic and applied research regarding elevation and geodetic and vertical datums in the state;

(3) collecting geodetic data for state mapping and control; and

(4) establishing and maintaining an official digital spatial reference system

for the state, in coordination with:

(A) the United States National Geodetic Survey;

(B) the National Oceanic and Atmospheric Administration; and

(C) the Texas Water Development Board.

(b) The board shall adopt rules relating to the operation of the spatial reference center.

(c) The spatial reference center may solicit and accept gifts, grants, and appropriations for the purposes of this section.

Floor Amendment No. 1 on Third Reading

Amend **SB 1436** on third reading in SECTION 3 of the bill, in amended Section 6.012, Water Code (page 3, line 8), between "development" and "of" insert "and implementation".

Floor Amendment No. 2 on Third Reading

Amend **SB 1436** on third reading as follows:

(1) In SECTION 5 of the bill, in amended Section 16.315, Water Code (page 4, lines 4 and 5), strike "to comply with" and substitute "that are not less stringent than [to comply with]".

(2) In SECTION 5 of the bill, in amended Section 16.315, Water Code (page 4, lines 17-19), strike Subdivision (5) and substitute the following:

(5) engaging in floodplain management, ~~[and]~~ adopting and enforcing permanent land use and control measures that are not less stringent than those [consistent with the criteria] established under the National Flood Insurance Act, and providing for the imposition of penalties on landowners who violate this subchapter or rules adopted or orders issued under this subchapter;

(3) In SECTION 5 of the bill, in amended Section 16.315, Water Code (page 5, lines 25-27), strike Subdivision (13) and substitute the following:

(13) adopting permanent land use and control measures with enforcement provisions that are not less stringent than [which are consistent with] the criteria for land management and use adopted by the director;

(4) Insert new SECTION 9A into the bill:

SECTION 9A. Section 16.319, Water Code, is amended to read as follows:

Sec. 16.319. QUALIFICATION. Political subdivisions wishing to qualify under the National Flood Insurance Program shall have the authority to do so by complying with the directions of the Federal Emergency Management Agency and by:

(1) evidencing to the director a positive interest in securing flood insurance coverage under the National Flood Insurance Program; and

(2) giving to the director satisfactory assurance that measures will have been adopted for the political subdivision that [which measures] will be not less stringent than [consistent with] the comprehensive criteria for land management and use developed by the Federal Emergency Management Agency.

(5) Strike current SECTION 11 of the bill (page 10, line 21, through page 11, line 2) and substitute:

SECTION 12. (a) Except as otherwise provided by this section, this Act takes effect September 1, 2007.

(b) Sections 1-10 of this Act take effect September 1, 2007, but only if before that date the 80th Legislature appropriates at least \$6.1 million to the Texas Water Development Board for the state fiscal biennium beginning September 1, 2007, specifically for the purpose of administering the National Flood Insurance Program. If before that date the 80th Legislature does not appropriate at least that amount to the Texas Water Development Board for that state fiscal biennium specifically for that purpose, Sections 1-10 of this Act have no effect.

(c) If Sections 1-10 of this Act take effect, Section 11 of this Act has no effect.

(6) Insert a new SECTION 11 into the bill:

SECTION 11. Sections 16.315 and 16.319, Water Code, are amended to read as follows:

Sec. 16.315. POLITICAL SUBDIVISIONS; COMPLIANCE WITH FEDERAL REQUIREMENTS. All political subdivisions are hereby authorized to take all necessary and reasonable actions that are not less stringent than ~~[to comply with]~~ the requirements and criteria of the National Flood Insurance Program, including but not limited to:

(1) making appropriate land use adjustments to constrict the development of land which is exposed to flood damage and minimize damage caused by flood losses;

(2) guiding the development of proposed future construction, where practicable, away from a location which is threatened by flood hazards;

(3) assisting in minimizing damage caused by floods;

(4) authorizing and engaging in continuing studies of flood hazards in order to facilitate a constant reappraisal of the flood insurance program and its effect on land use requirements;

(5) engaging in floodplain management, ~~[and]~~ adopting and enforcing permanent land use and control measures that are not less stringent than those ~~[consistent with the criteria]~~ established under the National Flood Insurance Act, and providing for the imposition of penalties on landowners who violate this subchapter or rules adopted or orders issued under this subchapter;

(6) declaring property, when such is the case, to be in violation of local laws, regulations, or ordinances which are intended to discourage or otherwise restrict land development or occupancy in flood-prone areas and notifying the director, or whomever the director designates, of such property;

(7) consulting with, giving information to, and entering into agreements with the Federal Emergency Management Agency for the purpose of:

(A) identifying and publishing information with respect to all flood areas, including coastal areas; and

(B) establishing flood-risk zones in all such areas and making estimates with respect to the rates of probable flood-caused loss for the various flood-risk zones for each of these areas;

(8) cooperating with the director's studies and investigations with respect to the adequacy of local measures in flood-prone areas as to land management and use, flood control, flood zoning, and flood damage prevention;

(9) taking steps, using regional, watershed, and multi-objective approaches, to improve the long-range management and use of flood-prone areas;

(10) purchasing, leasing, and receiving property from the director when such property is owned by the federal government and lies within the boundaries of the political subdivision pursuant to agreements with the Federal Emergency Management Agency or other appropriate legal representative of the United States Government;

(11) requesting aid pursuant to the entire authorization from the commission;

(12) satisfying criteria adopted and promulgated by the commission pursuant to the National Flood Insurance Program;

(13) adopting permanent land use and control measures with enforcement provisions that are not less stringent than ~~[which are consistent with]~~ the criteria for land management and use adopted by the director;

(14) adopting more comprehensive floodplain management rules that the political subdivision determines are necessary for planning and appropriate to protect public health and safety;

(15) participating in floodplain management and mitigation initiatives such as the National Flood Insurance Program's Community Rating System, Project Impact, or other initiatives developed by federal, state, or local government; and

(16) collecting reasonable fees to cover the cost of administering a local floodplain management program.

Sec. 16.319. QUALIFICATION. Political subdivisions wishing to qualify under the National Flood Insurance Program shall have the authority to do so by complying with the directions of the Federal Emergency Management Agency and by:

(1) evidencing to the director a positive interest in securing flood insurance coverage under the National Flood Insurance Program; and

(2) giving to the director satisfactory assurance that measures will have been adopted for the political subdivision that [which measures] will be not less stringent than [consistent with] the comprehensive criteria for land management and use developed by the Federal Emergency Management Agency.

(7) SECTION ____ of the bill, as added by Floor Amendment No. 1 (Ortiz) on Second Reading of the bill, is numbered "13".

The amendments were read.

Senator West moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1436** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators West, Chair; Hinojosa, Nichols, Watson, and Wentworth.

SENATE BILL 1731 WITH HOUSE AMENDMENTS

Senator Duncan called **SB 1731** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 1731** (House committee report) as follows:

(1) In SECTION 5 of the bill, in added Subsection (d), Section 101.352, Occupations Code (page 12, lines 14 and 15), strike "before discharging the patient from the emergency department or hospital" and substitute "not later than the 10th business day after the request or before discharging the patient from the emergency department or hospital, whichever is later".

(2) In SECTION 8 of the bill, in Subparagraph (xi), Paragraph (C), Subdivision (3), Subsection (b), Section 843.155, Insurance Code (page 18, line 27), following the semicolon, insert "and".

(3) In SECTION 8 of the bill (page 19, lines 2 through 4), strike Subparagraphs (xiii) and (xiv), Paragraph (C), Subdivision (3), Subsection (b), Section 843.155, Insurance Code.

(4) In SECTION 9 of the bill, strike Subparagraphs (xi) through (xiv), Paragraph (C), Subdivision (3), Subsection (b), Section 1301.009, Insurance Code (page 20, lines 21 through 27), and substitute the following:

(xi) the credentials of physicians who are preferred providers; and

(xii) the number of preferred providers.

(5) In SECTION 10 of the bill, in added Subsection (d), Section 1456.003, Insurance Code (page 25, line 1), strike "Any explanation" and substitute "Along with any explanation".

(6) In SECTION 10 of the bill, in added Subsection (d), Section 1456.003, Insurance Code (page 25, line 4), between "amount" and "shall also", insert ", a health benefit plan".

Floor Amendment No. 2

Amend **SB 1731** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 241.025, Health and Safety Code, is amended by adding Subsection (e) to read as follows:

(e) Notwithstanding Subsection (d), to the extent that money received from the fees collected under this chapter exceeds the costs to the department to conduct the activity for which the fee is imposed, the department may use the money to administer Chapter 324 and similar laws that require the department to provide information related to hospital care to the public. The department may not consider the costs of administering Chapter 324 or similar laws in adopting a fee imposed under this section.

Floor Amendment No. 3

Amend **SB 1731** as follows:

On page 28, line five after "the" and before "commissioner" insert "governor, the lieutenant governor, the speaker of the house of representatives, the chairs of the standing committees of the senate and house of representatives having primary jurisdiction over the health benefit plans, and the"

Floor Amendment No. 4

Amend **SB 1731** by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. Section 153.076(a), Family Code, is amended to read as follows:

(a) The court shall order that each conservator of a child has a duty to inform the other conservator of the child in a timely manner of significant information concerning the health, education, and welfare of the child, including information related to whether the child is covered by a health benefits plan.

SECTION _____. Subchapter A, Chapter 1504, Insurance Code, is amended by adding Section 1504.004 to read as follows:

Sec. 1504.004. PARENT'S ACCESS TO COVERAGE STATUS INFORMATION. (a) Notwithstanding any other law, a health benefit plan issuer shall provide a parent of a child, regardless of the parent's conservatorship status, information regarding the status of the child's health benefits coverage if the parent provides proof of parenthood. The commissioner may adopt rules under Section 1504.002 to implement this subsection, including rules related to requirements for establishing proof of parenthood.

(b) Section 843.007 does not prohibit a health benefit plan issuer from disclosing information described by Subsection (a).

Floor Amendment No. 5

Amend **SB 1731** by adding the following SECTION to the bill, appropriately numbered, and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 1506.007, Insurance Code, is amended by adding Subsections (a-1) and (a-2) to read as follows:

(a-1) A health benefit plan issuer, employer, or other person who is required to provide notice to an individual of the individual's ability to continue coverage in accordance with Title X, Consolidated Omnibus Budget Reconciliation Act of 1985 (29 U.S.C. Section 1161 et seq.) (COBRA), shall, at the time that notice is required, also provide notice to the individual of the availability of coverage under the pool.

(a-2) A health benefit plan issuer who is providing coverage to an individual in accordance with Title X, Consolidated Omnibus Budget Reconciliation Act of 1985 (29 U.S.C. Section 1161 et seq.) (COBRA), shall, not later than the 45th day before the date that coverage expires, notify the individual of the availability of coverage under the pool.

Floor Amendment No. 6

Amend **SB 1731** (House committee printing) as follows:

(1) Strike SECTION 2 of the bill (page 9, lines 10 through 23) and substitute the following:

SECTION 2. Section 108.002, Health and Safety Code, is amended by amending Subdivisions (1), (3), (5), (6), (7), (8), (10), (12), (16), (17), (20), (21), and (22) and adding Subdivisions (4-a), (8-a), (11-a), (14-a), (17-a), and (21-a) to read as follows:

(1) "Accurate and consistent data" means data that has been edited by the department [council] and subject to provider validation and certification.

(3) "Certification" means the process by which a provider confirms the accuracy and completeness of the data set required to produce the public use data file in accordance with department [council] rule.

(4-a) "Commission" means the Health and Human Services Commission.

(5) "Confidential data" means data that is made confidential under this chapter, other state law, or federal law [~~"Council" means the Texas Health Care Information Council~~].

(6) "Data" means the material or collection of facts on which a discussion or an inference is based [~~information collected under Section 108.0065 or 108.009 in the form initially received~~].

(7) "Department" means the [~~Texas~~] Department of State Health Services.

(8) "Edit" means to use an electronic standardized process developed and implemented by the department [~~council rule~~] to identify potential errors and mistakes in data elements by reviewing data fields for the presence or absence of data and the accuracy and appropriateness of data.

(8-a) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(10) "Health care facility" means:

(A) a hospital;

(B) an ambulatory surgical center licensed under Chapter 243;

(C) a chemical dependency treatment facility licensed under Chapter

464;

(D) a renal dialysis facility;

(E) a birthing center;

(F) a rural health clinic; [~~or~~]

(G) a federally qualified health center as defined by 42 U.S.C. Section 1396d(l)(2)(B); or

(H) a free-standing imaging center.

(11-a) "Health practitioner" means an individual licensed under the laws of this state to practice chiropractic, dentistry, nursing, podiatry, or psychology under Title 3, Occupations Code.

(12) "Hospital" means a public, for-profit, or nonprofit institution licensed or owned by this state that is a general or special hospital, private mental hospital, [~~chronic disease hospital~~], or other type of hospital.

(14-a) "Program director" means the primary department employee responsible for performing the functions and exercising the authority of the program director and includes the program director's designee.

(16) "Provider quality" means the extent to which a provider renders care that, within the capabilities of modern health profession disciplines [~~medicine~~], obtains for patients [~~medically~~] acceptable health outcomes and prognoses, after risk [~~severity~~] adjustment.

(17) "Public use data" means patient level data relating to individual hospitalizations that has [~~not been summarized or analyzed, that has~~] had patient identifying information removed, that identifies physicians and health practitioners only by use of uniform physician or health practitioner identifiers, and that is [~~severity and risk adjusted~~], edited[;] and verified for accuracy and consistency. Public use data may exclude some data elements submitted to the department [~~council~~]. Public use data does not include confidential data.

(17-a) "Risk adjustment" means a process applied to data to allow for statistical comparisons between providers to statistically control for different risk factors in patients that may affect their health care outcomes.

(20) "Uniform patient identifier" means an identifier ~~[a number]~~ assigned by the department ~~[council]~~ to an individual patient and composed of numeric, alpha, or alphanumeric characters.

(21) "Uniform physician or health practitioner identifier" means an identifier ~~[a number]~~ assigned by the department ~~[council]~~ to an individual physician or health practitioner and composed of numeric, alpha, or alphanumeric characters.

(21-a) "Utilization report" means a provider level report of aggregate data prepared to the specifications of a requestor in which the state expresses no finding or opinion.

(22) "Validation" means the process that ~~[by which a provider]~~ verifies the accuracy and completeness of data and corrects any errors identified before certification in accordance with department ~~[council]~~ rule.

(2) Strike SECTION 3 of the bill (page 9, line 24, through page 10, line 4) and substitute the following:

SECTION 3. Section 108.009, Health and Safety Code, is amended to read as follows:

Sec. 108.009. DATA SUBMISSION AND COLLECTION. (a) The department ~~[council]~~ may collect, and, except as provided by Subsections (c) and (d), providers shall submit to the department ~~[council]~~ or another entity as determined by the department ~~[council]~~, all data required by this section or by rule. The data shall be collected according to uniform submission formats, coding systems, and other technical specifications necessary to make the incoming data substantially valid, consistent, compatible, and manageable using electronic data processing, if available.

(b) The department ~~[council]~~ shall recommend ~~[adopt]~~ rules to implement the data submission requirements imposed by Subsection (a) in appropriate stages to allow for the development of efficient systems for the collection and submission of the data. A rule ~~[adopted by the council]~~ that requires submission of a data element that, before adoption of the rule, was not required to be submitted may not take effect before the 90th day after the date the rule is adopted and must take effect not later than the first anniversary after the date the rule is adopted.

(c) A rural provider may, but is not required to, provide the data required by this chapter. A hospital may, but is not required to, provide the data required by this chapter if the hospital:

(1) is exempt from state franchise, sales, ad valorem, or other state or local taxes; and

(2) does not seek or receive reimbursement for providing health care services to patients from any source, including:

(A) the patient or any person legally obligated to support the patient;

(B) a third-party payor; or

(C) Medicaid, Medicare, or any other federal, state, or local program for indigent health care.

(d) The department [council] may not collect data from individual physicians or health practitioners or from an entity that is composed entirely of physicians or health practitioners and that is a professional association organized under the Texas Professional Association Act (Article 1528f, Vernon's Texas Civil Statutes) or formed under the Texas Professional Association Law, as described by Section 1.008, Business Organizations Code, a limited liability partnership organized under Section 3.08, Texas Revised Partnership Act (Article 6132b-3.08, Vernon's Texas Civil Statutes), or described by Subchapter J, Chapter 152, Business Organizations Code, or a limited liability company organized under the Texas Limited Liability Company Act (Article 1528n, Vernon's Texas Civil Statutes) or formed under the Texas Limited Liability Company Law, as described by Section 1.008, Business Organizations Code, except to the extent the entity owns and operates a health care facility in this state. This subsection does not prohibit the release of data about physicians or health practitioners using uniform physician or health practitioner identifiers that has been collected from a health care facility under this chapter.

~~[(e) The council shall establish the department as the single collection point for receipt of data from providers. With the approval of the council and the board, the department may transfer collection of any data required to be collected by the department under any other law to the statewide health care data collection system.]~~

(f) The department [council] may not require providers to submit data more frequently than quarterly, but providers may submit data on a more frequent basis.

(g) The department may [council shall] coordinate data collection with the data collection formats used by federally qualified health centers. To satisfy the requirements of this chapter:

(1) a federally qualified health center shall submit annually to the department [council] a copy of the Medicaid cost report of federally qualified health centers; and

(2) a provider receiving federal funds under 42 U.S.C. Section 254b, 254c, or 256 shall submit annually to the department [council] a copy of the Bureau of Common Reporting Requirements data report developed by the United States Public Health Service.

(h) The department [council] shall coordinate data collection with the data submission formats used by hospitals and other providers. The department [council] shall accept data in the format developed by the American National Standards Institute [~~National Uniform Billing Committee (Uniform Hospital Billing Form UB 92) and HCFA 1500~~] or its [~~their~~] successors or other nationally [universally] accepted standardized format or forms that hospitals and other providers use for other complementary purposes.

(i) The department [council] shall recommend rules on [develop by rule] reasonable alternate data submission procedures for providers that do not possess electronic data processing capacity to create electronic claims.

(k) The department [council] shall collect health care data elements relating to payer type, the racial and ethnic background of patients, and the use of health care services by consumers. The council shall prioritize data collection efforts on inpatient and outpatient surgical and radiological procedures from hospitals, ambulatory surgical centers, and free-standing radiology centers.

(m) To the extent feasible, the department ~~[council]~~ shall obtain from public records the information that is available from those records.

(o) A provider of a health benefit plan shall annually submit to the department ~~[council]~~ aggregate data by service area required by the Health Plan Employer Data Information Set (HEDIS) data as operated by the National Committee for Quality Assurance. The department ~~[council]~~ may approve the submission of data in accordance with other methods generally used by the health benefit plan industry. If the Health Plan Employer Data Information Set does not generally apply to a health benefit plan, the department ~~[council]~~ shall require submission of data in accordance with other methods. This subsection does not relieve a health care facility that provides services under a health benefit plan from the requirements of this chapter. Information submitted under this section is subject to Sections ~~[Section]~~ 108.011 and 108.013(k), (l), (m), and (n), but is not subject to Section 108.010.

(3) Add the following appropriately numbered SECTIONS to the bill and renumber the subsequent SECTIONS of the bill as appropriate:

SECTION _____. The heading to Chapter 108, Health and Safety Code, is amended to read as follows:

CHAPTER 108. TEXAS HEALTH CARE INFORMATION COLLECTION
PROGRAM ~~[COUNCIL]~~

SECTION _____. Section 108.001, Health and Safety Code, is amended to read as follows:

Sec. 108.001. TEXAS HEALTH CARE INFORMATION COLLECTION PROGRAM ~~[CREATION OF COUNCIL]~~. The Department of State ~~[Texas]~~ Health Services ~~[Care Information Council]~~ shall administer this chapter and report to the governor, the legislature, and the public.

SECTION _____. Chapter 108, Health and Safety Code, is amended by adding Section 108.0055 to read as follows:

Sec. 108.0055. POWERS AND DUTIES OF EXECUTIVE COMMISSIONER.
The executive commissioner shall adopt rules necessary to administer this chapter.

SECTION _____. Section 108.006, Health and Safety Code, is amended to read as follows:

Sec. 108.006. POWERS AND DUTIES OF DEPARTMENT ~~[COUNCIL]~~.

(a) The department ~~[council]~~ shall develop a statewide health care data collection system to collect health care charges, utilization data, provider quality reports ~~[data]~~, and outcome data to facilitate the promotion and accessibility of cost-effective, good quality health care. The department ~~[council]~~ shall:

(1) direct the collection, dissemination, and analysis of data under this chapter;

(2) ~~[contract with the department to collect the data under this chapter;~~
~~(3)]~~ adopt policies and recommend rules necessary to carry out this chapter, including rules concerning data collection requirements;

(3) ~~(4)]~~ build on and not duplicate other data collection required by state or federal law~~[, by an accreditation organization,]~~ or by executive commissioner ~~[board]~~ rule;

(4) ~~(5)~~ working with appropriate agencies, review public health data collection programs in this state and recommend, where appropriate, consolidation of the programs and any legislation necessary to effect the consolidation or obtain data collected by other state agencies;

(5) ~~(6)~~ assure that public use data is made available and accessible to interested persons;

(6) recommend rules regarding ~~[(7) prescribe by rule]~~ the process for providers to submit data consistent with Section 108.009;

~~(7) [(8) adopt by rule and implement a methodology to collect and disseminate data reflecting provider quality in accordance with Section 108.010;~~

~~(9)~~ make annual reports to the legislature, the governor, and the public on:

(A) the charges and rate of change in the charges for health care services in this state;

(B) the effectiveness of the department ~~[council]~~ in carrying out the legislative intent of this chapter;

(C) if applicable, any recommendations on the need for further legislation; and

(D) the quality and effectiveness of health care and access to health care for all citizens of this state;

(8) ~~(10)~~ develop an annual work plan and establish priorities to accomplish its duties;

(9) ~~(11)~~ provide consumer education on the interpretation and understanding of the public use data or provider quality reports ~~[data]~~ before the data or reports are ~~is~~ disseminated to the public;

(10) ~~(12)~~ work with the commission ~~[Health and Human Services Commission]~~ and each health and human services agency that administers a part of the state Medicaid program to avoid duplication of expenditures of state funds for computer systems, staff, or services in the collection and analysis of data relating to the state Medicaid program; and

~~(11) provide data and [(13) work with the Department of Information Resources in developing and implementing the statewide health care data collection system and maintain consistency with Department of Information Resources standards; and~~

~~[(14) develop and implement a health care]~~ information ~~[plan]~~ to be used by the department to:

(A) support public health and preventative health initiatives;

(B) assist in the delivery of primary and preventive health care services;

(C) facilitate the establishment of appropriate benchmark data to measure performance improvements;

(D) establish and maintain a systematic approach to the collection, storage, and analysis of health care data for longitudinal, epidemiological, and policy impact studies; and

(E) develop and use system-based protocols to identify individuals and populations at risk.

(b) The department ~~[council]~~ may recommend[-

~~[(1) employ or contract with the department to employ an executive director and other staff, including administrative personnel, necessary to comply with this chapter and rules adopted under this chapter;~~

~~[(2) engage professional consultants as it considers necessary to the performance of its duties;~~

~~[(3) adopt] rules clarifying which health care facilities must provide data under this chapter[; and~~

~~[(4) apply for and receive any appropriation, donation, or other funds from the state or federal government or any other public or private source, subject to Section 108.015 and limitations and conditions provided by legislative appropriation].~~

(c) The department ~~[council]~~ may not establish or recommend rates of payment for health care services.

~~[(d) The council may not take an action that affects or relates to the validity, status, or terms of an interagency agreement or a contract with the department without the board's approval.]~~

(e) In the collection of data, the department ~~[council]~~ shall consider the research and initiatives being pursued by the United States Department of Health and Human Services, the National Committee for Quality Assurance, and the Joint Commission on Accreditation of Healthcare Organizations to reduce potential duplication or inconsistencies. The executive commissioner ~~[council]~~ may not adopt rules that conflict with or duplicate any federally mandated data collection programs or requirements of comparable scope.

(f) The department ~~[council]~~ shall recommend rules on ~~[prescribe by rule]~~ a public use data element list ~~[file minimum data set]~~ that maintains patient confidentiality and establishes data accuracy and consistency.

(g) The public use data element list ~~[file minimum data set]~~ as defined by ~~[council]~~ rule is subject to annual review by the department ~~[council with the assistance of the advisory committee under Section 108.003(g)(5). The purpose of the review is]~~ to evaluate requests to modify the existing public use ~~[minimum]~~ data element list ~~[set]~~ and editing process of those data elements. A decision to modify the public use ~~[minimum]~~ data element list ~~[set]~~ by the addition or deletion of data elements shall include consideration of the value of the specific data to be added or deleted and the technical feasibility of establishing data accuracy and consistency. The department ~~[council]~~ may also consider the costs to the department ~~[council]~~ and providers associated with modifying the public use ~~[minimum]~~ data element list ~~[set]~~.

(h) In accordance with Sections 108.013(k), (l), (m), and (n) and ~~[Section 108.0135, the department [council] may release data collected under Section 108.009 that is not included in the public use data element list [file minimum data set] established under this chapter [Subsection (f)].~~

SECTION _____. Section 108.007, Health and Safety Code, is amended to read as follows:

Sec. 108.007. REVIEW POWERS. (a) The ~~[council, through the]~~ department, ~~[and]~~ subject to reasonable rules and guidelines, may:

(1) inspect documents and records used by data sources that are required to compile data and reports; and

(2) compel providers to produce accurate documents and records.

(b) The department [council] may enter into a memorandum of understanding with a state agency~~[, including the division of the Health and Human Services Commission responsible for the state Medicaid program,]~~ or with a school of public health or another institution of higher education~~[,]~~ to share data and expertise, to obtain data for the department [council], or to make data available to the department [council]. An agreement entered into under this subsection must protect patient confidentiality.

SECTION _____. Chapter 108, Health and Safety Code, is amended by adding Section 108.0095 to read as follows:

Sec. 108.0095. CHANGE IN OWNERSHIP BY ENTITY REQUIRED TO SUBMIT DATA. An entity that acquires, by merger, acquisition, or other transfer, ownership of a health care facility or an organization that owns or operates a health benefit plan that is required to submit data under this chapter shall report the change in ownership to the department.

SECTION _____. Section 108.010, Health and Safety Code, is amended to read as follows:

Sec. 108.010. ~~[COLLECTION AND]~~ DISSEMINATION OF PROVIDER QUALITY REPORTS ~~[DATA]~~. (a) Subject to Section 108.009, the department [council] shall gather [collect] data reflecting provider quality and shall produce provider quality reports based on a methodology and review process established through the executive commissioner's [council's] rulemaking process. The methodology shall identify and measure quality standards and adhere to any federal mandates.

~~[(b) The council shall study and analyze initial methodologies for obtaining provider quality data, including outcome data.]~~

(c) The department [council] shall test each initial provider quality report [the] methodology for a period of time to be determined by the department [by collecting provider quality data for one year, subject to Section 108.009]. This requirement to test a methodology applies only to methodologies that have not previously been used by the department. The department [council] may test using pilot methodologies. Any ~~[After collecting provider quality data for one year, the council shall report findings applicable to a provider to that provider and allow the provider to review and comment on the initial provider quality data applicable to that provider. The council shall verify the accuracy of the data during this review and revision process. After the review and revision process,]~~ provider quality ~~[data for subsequent]~~ reports shall be published and made available to the public, on a time schedule the department [council] considers appropriate.

(d) If the department [council] determines that a provider quality report ~~[data]~~ to be published under Subsection (c) does not provide the intended result or is inaccurate or inappropriate for dissemination, the department [council] is not required to publish or release the report ~~[data or reports based in whole or in part on the data]~~. This subsection does not affect the release of public use data in accordance with Section 108.011 or utilization reports requested under Chapter 552, Government Code ~~[the release of information submitted under Section 108.009(e)].~~

(e) The department shall allow ~~[council shall adopt rules allowing]~~ a provider to submit concise written comments regarding any specific provider quality report ~~[data]~~ to be released concerning the provider. The department ~~[council]~~ shall make the comments available to the public at the department ~~[office of the council]~~ and in an electronic form accessible through the Internet. The comments shall be attached to any public release of a provider quality report ~~[data]~~. Providers shall submit the comments to the department ~~[council]~~ to be attached to the public release of a provider quality report ~~[data]~~ in the same format as the provider quality report ~~[data]~~ that is to be released.

(f) The methodology adopted by the department ~~[council]~~ for measuring quality shall include one or more adjustment methods, such as case-mix qualifiers, risk adjustment factors, severity adjustment factors, adjustments for medical education and research, or ~~[and]~~ any other factors necessary to accurately reflect provider quality.

(g) In addition to the requirements of this section, any release of provider quality reports ~~[data]~~ shall comply with Section 108.011(f) ~~[Sections 108.011(e) and (f)]~~.

(h) A provider quality ~~[data]~~ report may not identify an individual physician or health practitioner by name, but must identify the physician by the uniform physician or health practitioner identifier designated by the department ~~[council]~~ under Section 108.011(c).

(i) The department may ~~[council shall]~~ release utilization reports without the review and comment by any provider ~~[quality data in an aggregate form without uniform physician identifiers when:~~

~~(1) the data relates to providers described by Section 108.0025(1); or~~

~~(2) the cell size of the data is below the minimum size established by council rule that would enable identification of an individual patient or physician].~~

SECTION ____ . Section 108.011, Health and Safety Code, is amended to read as follows:

Sec. 108.011. DISSEMINATION OF PUBLIC USE DATA AND DEPARTMENT ~~[COUNCIL]~~ PUBLICATIONS. (a) The department ~~[council]~~ shall promptly provide public use data and data collected in accordance with Section 108.009(o) to those requesting it. The public use data does not include ~~[provider quality data prescribed by Section 108.010 or]~~ confidential data prescribed by Section 108.013.

(b) Subject to the restrictions on access to department ~~[council]~~ data prescribed by Section ~~[Sections 108.010 and]~~ 108.013, and using the public use data and other data, records, and matters of record available to it, the department ~~[council]~~ shall prepare and issue reports to the governor, the legislature, and the public as provided by this section and Section 108.006(a). The department ~~[council]~~ must issue the reports at least annually.

(c) Subject to the restrictions on access to department ~~[council]~~ data prescribed by Section ~~[Sections 108.010 and]~~ 108.013, the department ~~[council]~~ shall use public use data to prepare and issue reports that provide information relating to providers, such as the incidence rate of selected medical or surgical procedures. The reports must provide the data in a manner that identifies individual providers, including individual physicians, and that identifies and compares data elements for all providers. Individual physicians or health practitioners may not be identified by name, but shall

be identified by uniform physician or health practitioner identifiers. The department ~~[council by rule]~~ shall recommend rules and designate the characters to be used as uniform physician or health practitioner identifiers.

(c-1) The department ~~[council]~~ shall use public use data to prepare and issue reports that provide information for review and analysis by the ~~commission [Health and Human Services Commission]~~ relating to services that are provided in a niche hospital, as defined by Section 105.002, Occupations Code, and that are provided by a physician with an ownership interest in the niche hospital.

(c-2) Subsection (c-1) does not apply to an ownership interest in publicly available shares of a registered investment company, such as a mutual fund, that owns publicly traded equity securities or debt obligations issued by a niche hospital or an entity that owns the niche hospital.

(d) The department ~~[council]~~ shall adopt procedures to establish the accuracy and consistency of the public use data before releasing the public use data to the public.

(e) If public use data is requested from the department ~~[council]~~ about a specific provider, the department ~~[council]~~ shall notify the provider about the release of the data. This subsection does not authorize the provider to interfere with the release of that data.

(f) A report issued by the department ~~[council]~~ shall include a reasonable review ~~[and comment]~~ period for the affected providers before public release of the report.

(g) The department ~~[council]~~ shall provide a process ~~[adopt rules]~~ allowing a provider to submit concise written comments regarding any specific public use data to be released concerning the provider. The department ~~[council]~~ shall make the comments available to the public ~~[and the office of the council]~~ and in an electronic form accessible through the Internet. The comments shall be attached to any public release of the public use data. Providers shall submit the comments to the department ~~[council]~~ to be attached to the public release of public use data in the same format as the public use data that is to be released.

(h) Media devices ~~[Tapes]~~ containing public use data and provider quality reports that are released to the public must include general consumer education material, including an explanation of the benefits and limitations of the information provided in the public use data and provider quality reports.

(i) The department ~~[council]~~ shall release public use data ~~[in an aggregate form]~~ without uniform physician or health practitioner identifiers when:

(1) the data relates to providers described by Section 108.0025(1); or

(2) the ~~[cell size of the]~~ data ~~[is below the minimum size established by council rule that]~~ would enable easy identification of an individual patient, ~~[or]~~ physician, or health practitioner when combined with other data elements from the public use data element list.

(j) Notwithstanding Section 552.021 or 552.221, Government Code, the department is not required to make data available or produce data for inspection or duplication under Chapter 552, Government Code, until the program director has verified the data as reasonably accurate.

SECTION _____. Section 108.012, Health and Safety Code, is amended to read as follows:

Sec. 108.012. COMPUTER ACCESS TO DATA. (a) The department [~~council~~] shall provide a means for computer [~~computer to computer~~] access to the public use data. All data and reports shall maintain patient confidentiality as provided by Section 108.013.

(b) The department [~~council~~] may charge a person requesting public use data or data used in provider quality reports [~~data~~] a fee for the data. The fees may reflect the quantity of information provided and the expense incurred by the department [~~council~~] in collecting and providing the data [~~and shall be set at a level that will raise revenue sufficient for the operation of the council. The council may not charge a fee for providing public use data to another state agency.~~].

SECTION _____. Section 108.013, Health and Safety Code, is amended to read as follows:

Sec. 108.013. CONFIDENTIALITY AND GENERAL ACCESS TO DATA.

(a) The data received by the department [~~council~~] shall be used by the department [~~council~~] for the benefit of the public. [~~Subject to specific limitations established by this chapter and council rule, the council shall make determinations on requests for information in favor of access.~~]

(b) The department [~~council by rule~~] shall designate the characters to be used as uniform patient and physician or health practitioner identifiers. The basis for assignment of the characters and the manner in which the characters are assigned are confidential.

(c) Unless specifically authorized by this chapter, the department [~~council~~] may not release and a person or entity may not gain access to any data:

(1) that could reasonably be expected to reveal the identity of a patient;

(2) that could reasonably be expected to reveal the identity of a physician or health practitioner;

(3) disclosing provider discounts or differentials between payments and billed charges;

(4) relating to actual payments to an identified provider made by a payer; or

(5) submitted to the department [~~council~~] in a uniform submission format that is not included in the public use data element list described by [~~set established under~~] Sections 108.006(f) and (g), except in accordance with Subsections (k), (l), (m), and (n) and Section 108.0135.

(d) All data collected and used by the department [~~and the council~~] under this chapter is subject to the confidentiality provisions and criminal penalties of:

(1) Section 311.037;

(2) Section 81.103; and

(3) Section 159.002, Occupations Code.

(e) Data on patients and compilations produced from the data collected that identify patients are not:

(1) subject to discovery, subpoena, or other means of legal compulsion for release to any person or entity except as provided by this section; or

(2) admissible in any civil, administrative, or criminal proceeding.

(f) Data on physicians or health practitioners and compilations produced from the data collected that identify physicians or health practitioners are not:

(1) subject to discovery, subpoena, or other means of legal compulsion for release to any person or entity except as provided by this section; or

(2) admissible in any civil, administrative, or criminal proceeding.

(g) The department [council] may not release data elements in a manner that will reveal the identity of a patient. The department [council] may not release data elements in a manner that will reveal the identity of a physician or health practitioner.

(h) Subsections (c) and (g) do not prohibit the release of a uniform physician or health practitioner identifier in conjunction with associated public use data in accordance with Section 108.011 or a provider quality report in accordance with Section 108.010.

(i) Notwithstanding any other law, the [council and the] department may not provide information made confidential by this section to any other agency of this state.

(j) The department [council] shall recommend a [by] rule to [with the assistance of the advisory committee under Section 108.003(g)(5),] develop and implement a mechanism to comply with Subsections (c)(1) and (2).

(k) The department may disclose data collected under this chapter that is not included in public use data to any program within the department upon review and approval by the institutional or other review board established under Section 108.0135. This subsection does not authorize disclosure of physician and health care practitioner identifying data.

(l) The department shall implement safeguards to ensure that the department maintains the confidentiality of confidential data in the possession of the department. The department shall identify the confidential data to a program within the department receiving the data as described by Subsection (k). The program receiving the data must ensure that the confidential data remains confidential.

(m) Notwithstanding other law, the confidential data collected under this chapter that is disclosed to another program within the department under this section remains subject to the confidentiality provisions of this chapter.

(n) Subsections (c), (d), and (g) and Sections 108.010(g) and (h) and 108.011(e) and (f) do not apply to the disclosure of data to a department program with respect to which the department is given approval to disclose data under this section. This subsection does not authorize disclosure of physician and health care practitioner identifying data.

SECTION _____. Section 108.0135, Health and Safety Code, is amended to read as follows:

Sec. 108.0135. INSTITUTIONAL [SCIENTIFIC] REVIEW BOARD [PANEL]. (a) The department [council] shall establish a department institutional review board or similar privacy board [scientific review panel] to review and approve valid requests for access to data not contained in the [information other than] public use data element list established by rule, excluding the names and identification numbers of the patients, physicians, and health practitioners. The members of the board [panel] shall have experience and expertise in ethics, patient confidentiality, and health care data.

(b) For purposes of Subsection (a), an identification number is any unique identifier composed of numeric, alpha, or alphanumeric characters assigned by a person to the patient, physician, or health care practitioner, but does not include a uniform identifier assigned by the department under this chapter ~~[To assist the panel in determining whether to approve a request for information, the council shall adopt rules similar to the federal Health Care Financing Administration's guidelines on releasing data].~~

~~[(c) A request for information other than public use data must be made on the form created by the council.]~~

SECTION _____. Subsections (b), (c), and (d), Section 108.014, Health and Safety Code, are amended to read as follows:

(b) A person who fails to supply available data under this chapter ~~[Sections 108.009 and 108.010]~~ is liable for a civil penalty of not less than \$500 ~~[\$1,000 or more than \$10,000]~~ for each day after the date of the last day on which the entity may timely submit the data. In determining the amount of the civil penalty, the court shall consider:

- (1) the person's previous violations;
- (2) the seriousness ~~[act]~~ of the violation, including the nature, circumstances, extent, and gravity of the violation;
- (3) whether the health and safety of the public was threatened by the violation;
- (4) the demonstrated good faith of the person; and
- (5) the amount necessary to deter future violations.

(c) The attorney general, at the request of the department ~~[council]~~, shall enforce this chapter. The venue of an action brought under this section is in Travis County.

(d) A civil penalty recovered in a suit instituted by the attorney general under this chapter shall be deposited in the general revenue fund and may be appropriated to ~~[the credit of] the department [health care information account].~~

SECTION _____. Chapter 108, Health and Safety Code, is amended by adding Sections 108.0142 and 108.0143 to read as follows:

Sec. 108.0142. INJUNCTION. (a) The department may bring an action for an injunction or other process against a person who knowingly or negligently releases data in violation of this chapter or who fails to file data or reports required by this chapter.

(b) The district court may grant any prohibitory or mandatory relief warranted by the facts, including a temporary restraining order, temporary injunction, or permanent injunction.

Sec. 108.0143. REMEDIES CUMULATIVE. The civil penalty and injunction authorized by this chapter are in addition to any other civil, administrative, or criminal action provided by law.

SECTION _____. Subsection (b), Section 531.021, Government Code, is amended to read as follows:

- (b) The commission shall:

(1) plan and direct the Medicaid program in each agency that operates a portion of the Medicaid program, including the management of the Medicaid managed care system and the development, procurement, management, and monitoring of contracts necessary to implement the Medicaid managed care system;

(2) adopt reasonable rules and standards governing the determination of fees, charges, and rates for medical assistance payments under Chapter 32, Human Resources Code, in consultation with the agencies that operate the Medicaid program; and

(3) establish requirements for and define the scope of the ongoing evaluation of the Medicaid managed care system conducted in conjunction with the Texas Health Care Information Collection Program [~~Council~~] under Chapter 108 [Section 108.0065], Health and Safety Code.

SECTION _____. Section 2054.0541, Government Code, is amended to read as follows:

Sec. 2054.0541. STATEWIDE HEALTH CARE DATA COLLECTION SYSTEM. The department shall assist the [~~Texas Health Care Information Council and the Texas~~] Department of State Health Services with planning, analyses, and management functions relating to the procurement, use, and implementation of a statewide health care data collection system under Chapter 108, Health and Safety Code.

SECTION _____. Subsection (b), Section 501.253, Insurance Code, is amended to read as follows:

(b) The department and the Department of State Health Services [~~Texas Health Care Information Council~~] shall provide any information or data as requested by the office in furtherance of the duties under this subchapter.

SECTION _____. The following provisions of the Health and Safety Code are repealed:

- (1) Subdivision (2), Section 108.002;
- (2) Section 108.003;
- (3) Section 108.004;
- (4) Section 108.0045;
- (5) Section 108.005;
- (6) Section 108.0062;
- (7) Section 108.0065;
- (8) Section 108.008;
- (9) Section 108.0081;
- (10) Section 108.0085; and
- (11) Section 108.015.

SECTION _____. A reference in law to the Texas Health Care Information Council means the Texas Health Care Information Collection Program.

Floor Amendment No. 1 on Third Reading

Amend **SB 1731** on third reading as follows:

(1) Strike the SECTIONS of the bill, as added by Amendment No. 6 by McReynolds, that add or amend the following:

Subdivisions (1), (3), (4-a), (5), (6), (7), (8), (8-a), (10), (11-a), (12), (14-a), (16), (17), (17-a), (20), (21), (21-a), and (22), Section 108.002, Health and Safety Code; and

Sections 108.006, 108.009, 108.0095, 108.010, 108.011, 108.012, 108.013, 108.0135, and 108.014, Health and Safety Code.

(2) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. Section 108.002, Health and Safety Code, is amended by amending Subdivisions (1), (3), (5), (7), (8), (12), (17), (20), (21), and (22) and adding Subdivisions (4-a), (8-a), and (14-a) to read as follows:

(1) "Accurate and consistent data" means data that has been edited by the department [council] and subject to provider validation and certification.

(3) "Certification" means the process by which a provider confirms the accuracy and completeness of the data set required to produce the public use data file in accordance with department [council] rule.

(4-a) "Commission" means the Health and Human Services Commission.

(5) "Confidential data" means data that is made confidential under this chapter, other state law, or federal law [~~"Council" means the Texas Health Care Information Council~~].

(7) "Department" means the [~~Texas~~] Department of State Health Services.

(8) "Edit" means to use an electronic standardized process developed and implemented by the department [council rule] to identify potential errors and mistakes in data elements by reviewing data fields for the presence or absence of data and the accuracy and appropriateness of data.

(8-a) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(12) "Hospital" means a public, for-profit, or nonprofit institution licensed or owned by this state that is a general or special hospital, private mental hospital, [~~chronic disease hospital,~~] or other type of hospital.

(14-a) "Program director" means the primary department employee responsible for performing the functions and exercising the authority of the program director and includes the program director's designee.

(17) "Public use data" means patient level data relating to individual hospitalizations that has [~~not been summarized or analyzed, that has~~] had patient identifying information removed, that identifies physicians only by use of uniform physician identifiers, and that is severity and risk adjusted, edited, and verified for accuracy and consistency. Public use data may exclude some data elements submitted to the department [council]. Public use data does not include confidential data.

(20) "Uniform patient identifier" means an identifier [a number] assigned by the department [council] to an individual patient and composed of numeric, alpha, or alphanumeric characters.

(21) "Uniform physician identifier" means an identifier [a number] assigned by the department [council] to an individual physician and composed of numeric, alpha, or alphanumeric characters.

(22) "Validation" means the process by which a provider verifies the accuracy and completeness of data and corrects any errors identified before certification in accordance with department [council] rule.

SECTION _____. Section 108.009, Health and Safety Code, is amended to read as follows:

Sec. 108.009. DATA SUBMISSION AND COLLECTION. (a) The department ~~[council]~~ may collect, and, except as provided by Subsections (c) and (d), providers shall submit to the department ~~[council]~~ or another entity as determined by the department ~~[council]~~, all data required by this section. The data shall be collected according to uniform submission formats, coding systems, and other technical specifications necessary to make the incoming data substantially valid, consistent, compatible, and manageable using electronic data processing, if available.

(b) The department ~~[council]~~ shall ~~recommend [adopt]~~ rules to implement the data submission requirements imposed by Subsection (a) in appropriate stages to allow for the development of efficient systems for the collection and submission of the data. A rule ~~[adopted by the council]~~ that requires submission of a data element that, before adoption of the rule, was not required to be submitted may not take effect before the 90th day after the date the rule is adopted and must take effect not later than the first anniversary after the date the rule is adopted.

(c) A rural provider may, but is not required to, provide the data required by this chapter. A hospital may, but is not required to, provide the data required by this chapter if the hospital:

(1) is exempt from state franchise, sales, ad valorem, or other state or local taxes; and

(2) does not seek or receive reimbursement for providing health care services to patients from any source, including:

(A) the patient or any person legally obligated to support the patient;

(B) a third-party payor; or

(C) Medicaid, Medicare, or any other federal, state, or local program for indigent health care.

(d) The department ~~[council]~~ may not collect data from individual physicians or from an entity that is composed entirely of physicians and that is a professional association organized under the Texas Professional Association Act (Article 1528f, Vernon's Texas Civil Statutes) or formed under the Texas Professional Association Law, as described by Section 1.008, Business Organizations Code, a limited liability partnership organized under Section 3.08, Texas Revised Partnership Act (Article 6132b-3.08, Vernon's Texas Civil Statutes), or described by Subchapter J, Chapter 152, Business Organizations Code, or a limited liability company organized under the Texas Limited Liability Company Act (Article 1528n, Vernon's Texas Civil Statutes) or formed under the Texas Limited Liability Company Law, as described by Section 1.008, Business Organizations Code, except to the extent the entity owns and operates a health care facility in this state. This subsection does not prohibit the release of data about physicians using uniform physician identifiers that has been collected from a health care facility under this chapter.

~~[(e) The council shall establish the department as the single collection point for receipt of data from providers. With the approval of the council and the board, the department may transfer collection of any data required to be collected by the department under any other law to the statewide health care data collection system.]~~

(f) The department [~~council~~] may not require providers to submit data more frequently than quarterly, but providers may submit data on a more frequent basis.

(g) The department may [~~council shall~~] coordinate data collection with the data collection formats used by federally qualified health centers. To satisfy the requirements of this chapter:

(1) a federally qualified health center shall submit annually to the department [~~council~~] a copy of the Medicaid cost report of federally qualified health centers; and

(2) a provider receiving federal funds under 42 U.S.C. Section 254b, 254c, or 256 shall submit annually to the department [~~council~~] a copy of the Bureau of Common Reporting Requirements data report developed by the United States Public Health Service.

(h) The department [~~council~~] shall coordinate data collection with the data submission formats used by hospitals and other providers. The department [~~council~~] shall accept data in the format developed by the National Uniform Billing Committee (Uniform Hospital Billing Form UB 92) and HCFA-1500 or their successors or other universally accepted standardized forms that hospitals and other providers use for other complementary purposes.

(i) The department [~~council~~] shall recommend rules on [~~develop by rule~~] reasonable alternate data submission procedures for providers that do not possess electronic data processing capacity.

(k) The department [~~council~~] shall collect health care data elements relating to payer type, the racial and ethnic background of patients, and the use of health care services by consumers.

(m) To the extent feasible, the department [~~council~~] shall obtain from public records the information that is available from those records.

(o) A provider of a health benefit plan shall annually submit to the department [~~council~~] aggregate data by service area required by the Health Plan Employer Data Information Set (HEDIS) as operated by the National Committee for Quality Assurance. The department [~~council~~] may approve the submission of data in accordance with other methods generally used by the health benefit plan industry. If the Health Plan Employer Data Information Set does not generally apply to a health benefit plan, the department [~~council~~] shall require submission of data in accordance with other methods. This subsection does not relieve a health care facility that provides services under a health benefit plan from the requirements of this chapter. Information submitted under this section is subject to Section 108.011 but is not subject to Section 108.010.

SECTION _____. Section 108.006, Health and Safety Code, is amended to read as follows:

Sec. 108.006. POWERS AND DUTIES OF DEPARTMENT [~~COUNCIL~~].

(a) The department [~~council~~] shall develop a statewide health care data collection system to collect health care charges, utilization data, provider quality data, and outcome data to facilitate the promotion and accessibility of cost-effective, good quality health care. The department [~~council~~] shall:

(1) direct the collection, dissemination, and analysis of data under this chapter;

(2) ~~[contract with the department to collect the data under this chapter;~~
[(3)] adopt policies and recommend rules necessary to carry out this chapter, including rules concerning data collection requirements;

(3) [(4)] build on and not duplicate other data collection required by state or federal law, by an accreditation organization, or by executive commissioner ~~[board]~~ rule;

(4) [(5)] working with appropriate agencies, review public health data collection programs in this state and recommend, where appropriate, consolidation of the programs and any legislation necessary to effect the consolidation or obtain data collected by other state agencies;

(5) [(6)] assure that public use data is made available and accessible to interested persons;

(6) recommend rules regarding [(7) ~~prescribe by rule~~] the process for providers to submit data consistent with Section 108.009;

(7) [(8) ~~adopt by rule and implement a methodology to collect and disseminate data reflecting provider quality in accordance with Section 108.010;~~

[(9)] make annual reports to the legislature, the governor, and the public on:

(A) the charges and rate of change in the charges for health care services in this state;

(B) the effectiveness of the department ~~[council]~~ in carrying out the legislative intent of this chapter;

(C) if applicable, any recommendations on the need for further legislation; and

(D) the quality and effectiveness of health care and access to health care for all citizens of this state;

(8) [(10)] develop an annual work plan and establish priorities to accomplish its duties;

(9) [(11)] provide consumer education on the interpretation and understanding of the public use or provider quality data before the data is disseminated to the public;

(10) [(12)] work with the commission ~~[Health and Human Services Commission]~~ and each health and human services agency that administers a part of the state Medicaid program to avoid duplication of expenditures of state funds for computer systems, staff, or services in the collection and analysis of data relating to the state Medicaid program; and

(11) provide data and [(13) ~~work with the Department of Information Resources in developing and implementing the statewide health care data collection system and maintain consistency with Department of Information Resources standards; and~~

[(14) ~~develop and implement a health care~~] information ~~[plan]~~ to be used by the department to:

(A) support public health and preventative health initiatives;

(B) assist in the delivery of primary and preventive health care services;

(C) facilitate the establishment of appropriate benchmark data to measure performance improvements;

(D) establish and maintain a systematic approach to the collection, storage, and analysis of health care data for longitudinal, epidemiological, and policy impact studies; and

(E) develop and use system-based protocols to identify individuals and populations at risk.

(b) The department [~~council~~] may recommend[-

~~(1) employ or contract with the department to employ an executive director and other staff, including administrative personnel, necessary to comply with this chapter and rules adopted under this chapter;~~

~~(2) engage professional consultants as it considers necessary to the performance of its duties;~~

~~(3) adopt~~] rules clarifying which health care facilities must provide data under this chapter[-; and

~~(4) apply for and receive any appropriation, donation, or other funds from the state or federal government or any other public or private source, subject to Section 108.015 and limitations and conditions provided by legislative appropriation].~~

(c) The department [~~council~~] may not establish or recommend rates of payment for health care services.

~~[(d) The council may not take an action that affects or relates to the validity, status, or terms of an interagency agreement or a contract with the department without the board's approval.]~~

(e) In the collection of data, the department [~~council~~] shall consider the research and initiatives being pursued by the United States Department of Health and Human Services, the National Committee for Quality Assurance, and the Joint Commission on Accreditation of Healthcare Organizations to reduce potential duplication or inconsistencies. The executive commissioner [~~council~~] may not adopt rules that conflict with or duplicate any federally mandated data collection programs or requirements of comparable scope.

(f) The department [~~council~~] shall recommend rules on [~~prescribe by rule~~] a public use data element list [~~file minimum data set~~] that maintains patient confidentiality and establishes data accuracy and consistency.

(g) The public use data element list [~~file minimum data set~~] as defined by [~~council~~] rule is subject to annual review by the department [~~council with the assistance of the advisory committee under Section 108.003(g)(5). The purpose of the review is~~] to evaluate requests to modify the existing public use [~~minimum~~] data element list [~~set~~] and editing process of those data elements. A decision to modify the public use [~~minimum~~] data element list [~~set~~] by the addition or deletion of data elements shall include consideration of the value of the specific data to be added or deleted and the technical feasibility of establishing data accuracy and consistency. The department [~~council~~] may also consider the costs to the department [~~council~~] and providers associated with modifying the public use [~~minimum~~] data element list [~~set~~].

(h) In accordance with Sections 108.013(k), (l), (m), and (n) and [~~Section~~] 108.0135, the department [~~council~~] may release data collected under Section 108.009 that is not included in the public use data element list [~~file minimum data set~~] established under this chapter [~~Subsection (f)~~].

SECTION _____. Section 108.010, Health and Safety Code, is amended to read as follows:

Sec. 108.010. ~~[COLLECTION AND]~~ DISSEMINATION OF PROVIDER QUALITY REPORTS ~~[DATA]~~. (a) Subject to Section 108.009, the department ~~[council]~~ shall gather ~~[collect]~~ data reflecting provider quality based on a methodology and review process established through the executive commissioner's ~~[council's]~~ rulemaking process. The methodology shall identify and measure quality standards and adhere to any federal mandates.

~~[(b) The council shall study and analyze initial methodologies for obtaining provider quality data, including outcome data.]~~

(c) The department ~~[council]~~ shall test the methodology for a period of time to be determined by the department ~~[by collecting provider quality data for one year, subject to Section 108.009]~~. This requirement to test a methodology applies only to methodologies that have not previously been used by the department. The department ~~[council]~~ may test using pilot methodologies. Any ~~[After collecting provider quality data for one year, the council shall report findings applicable to a provider to that provider and allow the provider to review and comment on the initial provider quality data applicable to that provider. The council shall verify the accuracy of the data during this review and revision process. After the review and revision process,]~~ provider quality ~~[data for subsequent]~~ reports shall be published and made available to the public, on a time schedule the department ~~[council]~~ considers appropriate.

(d) If the department ~~[council]~~ determines that a provider quality data to be published under Subsection (c) does not provide the intended result or is inaccurate or inappropriate for dissemination, the department ~~[council]~~ is not required to publish or release the data or reports based in whole or in part on the data. This subsection does not affect the release of public use data in accordance with Section 108.011 or the release of information submitted under Section 108.009(o).

(e) The department shall allow ~~[council shall adopt rules allowing]~~ a provider to submit concise written comments regarding any specific provider quality data to be released concerning the provider. The department ~~[council]~~ shall make the comments available to the public at the department ~~[office of the council]~~ and in an electronic form accessible through the Internet. The comments shall be attached to any public release of provider quality data. Providers shall submit the comments to the department ~~[council]~~ to be attached to the public release of provider quality data in the same format as the provider quality data that is to be released.

(f) The methodology adopted by the department ~~[council]~~ for measuring quality shall include case-mix qualifiers, severity adjustment factors, adjustments for medical education and research, or and ~~[and]~~ any other factors necessary to accurately reflect provider quality.

(g) In addition to the requirements of this section, any release of provider quality data shall comply with Sections 108.011(e) and (f).

(h) A provider quality ~~[data]~~ report may not identify an individual physician by name, but must identify the physician by the uniform physician identifier designated by the department ~~[council]~~ under Section 108.011(c).

(i) The department ~~[council]~~ shall release provider quality data in an aggregate form without uniform physician identifiers when:

- (1) the data relates to providers described by Section 108.0025(1); or
- (2) the cell size of the data is below the minimum size established by council rule that would enable identification of an individual patient or physician.

SECTION _____. Section 108.011, Health and Safety Code, is amended to read as follows:

Sec. 108.011. DISSEMINATION OF PUBLIC USE DATA AND DEPARTMENT [COUNCIL] PUBLICATIONS. (a) The department [council] shall promptly provide public use data and data collected in accordance with Section 108.009(o) to those requesting it. The public use data does not include provider quality data prescribed by Section 108.010 or confidential data prescribed by Section 108.013.

(b) Subject to the restrictions on access to department [council] data prescribed by Sections 108.010 and 108.013, and using the public use data and other data, records, and matters of record available to it, the department [council] shall prepare and issue reports to the governor, the legislature, and the public as provided by this section and Section 108.006(a). The department [council] must issue the reports at least annually.

(c) Subject to the restrictions on access to department [council] data prescribed by Sections 108.010 and 108.013, the department [council] shall use public use data to prepare and issue reports that provide information relating to providers, such as the incidence rate of selected medical or surgical procedures. The reports must provide the data in a manner that identifies individual providers, including individual physicians, and that identifies and compares data elements for all providers. Individual physicians may not be identified by name, but shall be identified by uniform physician identifiers. The department [council by rule] shall recommend rules and designate the characters to be used as uniform physician identifiers.

(c-1) The department [council] shall use public use data to prepare and issue reports that provide information for review and analysis by the commission [~~Health and Human Services Commission~~] relating to services that are provided in a niche hospital, as defined by Section 105.002, Occupations Code, and that are provided by a physician with an ownership interest in the niche hospital.

(c-2) Subsection (c-1) does not apply to an ownership interest in publicly available shares of a registered investment company, such as a mutual fund, that owns publicly traded equity securities or debt obligations issued by a niche hospital or an entity that owns the niche hospital.

(d) The department [council] shall adopt procedures to establish the accuracy and consistency of the public use data before releasing the public use data to the public.

(e) If public use data is requested from the department [council] about a specific provider, the department [council] shall notify the provider about the release of the data. This subsection does not authorize the provider to interfere with the release of that data.

(f) A report issued by the department [council] shall include a reasonable review and comment period for the affected providers before public release of the report.

(g) The department [council] shall provide a process [adopt rules] allowing a provider to submit concise written comments regarding any specific public use data to be released concerning the provider. The department [council] shall make the comments available to the public [and the office of the council] and in an electronic form accessible through the Internet. The comments shall be attached to any public release of the public use data. Providers shall submit the comments to the department [council] to be attached to the public release of public use data in the same format as the public use data that is to be released.

(h) Media devices [Tapes] containing public use data and provider quality reports that are released to the public must include general consumer education material, including an explanation of the benefits and limitations of the information provided in the public use data and provider quality reports.

(i) The department [council] shall release public use data [in an aggregate form] without uniform physician identifiers when:

(1) the data relates to providers described by Section 108.0025(1); or

(2) the cell size of the data is below the minimum size established by department [council] rule that would enable identification of an individual patient or physician when combined with other data elements from the public use data element list.

(j) Notwithstanding Section 552.021 or 552.221, Government Code, the department is not required to make data available or produce data for inspection or duplication under Chapter 552, Government Code.

SECTION _____. Section 108.012, Health and Safety Code, is amended to read as follows:

Sec. 108.012. COMPUTER ACCESS TO DATA. (a) The department [council] shall provide a means for computer [computer to computer] access to the public use data. All data and reports shall maintain patient confidentiality as provided by Section 108.013.

(b) The department [council] may charge a person requesting public use or provider quality data a fee for the data. The fees may reflect the quantity of information provided and the expense incurred by the department [council] in collecting and providing the data [and shall be set at a level that will raise revenue sufficient for the operation of the council. The council may not charge a fee for providing public use data to another state agency].

SECTION _____. Section 108.013, Health and Safety Code, is amended to read as follows:

Sec. 108.013. CONFIDENTIALITY AND GENERAL ACCESS TO DATA.

(a) The data received by the department [council] shall be used by the department [council] for the benefit of the public. [Subject to specific limitations established by this chapter and council rule, the council shall make determinations on requests for information in favor of access.]

(b) The department [council by rule] shall designate the characters to be used as uniform patient and physician identifiers. The basis for assignment of the characters and the manner in which the characters are assigned are confidential.

(c) Unless specifically authorized by this chapter, the department [council] may not release and a person or entity may not gain access to any data:

(1) that could reasonably be expected to reveal the identity of a patient;

(2) that could reasonably be expected to reveal the identity of a physician;

(3) disclosing provider discounts or differentials between payments and billed charges;

(4) relating to actual payments to an identified provider made by a payer; or

(5) submitted to the department [~~council~~] in a uniform submission format that is not included in the public use data element list described by [~~set established under~~] Sections 108.006(f) and (g), except in accordance with Subsections (k), (l), (m), and (n) and Section 108.0135.

(d) All data collected and used by the department [~~and the council~~] under this chapter is subject to the confidentiality provisions and criminal penalties of:

- (1) Section 311.037;
- (2) Section 81.103; and
- (3) Section 159.002, Occupations Code.

(e) Data on patients and compilations produced from the data collected that identify patients are not:

- (1) subject to discovery, subpoena, or other means of legal compulsion for release to any person or entity except as provided by this section; or
- (2) admissible in any civil, administrative, or criminal proceeding.

(f) Data on physicians and compilations produced from the data collected that identify physicians are not:

- (1) subject to discovery, subpoena, or other means of legal compulsion for release to any person or entity except as provided by this section; or
- (2) admissible in any civil, administrative, or criminal proceeding.

(g) The department [~~council~~] may not release data elements in a manner that will reveal the identity of a patient. The department [~~council~~] may not release data elements in a manner that will reveal the identity of a physician.

(h) Subsections (c) and (g) do not prohibit the release of a uniform physician identifier in conjunction with associated public use data in accordance with Section 108.011 or a provider quality report in accordance with Section 108.010.

(i) Notwithstanding any other law, the [~~council and the~~] department may not provide information made confidential by this section to any other agency of this state.

(j) The department [~~council~~] shall recommend a [~~by~~] rule to [~~with the assistance of the advisory committee under Section 108.002(g)(5),~~] develop and implement a mechanism to comply with Subsections (c)(1) and (2).

(k) The department may disclose data collected under this chapter that is not included in public use data to any program within the department upon review and approval by the institutional or other review board established under Section 108.0135. This subsection does not authorize disclosure of physician identifying data.

(l) The department shall implement safeguards to ensure that the department maintains the confidentiality of confidential data in the possession of the department. The department shall identify the confidential data to a program within the department receiving the data as described by Subsection (k). The program receiving the data must ensure that the confidential data remains confidential.

(m) Notwithstanding other law, the confidential data collected under this chapter that is disclosed to another program within the department under this section remains subject to the confidentiality provisions of this chapter.

(n) Subsections (c), (d), and (g) and Sections 108.010(g) and (h) and 108.011(e) and (f) do not apply to the disclosure of data to a department program with respect to which the department is given approval to disclose data under this section. This subsection does not authorize disclosure of physician identifying data.

SECTION _____. Section 108.0135, Health and Safety Code, is amended to read as follows:

Sec. 108.0135. INSTITUTIONAL [SCIENTIFIC] REVIEW BOARD [PANEL]. (a) The department [council] shall establish a department institutional review board or similar privacy board [scientific review panel] to review and approve valid requests for access to data not contained in the [information other than] public use data element list established by rule, excluding the names and identification numbers of the patients and physicians. The members of the board [panel] shall have experience and expertise in ethics, patient confidentiality, and health care data.

(b) For purposes of Subsection (a), an identification number is any unique identifier composed of numeric, alpha, or alphanumeric characters assigned by a person to the patient or physician, but does not include a uniform identifier assigned by the department under this chapter [To assist the panel in determining whether to approve a request for information, the council shall adopt rules similar to the federal Health Care Financing Administration's guidelines on releasing data].

~~[(c) A request for information other than public use data must be made on the form created by the council.]~~

SECTION _____. Subsections (b), (c), and (d), Section 108.014, Health and Safety Code, are amended to read as follows:

(b) A person who fails to supply available data under this chapter [Sections 108.009 and 108.010] is liable for a civil penalty of not less than \$500 [\$1,000 or more than \$10,000] for each act of violation.

(c) The attorney general, at the request of the department [council], shall enforce this chapter. The venue of an action brought under this section is in Travis County.

(d) A civil penalty recovered in a suit instituted by the attorney general under this chapter shall be deposited in the general revenue fund and may be appropriated to [the credit of] the department [health care information account].

(3) Renumber subsequent SECTIONS of the bill accordingly.

Floor Amendment No. 3 on Third Reading

Amend **SB 1731** on third reading by adding the following Section 15 and renumbering subsequent Sections accordingly:

SECTION 15. REPORTING REQUIREMENTS OF HIGHER EDUCATION (a) Not later than January 15 of each year, the governing board of an institution of higher education shall report to the legislature the amount of the following sources of income for funding the institution's student health center:

(1) money received from student fees and charges;

(2) money received from the operation of the student health center's pharmacy;

(3) money received as a result of a claim filed by or on behalf of the institutions student health center under a health benefit plan sponsored by or administered on behalf of the institution; and

(4) money received as a result of a claim filed by or on behalf of the institution's student health center under a health benefit plan other a plan sponsored or administered on behalf of the institution.

The amendments were read.

Senator Duncan moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1731** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Duncan, Chair; Van de Putte, Eltife, Lucio, and Janek.

SENATE BILL 1908 WITH HOUSE AMENDMENTS

Senator Ellis called **SB 1908** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1908** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to affordable housing.

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

SECTION 1. Chapter 2306, Government Code, is amended by adding Subchapter MM to read as follows:

SUBCHAPTER MM. TEXAS FIRST-TIME HOMEBUYER PROGRAM

Sec. 2306.1071. DEFINITIONS. In this subchapter:

(1) "First-time homebuyer" means a person who has not owned a home during the three years preceding the date on which an application under this subchapter is filed.

(2) "Home" means a dwelling in this state in which a first-time homebuyer intends to reside as the homebuyer's principal residence.

(3) "Mortgage lender" has the meaning assigned by Section 2306.004.

(4) "Program" means the Texas First-Time Homebuyer Program.

Sec. 2306.1072. TEXAS FIRST-TIME HOMEBUYER PROGRAM. (a) The Texas First-Time Homebuyer Program shall facilitate the origination of single-family mortgage loans for eligible first-time homebuyers.

(b) The program may include down payment and closing cost assistance.

Sec. 2306.1073. ADMINISTRATION OF PROGRAM; RULES. (a) The department shall administer the program.

(b) The board shall adopt rules governing:

(1) the administration of the program;

(2) the making of loans under the program;

(3) the criteria for approving participating mortgage lenders;

(4) the use of insurance on the loans and the homes financed under the program, as considered appropriate by the board to provide additional security for the loans;

(5) the verification of occupancy of the home by the homebuyer as the homebuyer's principal residence; and

(6) the terms of any contract made with any mortgage lender for processing, originating, servicing, or administering the loans.

Sec. 2306.1074. ELIGIBILITY. (a) To be eligible for a mortgage loan under this subchapter, a homebuyer must:

(1) qualify as a first-time homebuyer under this subchapter;

(2) have an income of not more than 115 percent of area median family income or 140 percent of area median family income in targeted areas; and

(3) meet any additional requirements or limitations prescribed by the department.

(b) To be eligible for a loan under this subchapter to assist a homebuyer with down payment and closing costs, a homebuyer must:

(1) qualify as a first-time homebuyer under this subchapter;

(2) have an income of not more than 80 percent of area median family income; and

(3) meet any additional requirements or limitations prescribed by the department.

(c) The department may contract with other agencies of the state or with private entities to determine whether applicants qualify as first-time homebuyers under this section or otherwise to administer all or part of this section.

Sec. 2306.1075. FEES. The board of directors of the department may set and collect from each applicant any fees the board considers reasonable and necessary to cover the expenses of administering the program.

Sec. 2306.1076. FUNDING. (a) The department shall ensure that a loan under this section is structured in a way that complies with any requirements associated with the source of the funds used for the loan.

(b) In addition to funds set aside for the program under Section 1372.023, the department may solicit and accept gifts and grants for the purposes of this section.

SECTION 2. Section 2306.111(c), Government Code, as amended by Chapters 1367 and 1448, Acts of the 77th Legislature, Regular Session, 2001, is reenacted and amended to read as follows:

(c) In administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.), the department shall expend:

(1) ~~[at least]~~ 95 percent of these funds for the benefit of non-participating small cities and rural areas that do not qualify to receive funds under the Cranston-Gonzalez National Affordable Housing Act directly from the United States Department of Housing and Urban Development; and

(2) five percent of these ~~[. All funds [not set aside under this subsection shall be used]~~ for the benefit of persons with disabilities who live in any area of this state ~~[areas other than non-participating areas]~~.

SECTION 3. Section 2306.111, Government Code, is amended by amending Subsections (d), (d-1), (e), (f), and (g) and adding Subsections (d-2) and (d-3) to read as follows:

(d) The department shall allocate housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.), housing trust funds administered by the department under Sections 2306.201-2306.206, and commitments issued under the federal low income housing tax credit program administered by the department under Subchapter DD to all urban ~~[urban/exurban]~~ areas and rural areas of each uniform state service region based on a formula developed by the department under Section 2306.1115 ~~[that is based on the need for housing assistance and the availability of housing resources in these urban/exurban areas and rural areas, provided that the allocations are consistent with applicable federal and state requirements and limitations. The department shall use the information contained in its annual state low income housing plan and shall use other appropriate data to develop the formula]~~. If the department determines under the formula that an insufficient number of eligible applications for assistance out of funds or credits allocable under this subsection are submitted to the department from a particular uniform state service region, the department shall use the unused funds or credits allocated to that region for all urban ~~[urban/exurban]~~ areas and rural areas in other uniform state service regions based on identified need and financial feasibility.

(d-1) In allocating low income housing tax credit commitments under Subchapter DD, the department shall, before applying the regional allocation formula prescribed by Section 2306.1115, set aside for at-risk developments, as defined by Section 2306.6702, not less than the minimum amount of housing tax credits required under Section 2306.6714. Other funds ~~[Funds]~~ or credits are not required to be allocated according to the regional allocation formula under Subsection (d) if:

(1) the funds or credits are reserved for contract-for-deed conversions or for set-asides mandated by state or federal law~~[s]~~ and

~~[(2)]~~ each contract-for-deed allocation or set-aside allocation equals not more than 10 percent of the total allocation of funds or credits for the applicable program;

(2) the funds or credits are allocated by the department primarily to serve persons with disabilities; or

(3) the funds are housing trust funds administered by the department under Sections 2306.201-2306.206 that are not otherwise required to be set aside under state or federal law and do not exceed \$3 million during each application cycle.

(d-2) In allocating low income housing tax credit commitments under Subchapter DD, the department shall allocate five percent of the housing tax credits in each application cycle to developments that receive federal financial assistance

through the Texas Rural Development Office of the United States Department of Agriculture. Any funds allocated to developments under this subsection that involve rehabilitation must come from the funds set aside for at-risk developments under Section 2306.6714 and any additional funds set aside for those developments under Subsection (d-1). This subsection does not apply to a development financed wholly or partly under Section 538 of the Housing Act of 1949 (42 U.S.C. Section 1490p-2).

(d-3) In allocating low income tax credit commitments under Subchapter DD, the department shall allocate to developments in rural areas 20 percent or more of the housing tax credits in the application cycle, with \$500,000 or more in housing tax credits being reserved for each uniform state service region under this subsection. Any amount of housing tax credits set aside for developments in a rural area in a specific uniform state service region under this subsection that remains after the initial allocation of housing tax credits is available for allocation to developments in any other rural area first, and then is available to developments in urban areas of any uniform state service region.

(e) The department shall include in its annual low income housing plan under Section 2306.0721:

(1) the formula developed by the department under Section 2306.1115 [~~Subsection (d)~~]; and

(2) the allocation targets established under the formula for the urban [~~urban/exurban~~] areas and rural areas of each uniform state service region.

(f) The department shall include in its annual low income housing report under Section 2306.072 the amounts of funds and credits allocated to the urban [~~urban/exurban~~] areas and rural areas of each uniform state service region in the preceding year for each federal and state program affected by the requirements of Subsection (d).

(g) For all urban [~~urban/exurban~~] areas and rural areas of each uniform state service region, the department shall establish funding priorities to ensure that:

(1) funds are awarded to project applicants who are best able to meet recognized needs for affordable housing, as determined by department rule;

(2) when practicable and when authorized under Section 42, Internal Revenue Code of 1986 (26 U.S.C. Section 42), the least restrictive funding sources are used to serve the lowest income residents; and

(3) funds are awarded based on a project applicant's ability, when consistent with Section 42, Internal Revenue Code of 1986 (26 U.S.C. Section 42), practicable, and economically feasible, to:

(A) provide the greatest number of quality residential units;

(B) serve persons with the lowest percent area median family income;

(C) extend the duration of the project to serve a continuing public need;

(D) use other local funding sources to minimize the amount of state subsidy needed to complete the project; and

(E) provide integrated, affordable housing for individuals and families with different levels of income.

SECTION 4. Subchapter F, Chapter 2306, Government Code, is amended by adding Section 2306.1115 to read as follows:

Sec. 2306.1115. REGIONAL ALLOCATION FORMULA. (a) To allocate housing funds under Section 2306.111(d), the department shall develop a formula that:

(1) includes as a factor the need for housing assistance and the availability of housing resources in an urban area or rural area;

(2) provides for allocations that are consistent with applicable federal and state requirements and limitations; and

(3) includes other factors determined by the department to be relevant to the equitable distribution of housing funds under Section 2306.111(d).

(b) The department shall use information contained in its annual state low income housing plan and other appropriate data to develop the formula under this section.

SECTION 5. Section 2306.127, Government Code, is amended to read as follows:

Sec. 2306.127. PRIORITY FOR CERTAIN COMMUNITIES. In a manner consistent with the regional allocation formula described under Section 2306.1115 [~~2306.111(d)~~], the department shall give priority through its housing program scoring criteria to communities that, at the time complete applications are submitted under a housing program in relation to those communities, are located wholly or partly in:

(1) a federally designated urban enterprise community;

(2) an urban enhanced enterprise community; or

(3) an economically distressed area or colonia.

SECTION 6. Section 2306.6703, Government Code, is amended to read as follows:

Sec. 2306.6703. INELIGIBILITY FOR CONSIDERATION. (a) An application is ineligible for consideration under the low income housing tax credit program if:

(1) at the time of application or at any time during the two-year period preceding the date the application round begins, the applicant or a related party is or has been:

(A) a member of the board; or

(B) the director, a deputy director, the director of housing programs, the director of compliance, the director of underwriting, or the low income housing tax credit program manager employed by the department;

(2) the applicant proposes to replace in less than 15 years any private activity bond financing of the development described by the application, unless:

(A) the applicant proposes to maintain for a period of 30 years or more 100 percent of the development units supported by housing tax credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50 percent of the area median income, adjusted for family size; and

(B) at least one-third of all the units in the development are public housing units or Section 8 project-based units;

(3) unless the applicant obtains approval of the development from the governing body of the appropriate municipality or county containing the development, the applicant proposes to develop [construct] a new construction development that is located one linear mile or less from a development that:

(A) serves the same type of household as the new development[~~; regardless of whether the developments serve families, elderly individuals, or another type of household~~];

(B) has received an allocation of housing tax credits for new construction at any time during the three-year period preceding the date the application round begins; and

(C) has not been withdrawn or terminated from the low income housing tax credit program; or

(4) the development is located in a municipality or, if located outside a municipality, a county that has more than twice the state average of units per capita supported by housing tax credits or private activity bonds, unless the applicant:

(A) obtains [~~has obtained prior~~] approval of the development from the governing body of the appropriate municipality or county containing the development; and

(B) has included in the application a written statement of support from that governing body referencing this section and authorizing an allocation of housing tax credits for the development.

(b) Subsections (a)(2), (3), and (4) do [~~Subsection (a)(3) does~~] not apply to a development:

(1) that is using:

(A) federal HOPE VI funds or other similar funds received through the United States Department of Housing and Urban Development to assist in the preservation, through same-site reconstruction or rehabilitation, of distressed federally assisted housing;

(B) locally approved funds received from a public improvement district or a tax increment financing district;

(C) funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.); or

(D) funds provided to the state and participating jurisdictions under the Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.); or

(2) that is located in a county with a population of less than one million[;

~~(3) that is located outside of a metropolitan statistical area; or~~

~~(4) that a local government where the project is to be located has by vote specifically allowed the construction of a new development located within one linear mile or less from a development under Subsection (a)].~~

SECTION 7. Section 2306.6711(f), Government Code, is amended to read as follows:

(f) The board may allocate housing tax credits to developments [more than one development] in a single community that are or will be located one linear mile or less from each other, as defined by department rule, in the same calendar year [~~only~~] if:

(1) the community is located in a county with a population of one million or less;

(2) one or more of the allocations involves the rehabilitation of existing developments and not more than one of the allocations involves new construction; or

(3) the developments each serve a different type of household from the other [the developments are or will be located more than one linear mile apart]. [This subsection applies only to communities contained within counties with populations exceeding one million.]

SECTION 8. Section 2306.6710, Government Code, is amended by amending Subsection (b) and adding Subsection (h) to read as follows:

(b) If an application satisfies the threshold criteria, the department shall score and rank the application using a point system that:

(1) prioritizes in descending order criteria regarding:

(A) financial feasibility of the development based on the supporting financial data required in the application that will include a project underwriting pro forma from the permanent or construction lender;

(B) quantifiable community participation with respect to the development, evaluated on the basis of written statements from any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site;

(C) the income levels of tenants of the development;

(D) the size and quality of the units;

(E) the commitment of development funding by local political subdivisions;

(F) the level of community support for the application, evaluated on the basis of written statements from the state representative or the state senator that represents the district containing the proposed development site [elected officials];

~~(G)~~ the rent levels of the units;

(G) ~~(H)~~ the cost of the development by square foot; and

(H) ~~(I)~~ the services to be provided to tenants of the development; and

(2) uses criteria imposing penalties on applicants or affiliates who have requested extensions of department deadlines relating to developments supported by housing tax credit allocations made in the application round preceding the current round or a developer or principal of the applicant that has been removed by the lender, equity provider, or limited partners for its failure to perform its obligations under the loan documents or limited partnership agreement.

(h) The department shall presume that the applicant has made a good faith effort to obtain community participation and shall award the applicant the total number of points that may be awarded under Subsection (b)(1)(B) if the application includes a statement that a neighborhood organization described by Subsection (b)(1)(B) does not exist that is submitted by:

(1) the presiding officer or authorized representative of the governing body of the municipality in which the development is to be located; or

(2) the clerk of the county in which the development is to be located if the development is to be located outside a municipality.

SECTION 9. Section 2306.004, Government Code, is amended by amending Subdivisions (4), (7), and (14) and adding Subdivisions (4-a), (12-a), (23-a), (23-b), (26-a), (28-a), (28-b), (35), and (36) to read as follows:

(4) "Department" means the Texas Department of Housing and Community Affairs or any successor agency.

(4-a) "Development funding" means:

(A) a loan or grant; or

(B) an in-kind contribution, including a donation of real property, a fee waiver for a building permit or for water or sewer service, or a similar contribution that:

(i) provides an economic benefit; and

(ii) results in a quantifiable cost reduction for the applicable development.

(7) "Elderly individual" means an individual 62 [~~60~~] years of age or older or of an age specified by the applicable federal program.

(12-a) "Grant" means financial assistance that is awarded in the form of money to a housing sponsor for a specific purpose and that is not required to be repaid. For purposes of this chapter, a grant includes a forgivable loan.

(14) "Housing sponsor" means[:

[~~(A)~~] an individual, [~~including an individual or family of low and very low income or family of moderate income,~~] joint venture, partnership, limited partnership, trust, firm, corporation, limited liability company, other form of business organization, or cooperative that is approved by the department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a housing development, subject to the regulatory powers of the department and other terms and conditions in this chapter[; or

[~~(B) in an economically depressed or blighted area, or in a federally assisted new community located within a home rule municipality, the term may include an individual or family whose income exceeds the moderate income level if at least 90 percent of the total mortgage amount available under a mortgage revenue bond issue is designated for individuals and families of low income or families of moderate income].~~

(23-a) "Neighborhood organization" means an organization that is composed of persons living near one another within the organization's defined boundaries for the neighborhood and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. A neighborhood organization includes a homeowners' association or a property owners' association.

(23-b) "New construction" means any construction to a development or a portion of a development that does not meet the definition of rehabilitation under this section.

(26-a) "Rehabilitation" means the improvement or modification of an existing residential development through an alteration, addition, or enhancement. The term includes the demolition of an existing residential development and the reconstruction of any development units, but does not include the improvement or modification of an existing residential development for the purpose of an adaptive reuse of the development.

(28-a) "Rural area" means an area that is located:

(A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;

(B) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area; or

(C) in an area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an area that is located in a municipality with a population of more than 50,000.

(28-b) "Rural development" means a development or proposed development that is located in a rural area, other than rural new construction developments with more than 80 units.

(35) "Uniform application and funding cycle" means an application and funding cycle established under Section 2306.1111.

(36) "Urban area" means the area that is located within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area other than an area described by Subdivision (28-a)(B) or eligible for funding as described by Subdivision (28-a)(C).

SECTION 10. Sections 2306.032(b) through (e), Government Code, are amended to read as follows:

(b) The board shall keep ~~[complete]~~ minutes and complete transcripts of board meetings. The department shall post the transcripts on its website and shall otherwise maintain all accounts, minutes, and other records related to the meetings ~~[shall be maintained by the department].~~

(c) All materials provided to the board ~~[in the possession of the department]~~ that are relevant to a matter proposed for discussion at a board meeting must be posted on the department's website not later than the third day before the date of the meeting ~~[- made available in hard copy format at the department, filed with the secretary of state for publication by reference in the Texas Register, and disseminated by any other means required by this chapter or by Chapter 551].~~

(d) Any materials made available to the board by the department at a board meeting ~~[The materials described by Subsection (c)]~~ must be made available in hard copy format to the members of the public in attendance at ~~[as required by Subsection (c) not later than the seventh day before the date of]~~ the meeting. ~~[The board may not consider at the meeting any material that is not made available to the public by the date required by this subsection.]~~

(e) The board shall conduct its meetings in accordance with Chapter 551, except as otherwise required by this chapter ~~[The agenda for a board meeting must state each project the staff is recommending for assistance by the department].~~

SECTION 11. Section 2306.039, Government Code, is amended to read as follows:

Sec. 2306.039. OPEN MEETINGS AND OPEN RECORDS. (a) Except as provided by Subsections ~~[Subsection]~~ (b) and (c), the department and the Texas State Affordable Housing Corporation are subject to Chapters 551 and 552.

(b) Chapters 551 and 552 do ~~[This section does]~~ not apply to the personal or business financial information, including social security numbers, taxpayer identification numbers, or bank account numbers, submitted by a housing sponsor or an individual or family to receive ~~[for]~~ a loan, grant, or other housing assistance under a program administered by the department or the Texas State Affordable Housing

Corporation or from bonds issued by the department, except that the department and the corporation are permitted to disclose information about any applicant in a form that does not reveal the identity of the sponsor, individual, or family for purposes of determining eligibility for programs and in preparing reports required under this chapter.

(c) The department's internal auditor, fraud prevention coordinator, or ethics advisor may meet in an executive session of the board to discuss issues related to fraud, waste, or abuse.

SECTION 12. Subchapter B, Chapter 2306, Government Code, is amended by adding Sections 2306.040 through 2306.0503 to read as follows:

Sec. 2306.040. DEPARTMENT PARTICIPATION IN LEGISLATIVE HEARING. On request, the department shall participate in any public hearing conducted by a legislator to discuss a rule to be adopted by the department.

Sec. 2306.041. IMPOSITION OF PENALTY. The board may impose an administrative penalty on a person who violates this chapter or a rule or order adopted under this chapter.

Sec. 2306.042. AMOUNT OF PENALTY. (a) The amount of an administrative penalty may not exceed \$1,000 for each violation. Each day a violation continues or occurs is a separate violation for purposes of imposing a penalty.

(b) The amount of the penalty shall be based on:

(1) the seriousness of the violation, including:

(A) the nature, circumstance, extent, and gravity of any prohibited act;

and

(B) the hazard or potential hazard created to the health, safety, or economic welfare of the public;

(2) the history of previous violations;

(3) the amount necessary to deter a future violation;

(4) efforts made to correct the violation; and

(5) any other matter that justice may require.

(c) The board by rule or through procedures adopted by the board and published in the Texas Register shall develop a standardized penalty schedule based on the criteria listed in Subsection (b).

Sec. 2306.043. REPORT AND NOTICE OF VIOLATION AND PENALTY.

(a) If the director determines that a violation occurred, the director shall issue to the board a report stating:

(1) the facts on which the determination is based; and

(2) the director's recommendation on the imposition of the penalty, including a recommendation on the amount of the penalty.

(b) Not later than the 14th day after the date the report is issued, the director shall give written notice of the report to the person.

(c) The notice must:

(1) include a brief summary of the alleged violation;

(2) state the amount of the recommended penalty; and

(3) inform the person of the person's right to a hearing before the board on the occurrence of the violation, the amount of the penalty, or both.

Sec. 2306.044. PENALTY TO BE PAID OR HEARING REQUESTED. (a) Not later than the 20th day after the date the person receives the notice, the person in writing may:

- (1) accept the determination and recommended penalty of the director; or
- (2) make a request for a hearing before the board on the occurrence of the violation, the amount of the penalty, or both.

(b) If the person accepts the determination and recommended penalty of the director, the board by order shall approve the determination and impose the recommended penalty.

Sec. 2306.045. HEARING. (a) If the person requests a hearing before the board or fails to respond in a timely manner to the notice, the director shall set a hearing and give written notice of the hearing to the person.

(b) The board shall hold the hearing and make findings of fact and conclusions of law about the occurrence of the violation and the amount of a proposed penalty.

Sec. 2306.046. DECISION BY BOARD. (a) Based on the findings of fact and conclusions of law, the board by order may:

- (1) find that a violation occurred and impose a penalty; or
- (2) find that a violation did not occur.

(b) The notice of the board's order given to the person must include a statement of the right of the person to judicial review of the order.

Sec. 2306.047. OPTIONS FOLLOWING DECISION: PAY OR APPEAL. Not later than the 30th day after the date the board's order becomes final, the person shall:

- (1) pay the penalty; or
- (2) file a petition for judicial review contesting the occurrence of the violation, the amount of the penalty, or both.

Sec. 2306.048. STAY OF ENFORCEMENT OF PENALTY. (a) Within the 30-day period prescribed by Section 2306.047, a person who files a petition for judicial review may:

- (1) stay enforcement of the penalty by:

(A) paying the penalty to the court for placement in an escrow account;

or

(B) giving the court a supersedeas bond approved by the court that:

(i) is for the amount of the penalty; and

(ii) is effective until all judicial review of the board's order is final;

or

- (2) request the court to stay enforcement of the penalty by:

(A) filing with the court a sworn affidavit of the person stating that the person is financially unable to pay the penalty and is financially unable to give the supersedeas bond; and

(B) sending a copy of the affidavit to the director by certified mail.

(b) If the director receives a copy of an affidavit under Subsection (a)(2), the director may file with the court, not later than the fifth day after the date the copy is received, a contest to the affidavit.

(c) The court shall hold a hearing on the facts alleged in the affidavit as soon as practicable and shall stay the enforcement of the penalty on finding that the alleged facts are true. The person who files an affidavit has the burden of proving that the person is financially unable to pay the penalty and to give a supersedeas bond.

Sec. 2306.049. DECISION BY COURT. (a) Judicial review of a board order imposing an administrative penalty is by trial de novo.

(b) If the court sustains the finding that a violation occurred, the court may uphold or reduce the amount of the penalty and order the person to pay the full or reduced amount of the penalty.

(c) If the court does not sustain the finding that a violation occurred, the court shall order that a penalty is not owed and may award the person reasonable attorney's fees.

Sec. 2306.050. REMITTANCE OF PENALTY AND INTEREST. (a) If the person paid the penalty and if the amount of the penalty is reduced or the penalty is not upheld by the court, the court shall order, when the court's judgment becomes final, that the appropriate amount plus accrued interest be remitted to the person.

(b) The interest accrues at the rate charged on loans to depository institutions by the New York Federal Reserve Bank.

(c) The interest shall be paid for the period beginning on the date the penalty is paid and ending on the date the penalty is remitted.

Sec. 2306.0501. RELEASE OF BOND. (a) If the person gave a supersedeas bond and the penalty is not upheld by the court, the court shall order, when the court's judgment becomes final, the release of the bond.

(b) If the person gave a supersedeas bond and the amount of the penalty is reduced, the court shall order the release of the bond after the person pays the reduced amount.

Sec. 2306.0502. COLLECTION OF PENALTY. (a) If the person does not pay the penalty and the enforcement of the penalty is not stayed, the penalty may be collected.

(b) The attorney general may sue to collect the penalty.

Sec. 2306.0503. ADMINISTRATIVE PROCEDURE. A proceeding to impose the penalty is considered to be a contested case under Chapter 2001.

SECTION 13. Section 2306.054, Government Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The governor or director may appoint special advisory councils to:

- (1) assist the department in reviewing [adopting] basic policy; or
- (2) offer advice on technical aspects of certain programs.

(c) A special advisory council is subject to Chapter 2110, including Section 2110.008(a) but not including Section 2110.008(b).

SECTION 14. Section 2306.057(a), Government Code, is amended to read as follows:

(a) Before the board approves any project application submitted under this chapter, the department, through the division with responsibility for compliance matters, shall:

(1) assess:

(A) the compliance history in this state of the applicant and any affiliate of the applicant with respect to all applicable requirements; and

(B) the compliance issues associated with the proposed project; and

(2) provide to the board a written report regarding the results of the assessments described by Subdivision (1).

SECTION 15. Section 2306.069(a), Government Code, is amended to read as follows:

(a) With the approval of the attorney general, the department may hire appropriate ~~The department shall obtain and evaluate information regarding the affirmative action policies and practices of proposed outside legal counsel. The department must include the evaluation in a request to the attorney general for~~ outside legal counsel.

SECTION 16. Section 2306.070, Government Code, is amended to read as follows:

Sec. 2306.070. BUDGET. (a) In preparing the department's legislative appropriations request, the department shall also prepare:

(1) a report detailing the fees received, on a cash basis, for each activity administered by the department during each of the three preceding years;

(2) an operating budget for the housing finance division; and

(3) an explanation of any projected increase or decrease of three percent or more in fees estimated for the operating budget as compared to the fees received in the most recent budget year.

(b) The department shall submit the report, operating budget, and explanation to the Legislative Budget Board, the Senate Finance Committee, and the House Appropriations Committee.

SECTION 17. Sections 2306.072(a) and (b), Government Code, are amended to read as follows:

(a) Not later than March ~~December~~ 18 of each year, the director shall prepare and submit to the board an annual report of the department's housing activities for the preceding year.

(b) Not later than the 30th day after the date the board receives and approves the report, the board shall submit the report to the governor, lieutenant governor, speaker of the house of representatives, and members of any legislative oversight committee.

SECTION 18. Sections 2306.0721(a) and (b), Government Code, are amended to read as follows:

(a) Not later than March ~~December~~ 18 of each year, the director shall prepare and submit to the board an integrated state low income housing plan for the next year.

(b) Not later than the 30th day after the date the board receives and approves the plan, the board shall submit the plan to the governor, lieutenant governor, and the speaker of the house of representatives.

SECTION 19. Section 2306.0723, Government Code, is amended to read as follows:

Sec. 2306.0723. REPORT CONSIDERED AS RULE ~~[PUBLIC PARTICIPATION REQUIREMENTS]~~. ~~[(a)]~~ The department shall consider the annual low income housing report to be a rule and in developing the report shall

~~follow rulemaking procedures required by Chapter 2001 [hold public hearings on the annual state low income housing plan and report before the director submits the report and the plan to the board. The department shall provide notice of the public hearings as required by Section 2306.0661. The published notice must include a summary of the report and plan. The department shall accept comments on the report and plan at the public hearings and for at least 30 days after the date of the publication of the notice of the hearings].~~

~~[(b) In addition to any other necessary topics relating to the report and the plan, each public hearing required by Subsection (a) must address:~~

~~[(1) infrastructure needs;~~

~~[(2) home ownership programs;~~

~~[(3) rental housing programs;~~

~~[(4) housing repair programs; and~~

~~[(5) the concerns of individuals with special needs, as defined by Section 2306.511.~~

~~[(e) The board shall hold a public hearing on the state low income housing report and plan before the board submits the report and the plan to the governor, lieutenant governor, speaker of the house of representatives, and members of the legislature.~~

~~[(d) The board shall include with the report and the plan the board submits to the governor, lieutenant governor, speaker of the house of representatives, members of the legislature, and members of the advisory board formed by the department to advise on the consolidated plan a written summary of public comments on the report and the plan.]~~

SECTION 20. Section 2306.082, Government Code, is amended by amending Subsections (b) and (c) and adding Subsections (d), (e), and (f) to read as follows:

(b) The department's procedures relating to alternative dispute resolution must designate [conform, to the extent possible, to any model guidelines issued by] the State Office of Administrative Hearings as the primary mediator and, to the extent practicable, conform to any guidelines or rules issued by that office [for the use of alternative dispute resolution by state agencies].

(c) The department shall designate a [trained] person employed by or appointed to the office of the director but who is not in the legal division to coordinate and process requests for the alternative dispute resolution procedures. The person must receive training from an independent source in alternative dispute resolution not later than the 180th day after the date the person was designated to coordinate and process requests for the alternative dispute resolution procedures [:

~~[(1) coordinate the implementation of the policy adopted under Subsection (a);~~

~~[(2) serve as a resource for any training needed to implement the procedures for negotiated rulemaking or alternative dispute resolution; and~~

~~[(3) collect data concerning the effectiveness of those procedures, as implemented by the department].~~

(d) The department shall notify a person requesting the alternative dispute resolution procedures that:

(1) an alternative dispute resolution decision is not binding on the state; and

(2) the department will mediate in good faith.

(e) The alternative dispute resolution procedures may be requested before the board makes a final decision.

(f) Notwithstanding any other provision of this section, the alternative dispute resolution procedures may not be used to unnecessarily delay a proceeding under this chapter.

SECTION 21. Section 2306.092, Government Code, is amended to read as follows:

Sec. 2306.092. DUTIES REGARDING CERTAIN PROGRAMS CREATED UNDER FEDERAL LAW. The department shall administer, as appropriate under policies established by the board:

(1) state responsibilities for programs created under the federal Economic Opportunity Act of 1964 (42 U.S.C. Section 2701 et seq.);

(2) programs assigned to the department under the Omnibus Budget Reconciliation Act of 1981 (Pub.L. No. 97-35); and

(3) other federal acts creating economic opportunity programs assigned to the department.

SECTION 22. Section 2306.1111, Government Code, is amended to read as follows:

Sec. 2306.1111. UNIFORM APPLICATION AND FUNDING CYCLES [~~CYCLE~~]. (a) Notwithstanding any other state law and to the extent consistent with federal law, the department shall establish [~~a~~] uniform application and funding cycles [~~cycle~~] for all competitive single-family and multifamily housing programs administered by the department under this chapter, other than programs involving the issuance of private activity bonds.

(b) Wherever possible, the department shall use uniform threshold requirements for single-family and multifamily housing program applications, including uniform threshold requirements relating to market studies and environmental reports.

SECTION 23. Sections 2306.1112(b), (c), and (d), Government Code, are amended to read as follows:

(b) The advisory committee must include representatives from [~~is composed of the director, the administrator of each of the department's programs, and one representative from each of~~] the department's [~~planning,~~] underwriting[~~s~~] and compliance functions and from the divisions responsible for administering federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.) and for administering low income housing tax credits.

(c) [~~The advisory committee shall develop the funding priorities required by Section 2306.111(g) and shall make funding and allocation recommendations to the board based on the ability of applicants to meet those priorities.~~

[(~~d~~)] The advisory committee is not subject to Chapter 2110.

SECTION 24. Section 2306.1113, Government Code, is amended by amending Subsections (a), (a-1), and (b) and adding Subsection (c) to read as follows:

(a) During the period beginning on the date ~~[a]~~ project applications are ~~[application is]~~ filed in an application cycle and ending on the date the board makes a final decision with respect to the ~~[any]~~ approval of any ~~[that]~~ application in that cycle, a member of the board may not communicate with the following persons:

- (1) an ~~[the]~~ applicant or a related party, as defined by state law, including board rules, and federal law; and
- (2) any person who is:
 - (A) active in the construction, rehabilitation, ownership, or control of a ~~[the]~~ proposed project, including:
 - (i) a general partner or contractor; and
 - (ii) a principal or affiliate of a general partner or contractor; or
 - (B) employed as a consultant, lobbyist, or attorney by an ~~[the]~~ applicant or a related party.

(a-1) Subject to Subsection (a-2), during the period beginning on the date ~~[a]~~ project applications are ~~[application is]~~ filed in an application cycle and ending on the date the board makes a final decision with respect to the ~~[any]~~ approval of any ~~[that]~~ application in that cycle, an employee of the department may communicate about an ~~[the]~~ application with the following persons:

- (1) the applicant or a related party, as defined by state law, including board rules, and federal law; and
- (2) any person who is:
 - (A) active in the construction, rehabilitation, ownership, or control of the proposed project, including:
 - (i) a general partner or contractor; and
 - (ii) a principal or affiliate of a general partner or contractor; or
 - (B) employed as a consultant, lobbyist, or attorney by the applicant or a related party.

(b) Notwithstanding Subsection (a) or (a-1), a board member or department employee may communicate without restriction with a person listed in Subsection (a) or (a-1) during ~~[at]~~ any board meeting or public hearing held with respect to the application, but not during a recess or other nonrecord portion of the meeting or hearing.

(c) Subsection (a) does not prohibit the board from participating in social events at which a person with whom communications are prohibited may or will be present, provided that all matters related to applications to be considered by the board will not be discussed.

SECTION 25. Section 2306.185(b), Government Code, is amended to read as follows:

(b) In implementing Subsection (a)(1) and in developing underwriting standards and application scoring criteria for the award of loans, grants, or tax credits to multifamily developments, the department shall ensure that the economic benefits of longer affordability terms, for specific terms of years as established by the board, and below market rate rents are accurately assessed and considered.

SECTION 26. Section 2306.229, Government Code, is amended by adding Subsection (c) to read as follows:

(c) For each loan made for the development of multifamily housing with funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.), the department shall obtain a mortgagee's title policy in the amount of the loan. The department may not designate a specific title insurance company to provide the mortgagee title policy or require the borrower to provide the policy from a specific title insurance company. The borrower shall select the title insurance company to close the loan and to provide the mortgagee title policy.

SECTION 27. Section 2306.359(a), Government Code, is amended to read as follows:

(a) In evaluating an application for an issuance of private activity bonds, the department shall score and rank the application using a point system based on criteria that are adopted by the department, including criteria[~~;~~

~~[(+)]~~ regarding:

~~(1) [(A)]~~ the income levels of tenants of the development, consistent with the funding priorities provided by Section 1372.0321;

~~(2) [(B)]~~ the rent levels of the units;

~~(3) [(C)]~~ the level of community support for the application;

~~(4) [(D)]~~ the period of guaranteed affordability for low income tenants;

~~(5) [(E)]~~ the cost per unit of the development;

~~(6) [(F)]~~ the size, quality, and amenities of the units;

~~(7) [(G)]~~ the services to be provided to tenants of the development; and

~~(8) [(H)] the commitment of development funding by local political subdivisions that enables additional units for individuals and families of very low income; and~~

~~[(I)]~~ other criteria as developed by the board[~~;~~ and

~~[(2)] imposing penalties on applicants who have requested extensions of department deadlines relating to developments supported by an issuance of private activity bonds made in the application round preceding the current round].~~

SECTION 28. Section 2306.514(a), Government Code, is amended to read as follows:

(a) if a person is awarded state or federal funds by the department to construct single family affordable housing for individuals and families of low and very low income, the affordable housing identified on the person's funding application must be constructed so that:

(1) at least one entrance door, whether located at the front, side, or back of the building:

(A) is on an accessible route served by a ramp or no-step entrance; and

(B) has at least a standard 36-inch door;

(2) on the first floor of the building:

(A) each interior door is at least a standard 32-inch door, unless the door provides access only to a closet of less than 15 square feet in area;

(B) each hallway has a width of at least 36 inches and is level, with ramped or beveled changes at each door threshold;

(C) each bathroom wall is reinforced for potential installation of grab bars;

(D) each electrical panel [~~or breaker box~~], light switch, or thermostat is not higher than 48 inches above the floor; and

(E) each electrical plug or other receptacle is at least 15 inches above the floor; and

(3) if the applicable building code or codes do not prescribe another location for the breaker boxes, each breaker box is located not higher than 48 inches above the floor inside the building on the first floor.

SECTION 29. Subchapter DD, Chapter 2306, Government Code, is amended by adding Section 2306.6735 to read as follows:

Sec. 2306.6735. REQUIRED LEASE AGREEMENT PROVISIONS. A lease agreement with a tenant in a development supported with a housing tax credit allocation must:

(1) include any applicable federal or state standards identified by department rule that relate to the termination or nonrenewal of the lease agreement; and

(2) be consistent with state and federal law.

SECTION 30. Subchapter DD, Chapter 2306, Government Code, is amended by adding Section 2306.67171 to read as follows:

Sec. 2306.67171. ELECTRONIC MAIL NOTIFICATION SERVICE. (a) The department shall maintain an electronic mail notification service to which any person in this state may electronically subscribe to receive information concerning the status of pre-applications and applications under this subchapter.

(b) The electronic mail notification service maintained under Subsection (a) must:

(1) allow a subscriber to request for a zip code notification of:

(A) the filing of any pre-application or application concerning a development that is or will be located in the zip code;

(B) the posting of the board materials for board approval of a list of approved applications or the issuance of final allocation commitments for applications described by paragraph (A); and

(C) any public hearing to be held concerning an application or pre-application described by Paragraph (A); and

(2) respond to a subscriber via electronic mail not later than the later of:

(A) the 14th day after the date the department receives notice of an event described by Subdivision (1) or;

(B) if applicable, the date or dates specified by Section 2306.6717(a).

(c) The department may include in an electronic mail notification sent to a subscriber any applicable information described by Section 2306.6717.

SECTION 31. (a) The Texas Department of Housing and Community Affairs shall adopt the rules required by Section 2306.1073, Government Code, as added by this Act, not later than December 1, 2007.

(b) The changes in law made by this Act apply only to an application for assistance from the Texas First-Time Homebuyer Program that is filed on or after January 1, 2008.

SECTION 32. The changes in law made by this Act relating to the evaluation of applications for financial assistance administered by the Texas Department of Housing and Community Affairs apply only to an application submitted on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law in effect when the application was submitted, and the former law is continued in effect for that purpose.

SECTION 33. The change in law made by this Act applies only to an application for a low income housing tax credit filed on or after the effective date of this Act. An application filed before the effective date of this Act is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

SECTION 34. The following provisions of the Government Code are repealed:

- (1) Sections 2306.021, 2306.062, 2306.0631, 2306.0661, 2306.0721(h), 2306.079, 2306.081(e), 2306.254, 2306.257(b), (c), and (d), and 2306.806;
- (2) Subchapter N, Chapter 2306;
- (3) Subchapter O, Chapter 2306;
- (4) Subchapter BB, Chapter 2306;
- (5) Subchapter CC, Chapter 2306;
- (6) Subchapter EE, Chapter 2306; and
- (7) Subsection (g), Section 2306.6710, Government Code, is repealed.

SECTION 35. It is the intent of the legislature that the passage by the 80th Legislature, Regular Session, 2007, of another bill that amends Chapter 2306, Government Code, and the amendments made by this Act shall be harmonized, if possible, as provided by Section 311.025(b), Government Code, so that effect may be given to each. If the amendments made by this Act to Chapter 2306, Government Code, and the amendments made to Chapter 2306, Government Code, by any other bill are irreconcilable, it is the intent of the legislature that this Act prevail, regardless of the relative dates of enactment of this Act and the other bill or bills, but only to the extent that any differences are irreconcilable.

SECTION 36. This Act takes effect on September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 1908** (Senate committee printing) as follows:

(1) In SECTION 8 of the bill, in amended Paragraph (F), Subdivision (1), Subsection (b), Section 2306.6710, Government Code (page 13, lines 16), strike "[~~(F)~~] the rent levels of the units" and substitute "(G) the rent levels of the units;".

(2) In SECTION 8 of the bill, in Subdivision (1), Subsection (b), Section 2306.6710, Government Code (page 14, lines 17-20), strike Paragraphs (G) and (H) and substitute the following:

(H) the cost of the development by square foot; [~~and~~]

(I) the services to be provided to tenants of the development; and

(J) whether, at the time the complete application is submitted or at any time within the two-year period preceding the date of submission, the proposed development site is located in an area declared to be a disaster under Section 418.014.

Floor Amendment No. 3

Amend **CSSB 1908** (Senate committee printing) as follows:

(1) In SECTION 8 of the bill, in amended Subdivision (1), Subsection (b), Section 2306.6710, Government Code (page 13, line 20), strike "and" and substitute "[and]".

(2) In SECTION 8 of the bill, in Subdivision (2), Subsection (b), Section 2306.6710, Government Code (page 14, line 1), strike the period and substitute the following:

; and

(3) encourages applicants to provide free notary public service to the residents of the developments for which the allocation of housing tax credits is requested.

Floor Amendment No. 5

Amend **CSSB 1908** (House committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subtitle A, Title 12, Local Government Code, is amended by adding Chapter 379E to read as follows:

CHAPTER 379E. URBAN LAND BANK PROGRAM

Sec. 379E.001. SHORT TITLE. This chapter may be cited as the Urban Land Bank Program Act.

Sec. 379E.002. APPLICABILITY; CONSTRUCTION WITH OTHER LAW. This chapter applies only to a municipality:

(1) to which Chapter 379C or 379D does not apply; and

(2) that has not ever adopted a homestead land bank program under Subchapter E, Chapter 373A.

Sec. 379E.003. DEFINITIONS. In this chapter:

(1) "Affordable" means that the monthly mortgage payment or contract rent does not exceed 30 percent of the applicable median family income for that unit size, in accordance with the income and rent limit rules adopted by the Texas Department of Housing and Community Affairs.

(2) "Community housing development organization" or "organization" means an organization that:

(A) meets the definition of a community housing development organization in 24 C.F.R. Section 92.2; and

(B) is certified by the municipality as a community housing development organization.

(3) "Land bank" means an entity established or approved by the governing body of a municipality for the purpose of acquiring, holding, and transferring unimproved real property under this chapter.

(4) "Low income household" means a household with a gross income of not greater than 80 percent of the area median family income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.

(5) "Qualified participating developer" means a developer who meets the requirements of Section 379E.005 and includes a qualified organization under Section 379E.011.

(6) "Urban land bank plan" or "plan" means a plan adopted by the governing body of a municipality as provided by Section 379E.006.

(7) "Urban land bank program" or "program" means a program adopted under Section 379E.004.

Sec. 379E.004. URBAN LAND BANK PROGRAM. (a) The governing body of a municipality may adopt an urban land bank program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale for purposes of affordable housing development as provided by this chapter.

(b) The governing body of a municipality that adopts an urban land bank program shall establish or approve a land bank for the purpose of acquiring, holding, and transferring unimproved real property under this chapter.

Sec. 379E.005. QUALIFIED PARTICIPATING DEVELOPER. To qualify to participate in an urban land bank program, a developer must:

(1) have developed three or more housing units within the three-year period preceding the submission of a proposal to the land bank seeking to acquire real property from the land bank;

(2) have a development plan approved by the municipality for the land bank property; and

(3) meet any other requirements adopted by the municipality in the urban land bank plan.

Sec. 379E.006. URBAN LAND BANK PLAN. (a) A municipality that adopts an urban land bank program shall operate the program in conformance with an urban land bank plan.

(b) The governing body of a municipality that adopts an urban land bank program shall adopt a plan annually. The plan may be amended from time to time.

(c) In developing the plan, the municipality shall consider other housing plans adopted by the municipality, including the comprehensive plan submitted to the United States Department of Housing and Urban Development and all fair housing plans and policies adopted or agreed to by the municipality.

(d) The plan must include the following:

(1) a list of community housing development organizations eligible to participate in the right of first refusal provided by Section 379E.011;

(2) a list of the parcels of real property that may become eligible for sale to the land bank during the next year;

(3) the municipality's plan for affordable housing development on those parcels of real property; and

(4) the sources and amounts of money anticipated to be available from the municipality for subsidies for development of affordable housing in the municipality, including any money specifically available for housing developed under the program, as approved by the governing body of the municipality at the time the plan is adopted.

Sec. 379E.007. PUBLIC HEARING ON PROPOSED PLAN. (a) Before adopting a plan, a municipality shall hold a public hearing on the proposed plan.

(b) The city manager or the city manager's designee shall provide notice of the hearing to all community housing development organizations and to neighborhood associations identified by the municipality as serving the neighborhoods in which properties anticipated to be available for sale to the land bank under this chapter are located.

(c) The city manager or the city manager's designee shall make copies of the proposed plan available to the public not later than the 60th day before the date of the public hearing.

Sec. 379E.008. PRIVATE SALE TO LAND BANK. (a) Notwithstanding any other law and except as provided by Subsection (f), property that is ordered sold pursuant to foreclosure of a tax lien may be sold in a private sale to a land bank by the officer charged with the sale of the property without first offering the property for sale as otherwise provided by Section 34.01, Tax Code, if:

(1) the market value of the property as specified in the judgment of foreclosure is less than the total amount due under the judgment, including all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, court costs, and the cost of the sale;

(2) the property is not improved with a building or buildings;

(3) there are delinquent taxes on the property for a total of at least five years; and

(4) the municipality has executed with the other taxing units that are parties to the tax suit an interlocal agreement that enables those units to agree to participate in the program while retaining the right to withhold consent to the sale of specific properties to the land bank.

(b) A sale of property for use in connection with the program is a sale for a public purpose.

(c) If the person being sued in a suit for foreclosure of a tax lien does not contest the market value of the property in the suit, the person waives the right to challenge the amount of the market value determined by the court for purposes of the sale of the property under Section 33.50, Tax Code.

(d) For any sale of property under this chapter, each person who was a defendant to the judgment, or that person's attorney, shall be given, not later than the 90th day before the date of sale, written notice of the proposed method of sale of the property by the officer charged with the sale of the property. Notice must be given in the manner prescribed by Rule 21a, Texas Rules of Civil Procedure.

(e) After receipt of the notice required by Subsection (d) and before the date of the proposed sale, the owner of the property subject to sale may file with the officer charged with the sale a written request that the property not be sold in the manner provided by this chapter.

(f) If the officer charged with the sale receives a written request as provided by Subsection (e), the officer shall sell the property as otherwise provided in Section 34.01, Tax Code.

(g) The owner of the property subject to sale may not receive any proceeds of a sale under this chapter. However, the owner does not have any personal liability for a deficiency of the judgment as a result of a sale under this chapter.

(h) Notwithstanding any other law, if consent is given by the taxing units that are a party to the judgment, property may be sold to the land bank for less than the market value of the property as specified in the judgment or less than the total of all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, court costs, and the cost of the sale.

(i) The deed of conveyance of the property sold to a land bank under this section conveys to the land bank the right, title, and interest acquired or held by each taxing unit that was a party to the judgment, subject to the right of redemption.

Sec. 379E.009. SUBSEQUENT RESALE BY LAND BANK. (a) Each subsequent resale of property acquired by a land bank under this chapter must comply with the conditions of this section.

(b) Within the three-year period following the date of acquisition, the land bank must sell a property to a qualified participating developer for the purpose of construction of affordable housing for sale or rent to low income households. If after three years a qualified participating developer has not purchased the property, the property shall be transferred from the land bank to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law.

(c) Unless the municipality increases the amount in its plan, the number of properties acquired by a qualified participating developer under this section on which development has not been completed may not at any time exceed three times the annual average residential production completed by the qualified participating developer during the preceding two-year period as determined by the municipality.

(d) The deed conveying a property sold by the land bank must include a right of reverter so that, if the qualified participating developer does not apply for a construction permit and close on any construction financing within the two-year period following the date of the conveyance of the property from the land bank to the qualified participating developer, the property will revert to the land bank for subsequent resale to another qualified participating developer or conveyance to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law.

Sec. 379E.010. RESTRICTIONS ON OCCUPANCY AND USE OF PROPERTY. (a) The land bank shall impose deed restrictions on property sold to qualified participating developers requiring the development and sale or rental of the property to low income households.

(b) At least 25 percent of the land bank properties sold during any given fiscal year to be developed for sale shall be deed restricted for sale to households with gross household incomes not greater than 60 percent of the area median family income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.

(c) If property is developed for rental housing, the deed restrictions must be for a period of not less than 20 years and must require that:

(1) 100 percent of the rental units be occupied by and affordable to households with incomes not greater than 60 percent of area median family income, based on gross household income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development;

(2) 40 percent of the units be occupied by and affordable to households with incomes not greater than 50 percent of area median family income, based on gross household income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development; or

(3) 20 percent of the units be occupied by and affordable to households with incomes not greater than 30 percent of area median family income, based on gross household income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.

(d) The deed restrictions under Subsection (c) must require the owner to file an annual occupancy report with the municipality on a reporting form provided by the municipality. The deed restrictions must also prohibit any exclusion of an individual or family from admission to the development based solely on the participation of the individual or family in the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 1437f), as amended.

(e) Except as otherwise provided by this section, if the deed restrictions imposed under this section are for a term of years, the deed restrictions shall renew automatically.

(f) The land bank or the governing body of the municipality may modify or add to the deed restrictions imposed under this section. Any modifications or additions made by the governing body of the municipality must be adopted by the municipality as part of its plan and must comply with the restrictions set forth in Subsections (b), (c), and (d).

Sec. 379E.011. RIGHT OF FIRST REFUSAL. (a) In this section, "qualified organization" means a community housing development organization that:

(1) contains within its designated geographical boundaries of operation, as set forth in its application for certification filed with and approved by the municipality, a portion of the property that the land bank is offering for sale;

(2) has built at least three single-family homes or duplexes or one multifamily residential dwelling of four or more units in compliance with all applicable building codes within the preceding two-year period and within the organization's designated geographical boundaries of operation; and

(3) within the preceding three-year period has developed or rehabilitated housing units within a two-mile radius of the property that the land bank is offering for sale.

(b) The land bank shall first offer a property for sale to qualified organizations.

(c) Notice must be provided to the qualified organizations by certified mail, return receipt requested, not later than the 60th day before the beginning of the period in which a right of first refusal may be exercised.

(d) The municipality shall specify in its plan the period during which the right of first refusal provided by this section may be exercised by a qualified organization. That period must be at least nine months but not more than 26 months from the date of the deed of conveyance of the property to the land bank.

(e) If the land bank conveys the property to a qualified organization before the expiration of the period specified by the municipality under Subsection (d), the interlocal agreement executed under Section 379E.008(a)(4) must provide tax abatement for the property until the expiration of that period.

(f) During the specified period, the land bank may not sell the property to a qualified participating developer other than a qualified organization. If all qualified organizations notify the land bank that they are declining to exercise their right of first refusal during the specified period, or if an offer to purchase the property is not received from a qualified organization during that period, the land bank may sell the property to any other qualified participating developer at the same price that the land bank offered the property to the qualified organizations.

(g) In its plan, the municipality shall establish the amount of additional time, if any, that a property may be held in the land bank once an offer has been received and accepted from a qualified organization or other qualified participating developer.

(h) If more than one qualified organization expresses an interest in exercising its right of first refusal, the organization that has designated the most geographically compact area encompassing a portion of the property shall be given priority.

(i) In its plan, the municipality may provide for other rights of first refusal for any other nonprofit corporation exempted from federal income tax under Section 501(c)(3), Internal Revenue Code of 1986, as amended, provided that the preeminent right of first refusal is provided to qualified organizations as provided by this section.

(j) The land bank is not required to provide a right of first refusal to qualified organizations under this section if the land bank is selling property that reverted to the land bank under Section 379E.009(d).

Sec. 379E.012. OPEN RECORDS AND MEETINGS. The land bank shall comply with the requirements of Chapters 551 and 552, Government Code.

Sec. 379E.013. RECORDS; AUDIT; REPORT. (a) The land bank shall keep accurate minutes of its meetings and shall keep accurate records and books of account that conform with generally accepted principles of accounting and that clearly reflect the income and expenses of the land bank and all transactions in relation to its property.

(b) The land bank shall file with the municipality not later than the 90th day after the close of the fiscal year annual audited financial statements prepared by a certified public accountant. The financial transactions of the land bank are subject to audit by the municipality.

(c) For purposes of evaluating the effectiveness of the program, the land bank shall submit an annual performance report to the municipality not later than November 1 of each year in which the land bank acquires or sells property under this chapter. The performance report must include:

(1) a complete and detailed written accounting of all money and properties received and disbursed by the land bank during the preceding fiscal year;

(2) for each property acquired by the land bank during the preceding fiscal year:

(A) the street address of the property;

(B) the legal description of the property;

(C) the date the land bank took title to the property;

(D) the name and address of the property owner of record at the time of the foreclosure;

(E) the amount of taxes and other costs owed at the time of the foreclosure; and

(F) the assessed value of the property on the tax roll at the time of the foreclosure;

(3) for each property sold by the land bank during the preceding fiscal year to a qualified participating developer:

(A) the street address of the property;

(B) the legal description of the property;

(C) the name and mailing address of the developer;

(D) the purchase price paid by the developer;

(E) the maximum incomes allowed for the households by the terms of the sale; and

(F) the source and amount of any public subsidy provided by the municipality to facilitate the sale or rental of the property to a household within the targeted income levels;

(4) for each property sold by a qualified participating developer during the preceding fiscal year, the buyer's household income and a description of all use and sale restrictions; and

(5) for each property developed for rental housing with an active deed restriction, a copy of the most recent annual report filed by the owner with the land bank.

(d) The land bank shall maintain in its records for inspection a copy of the sale settlement statement for each property sold by a qualified participating developer and a copy of the first page of the mortgage note with the interest rate and indicating the volume and page number of the instrument as filed with the county clerk.

(e) The land bank shall provide copies of the performance report to the taxing units who were parties to the judgment of foreclosure and shall provide notice of the availability of the performance report for review to the organizations and neighborhood associations identified by the municipality as serving the neighborhoods in which properties sold to the land bank under this chapter are located.

(f) The land bank and the municipality shall maintain copies of the performance report available for public review.

SECTION _____. Section 11.18, Tax Code, is amended by amending Subsection (d) and adding Subsection (o) to read as follows:

(d) A charitable organization must be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) and (l), engage exclusively in performing one or more of the following charitable functions:

(1) providing medical care without regard to the beneficiaries' ability to pay, which in the case of a nonprofit hospital or hospital system means providing charity care and community benefits in accordance with Section 11.1801;

(2) providing support or relief to orphans, delinquent, dependent, or handicapped children in need of residential care, abused or battered spouses or children in need of temporary shelter, the impoverished, or victims of natural disaster without regard to the beneficiaries' ability to pay;

(3) providing support to elderly persons, including the provision of recreational or social activities and facilities designed to address the special needs of elderly persons, or to the handicapped, without regard to the beneficiaries' ability to pay;

(4) preserving a historical landmark or site;

(5) promoting or operating a museum, zoo, library, theater of the dramatic or performing arts, or symphony orchestra or choir;

(6) promoting or providing humane treatment of animals;

(7) acquiring, storing, transporting, selling, or distributing water for public use;

(8) answering fire alarms and extinguishing fires with no compensation or only nominal compensation to the members of the organization;

(9) promoting the athletic development of boys or girls under the age of 18 years;

(10) preserving or conserving wildlife;

(11) promoting educational development through loans or scholarships to students;

(12) providing halfway house services pursuant to a certification as a halfway house by the pardons and paroles division of the Texas Department of Criminal Justice;

(13) providing permanent housing and related social, health care, and educational facilities for persons who are 62 years of age or older without regard to the residents' ability to pay;

(14) promoting or operating an art gallery, museum, or collection, in a permanent location or on tour, that is open to the public;

(15) providing for the organized solicitation and collection for distributions through gifts, grants, and agreements to nonprofit charitable, education, religious, and youth organizations that provide direct human, health, and welfare services;

(16) performing biomedical or scientific research or biomedical or scientific education for the benefit of the public;

(17) operating a television station that produces or broadcasts educational, cultural, or other public interest programming and that receives grants from the Corporation for Public Broadcasting under 47 U.S.C. Section 396, as amended;

(18) providing housing for low-income and moderate-income families, for unmarried individuals 62 years of age or older, for handicapped individuals, and for families displaced by urban renewal, through the use of trust assets that are irrevocably and, pursuant to a contract entered into before December 31, 1972, contractually dedicated on the sale or disposition of the housing to a charitable organization that performs charitable functions described by Subdivision (9);

(19) providing housing and related services to persons who are 62 years of age or older in a retirement community, if the retirement community provides independent living services, assisted living services, and nursing services to its residents on a single campus:

(A) without regard to the residents' ability to pay; or

(B) in which at least four percent of the retirement community's combined net resident revenue is provided in charitable care to its residents; ~~or~~

(20) providing housing on a cooperative basis to students of an institution of higher education if:

(A) the organization is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as amended, by being listed as an exempt entity under Section 501(c)(3) of that code;

(B) membership in the organization is open to all students enrolled in the institution and is not limited to those chosen by current members of the organization;

(C) the organization is governed by its members; and

(D) the members of the organization share the responsibility for managing the housing; or

(21) acquiring, holding, and transferring unimproved real property under an urban land bank program established under Chapter 379E, Local Government Code, as or on behalf of a land bank.

(o) For purposes of Subsection (a)(2), real property acquired, held, and transferred by an organization that performs the function described by Subsection (d)(21) is considered to be used exclusively by the qualified charitable organization to perform that function.

SECTION _____. Section 11.18, Tax Code, as amended by this Act, applies only to an ad valorem tax year that begins on or after the effective date of this Act.

Floor Amendment No. 6

Amend **CSSB 1908** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS accordingly:

SECTION _____. (a) Sections 403.302(d) and (i), Government Code, are amended to read as follows:

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

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

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

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

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

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

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

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

(5) for a school district for which a deduction from taxable value is made under Subdivision (4), an amount equal to the taxable value required to generate revenue when taxed at the school district's current tax rate in an amount that, when added to the taxes of the district paid into a tax increment fund as described by Subdivision (4)(B), is equal to the total amount of taxes the district would have paid into the tax increment fund if the district levied taxes at the rate the district levied in 2005;

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

(A) is within a reinvestment zone:

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

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

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

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

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

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

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

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

(A) action required by statute or the constitution of this state that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

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

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

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

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

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

(i) If the comptroller determines in the annual study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), shall for purposes of Subsection (d)(14) [~~(d)(13)~~] subtract from the market value as determined by the appraisal district of residence homesteads to which Section 23.23, Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section 23.23, Tax Code. If the comptroller determines in the annual study that the market value of property in a school district as determined by the appraisal district that appraises property for the school district, less the total of the amounts and values listed in Subsection (d) as determined by that appraisal district, is not valid, the comptroller, in determining the taxable value of property in the school district under Subsection (d), shall for purposes of Subsection (d)(14) [~~(d)(13)~~] subtract from the market value as estimated by the comptroller of residence homesteads to which Section 23.23, Tax Code, applies the amount by which that amount exceeds the appraised value of those properties as calculated by the appraisal district under Section 23.23, Tax Code.

(b) This section applies only to an annual school district property value study conducted for a tax year that begins on or after January 1, 2008.

Floor Amendment No. 2 on Third Reading

Amend **CSSB 1908** on third reading by inserting the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 11.182, Tax Code, is amended by amending Subsections (b), (e), and (h) to read as follows:

(b) An organization is entitled to an exemption from taxation of improved or unimproved real property it owns or controls if the organization:

(1) is organized as a community housing development organization;

(2) meets the requirements of a charitable organization provided by Sections 11.18(e) and (f);

(3) owns the property for the purpose of building or repairing housing on the property to sell without profit to a low-income or moderate-income individual or family satisfying the organization's eligibility requirements or to rent without profit to such an individual or family or owns or controls 100 percent of:

(A) the general partner interest of the limited partnership that owns the property, if applicable; or

(B) the entity that owns the property, if applicable; and

(4) engages [~~exclusively~~] in the building, repair, and sale or rental of housing as described by Subdivision (3) and related activities.

(e) In addition to meeting the applicable requirements of Subsections (b) and (c), to receive an exemption under Subsection (b) for improved real property that is [~~includes a housing project constructed after December 31, 2001, and~~] financed with qualified 501(c)(3) bonds issued under Section 145 of the Internal Revenue Code of 1986, tax-exempt private activity bonds subject to volume cap, or low-income housing tax credits, the organization must:

(1) [~~control 100 percent of the interest in the general partner if the project is owned by a limited partnership;~~

~~(2)~~ comply with all rules of and laws administered by the Texas Department of Housing and Community Affairs applicable to community housing development organizations; and

(2) [~~(3)~~] submit annually to the Texas Department of Housing and Community Affairs and to the governing body of each taxing unit for which the project receives an exemption for the housing project evidence demonstrating that the organization spent an amount equal to at least 90 percent of the project's cash flow in the preceding fiscal year as determined by the audit required by Subsection (g), for eligible persons in the county in which the property is located, on social, educational, or economic development services, capital improvement projects, or rent reduction.

(h) Subsections (d) and (e)(2) [~~(e)(3)~~] do not apply to property owned by an organization if:

(1) the entity that provided the financing for the acquisition or construction of the property:

(A) requires the organization to make payments in lieu of taxes to the school district in which the property is located; or

(B) restricts the amount of rent the organization may charge for dwelling units on the property; or

(2) the organization has entered into an agreement with each taxing unit for which the property receives an exemption to spend in each tax year for the purposes provided by Subsection (d) or (e)(2) [~~(e)(3)~~] an amount equal to the total amount of taxes imposed on the property in the tax year preceding the year in which the organization acquired the property.

Floor Amendment No. 3 on Third Reading

Amend **CSSB 1908** on third reading by adding the following Sections to read as follows and renumbering the subsequent Sections appropriately:

SECTION _____. Subsection (a), Section 379D.010, Local Government Code, is amended to read as follows:

(a) The land bank shall impose deed restrictions with appropriate terms and conditions on property sold to qualified participating developers and eligible adjacent property owners that require:

(1) the development and sale or rental of the property to low income households, if the property is sold to a qualified participating developer; or

(2) the use of the property to be consistent and compatible with the residential character of the neighborhood and any applicable standards for use adopted by the land bank, if the property is sold to an eligible adjacent property owner.

SECTION _____. Section 379D.011, Local Government Code, is amended to read as follows:

Sec. 379D.011. RIGHT OF FIRST REFUSAL IN ELIGIBLE ADJACENT PROPERTY OWNERS; CONDITIONS OF PURCHASE. (a) Property acquired by the land bank shall be offered for sale, at fair market value as determined by the appraisal district in which the property is located, to eligible adjacent property owners under a right of first refusal on terms and conditions developed by the land bank that are consistent with this chapter.

(b) To be eligible to exercise a right of first refusal under this section, an owner of property adjacent to property acquired by the land bank:

(1) must have owned and continuously occupied that property for at least the five preceding years as that person's principal residence; and

(2) must meet any eligibility requirements adopted by the land bank.

(c) An adjacent property owner who purchases property under this section may not lease, sell, or otherwise transfer the property to another party before the 10th anniversary of the date the adjacent property owner purchases the property. This prohibition does not apply to a transfer of property, as allowed by policies adopted by the land bank:

(1) to a family member of the adjacent property owner; or

(2) in the case of the death of the adjacent property owner.

SECTION _____. Chapter 379D, Local Government Code, is amended by adding Section 379D.015 to read as follows:

Sec. 379D.015. EFFECT OF SALE TO LAND BANK OR SUBSEQUENT PURCHASERS OR LENDERS FOR VALUE; LIMITATION ON CERTAIN CAUSES OF ACTION. After the first anniversary of a sale of property to a land bank under this chapter:

(1) a third party, other than a qualified participating developer or eligible adjacent property owner who purchased the property from the land bank under this chapter or a person with a cause of action based on a right, title, interest, or other

claim described by Subdivision (2)(A)(ii), may not bring a cause of action to set aside or otherwise challenge the sale of the property to the land bank, including a cause of action that is brought against:

(A) a qualified participating developer or eligible adjacent property owner who purchases property from the land bank under Section 379D.009 or 379D.011, as applicable; or

(B) any other subsequent purchaser for value or lender for value; and

(2) a qualified participating developer or eligible adjacent property owner who purchases property from a land bank under this chapter or any other subsequent purchaser for value or, if applicable, a lender for a developer, owner, or purchaser described by this subdivision or any other subsequent lender for value:

(A) has, with the following characteristics, a full title to the property:

(i) except as provided by Subparagraph (ii), the title is not subject to any right, title, interest, or other claim a person acquired in the property before or after the sale of the property to the land bank, including a right of first refusal, right of second refusal, and any other right, title, interest, or other claim provided by this chapter, other than the right of reverter provided by Section 379D.009(d); and

(ii) the title is subject only to:

(a) the recorded restrictive covenants, liens, and valid easements of record described by Section 34.01(n), Tax Code;

(b) any rights of redemption applicable to the property;

(c) any cause of action to impeach the property deed based on a claim of fraud;

(d) the right of reverter provided by Section 379D.009(d) and the recorded deed restrictions described by Section 379D.010; and

(e) any right, title, interest, or other claim with respect to the property that arose after the sale of the property to the land bank under a law other than this chapter; and

(B) may conclusively presume that:

(i) the sale of the property to the land bank under this chapter was valid; and

(ii) a mortgage on or a subsequent sale of the property complies with this chapter and is subject only to a right, title, interest, or other claim provided by Paragraph (A)(ii).

SECTION _____. Section 379D.015, Local Government Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act and concerns property that is first purchased by a land bank under Section 379D.015, Local Government Code, on or after the effective date of this Act.

Floor Amendment No. 4 on Third Reading

Amend **CSSB 1908** on third reading by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 214.003, Local Government Code, is amended by amending Subsections (a), (b), (h), (k), (l), (n), (o), and (p) and adding Subsection (h-1) to read as follows:

(a) A home-rule municipality may bring an action in district court against an owner of [~~residential~~] property that is not in substantial compliance with the municipal ordinances regarding:

- (1) fire protection;
- (2) structural integrity;
- (3) zoning; or
- (4) disposal of refuse.

(b) Except as provided by Subsection (c), the court may appoint as a receiver for the property a nonprofit organization with a demonstrated record of rehabilitating [~~residential~~] properties if the court finds that:

- (1) the structures on the property are in violation of the standards set forth in Section 214.001(b) and an ordinance described by Subsection (a);
- (2) notice of violation was given to the record owner of the property; and
- (3) a public hearing as required by Section 214.001(d) has been conducted.

(h) On the completion of the restoration of [~~to~~] the property to [~~of~~] the minimum code standards of the municipality or guidelines for rehabilitating historic property, or before petitioning a court for termination of the receivership under Subsection (l):

(1) the receiver shall file with the court a full accounting of all costs and expenses incurred in the repairs, including reasonable costs for labor and supervision, [~~and~~] all income received from the property, and, at the receiver's discretion, a receivership fee of 10 percent of those costs and expenses;

(2) if the income exceeds the total of the cost and expense of rehabilitation and any receivership fee, the rehabilitated property shall be restored to the owners and any net income shall be returned to the owners; and

(3) if the total of the costs and expenses and any receivership fee exceeds [~~exceed~~] the income received during the receivership, the receiver may [~~shall~~] maintain control of the property until the time all rehabilitation and maintenance costs and any receivership fee are recovered, or until the receivership is terminated.

(h-1) A receiver shall have a lien on the property under receivership for all of the receiver's unreimbursed costs and expenses and any receivership fee.

(k) The court may not appoint a receiver for any property that[-

[~~(1)~~] is an owner-occupied, single-family residence[~~;- or~~

[~~(2) is zoned nonresidential and used in a nonresidential character~~].

(l) A receiver appointed by a district court under this section, or the home-rule municipality that filed the action under which the receiver was appointed, may petition the court to terminate the receivership and order the sale of the property[-

[~~(1) if the receiver has been in control of the property for more than two years and no legal owner has been identified after a diligent search; or~~

[~~(2)~~] after the receiver has been in control of the property for more than one year [~~three years~~], if an owner has been [~~identified and~~] served with notice [~~notices~~] but has failed to assume control or repay all rehabilitation and maintenance costs and any receivership fee of the receiver.

(n) The court may order the sale of the property if the court finds that:

(1) notice was given to each record owner of the property and each lienholder of record;

(2) the receiver has been in control of the property for more than one year [~~two years and no legal owner has been identified after a diligent search, or the receiver has been in control of the property for more than three years~~] and an owner has [~~been identified but has~~] failed to repay all rehabilitation and maintenance costs and any receivership fee of the receiver; and

(3) no lienholder of record has intervened in the action and offered to repay the costs and any receivership fee of the receiver and assume control of the property.

(o) The court shall order the sale to be conducted by the petitioner in the same manner that a sale is conducted under Chapter 51, Property Code. If the record owners and lienholders are identified, notice of the date and time of the sale must be sent in the same manner as provided by Chapter 51, Property Code. If the owner cannot be located after due diligence, the owner may be served notice by publication. The receiver may bid on the property at the sale and may use a lien granted under Subsection (h-1) as credit toward the purchase. The petitioner shall make a report of the sale to the court.

(p) The court shall confirm the sale and order a distribution of the proceeds of the sale in the following order:

(1) court costs;

(2) costs and expenses of the receiver, and any lien held by the receiver; and

(3) other valid liens.

SECTION _____. The changes in law made by this Act to Section 214.003, Local Government Code, apply only to a receivership established on or after the effective date of this Act. A receivership established before the effective date of this Act is governed by the law in effect when the receivership was established, and the former law is continued in effect for that purpose.

The amendments were read.

Senator Ellis moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1908** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Ellis, Chair; Duncan, West, Brimer, and Wentworth.

CONFERENCE COMMITTEE ON HOUSE BILL 126

Senator Seliger called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 126** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 126** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Seliger, Chair; Whitmire, Deuell, Van de Putte, and Williams.

CONFERENCE COMMITTEE ON HOUSE BILL 1146

Senator Janek called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1146** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1146** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Janek, Chair; Duncan, Jackson, Uresti, and Seliger.

CONFERENCE COMMITTEE ON HOUSE BILL 1522

Senator Williams called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1522** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1522** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Williams, Chair; Hinojosa, Nichols, Ellis, and Shapiro.

CONFERENCE COMMITTEE ON HOUSE BILL 1638

Senator Jackson called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1638** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1638** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Jackson, Chair; Brimer, Hegar, Janek, and Williams.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

May 25, 2007

The Honorable President of the Senate

Senate Chamber

Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS CONCURRED IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

- HB 472** (135 Yeas, 0 Nays, 2 Present, not voting)
- HB 473** (143 Yeas, 0 Nays, 2 Present, not voting)
- HB 730** (137 Yeas, 0 Nays, 1 Present, not voting)
- HB 1093** (140 Yeas, 0 Nays, 1 Present, not voting)
- HB 1196** (137 Yeas, 0 Nays, 1 Present, not voting)
- HB 1250** (135 Yeas, 0 Nays, 2 Present, not voting)
- HB 1314** (138 Yeas, 0 Nays, 2 Present, not voting)
- HB 1391** (133 Yeas, 0 Nays, 2 Present, not voting)
- HB 1473** (136 Yeas, 0 Nays, 2 Present, not voting)
- HB 1680** (135 Yeas, 0 Nays, 2 Present, not voting)
- HB 1748** (132 Yeas, 0 Nays, 1 Present, not voting)
- HB 1857** (135 Yeas, 3 Nays, 1 Present, not voting)
- HB 2106** (139 Yeas, 0 Nays, 1 Present, not voting)
- HB 2210** (136 Yeas, 0 Nays, 2 Present, not voting)
- HB 2285** (134 Yeas, 0 Nays, 2 Present, not voting)
- HB 2291** (136 Yeas, 0 Nays, 2 Present, not voting)
- HB 2392** (141 Yeas, 0 Nays, 1 Present, not voting)
- HB 2482** (137 Yeas, 0 Nays, 2 Present, not voting)
- HB 2498** (137 Yeas, 0 Nays, 2 Present, not voting)
- HB 2502** (138 Yeas, 0 Nays, 2 Present, not voting)
- HB 2563** (132 Yeas, 0 Nays, 2 Present, not voting)
- HB 2564** (136 Yeas, 0 Nays, 2 Present, not voting)
- HB 2621** (139 Yeas, 0 Nays, 1 Present, not voting)

- HB 2641** (139 Yeas, 0 Nays, 1 Present, not voting)
HB 2653 (132 Yeas, 0 Nays, 2 Present, not voting)
HB 2714 (137 Yeas, 0 Nays, 2 Present, not voting)
HB 2738 (142 Yeas, 0 Nays, 1 Present, not voting)
HB 2762 (143 Yeas, 0 Nays, 1 Present, not voting)
HB 2859 (144 Yeas, 0 Nays, 1 Present, not voting)
HB 2864 (130 Yeas, 0 Nays, 3 Present, not voting)
HB 2935 (131 Yeas, 4 Nays, 2 Present, not voting)
HB 2944 (132 Yeas, 0 Nays, 2 Present, not voting)
HB 3064 (134 Yeas, 4 Nays, 2 Present, not voting)
HB 3101 (124 Yeas, 12 Nays, 1 Present, not voting)
HB 3184 (135 Yeas, 1 Nays, 2 Present, not voting)
HB 3190 (138 Yeas, 0 Nays, 2 Present, not voting)
HB 3199 (137 Yeas, 0 Nays, 2 Present, not voting)
HB 3358 (137 Yeas, 0 Nays, 2 Present, not voting)
HB 3417 (132 Yeas, 0 Nays, 2 Present, not voting)
HB 3426 (141 Yeas, 0 Nays, 2 Present, not voting)
HB 3440 (143 Yeas, 0 Nays, 1 Present, not voting)
HB 3441 (143 Yeas, 0 Nays, 1 Present, not voting)
HB 3496 (135 Yeas, 0 Nays, 2 Present, not voting)
HB 3517 (141 Yeas, 0 Nays, 2 Present, not voting)
HB 3518 (138 Yeas, 0 Nays, 2 Present, not voting)
HB 3571 (117 Yeas, 20 Nays, 2 Present, not voting)
HB 3594 (137 Yeas, 0 Nays, 2 Present, not voting)
HB 3711 (138 Yeas, 0 Nays, 2 Present, not voting)
HB 4007 (130 Yeas, 0 Nays, 1 Present, not voting)
HB 4028 (140 Yeas, 0 Nays, 2 Present, not voting)
HB 4045 (137 Yeas, 0 Nays, 2 Present, not voting)
HB 4107 (139 Yeas, 0 Nays, 2 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 1386 (non-record vote)

House Conferees: King, Phil - Chair/Brown, Betty/Christian/Garcia/O'Day

HB 1481 (non-record vote)

House Conferees: Castro - Chair/Chavez/Gattis/Riddle/Rodriguez

HB 1864 (non-record vote)

House Conferees: Gonzales - Chair/Corte, Frank/Dutton/Van Arsdale/Vaught

HB 2093 (non-record vote)

House Conferees: Hill - Chair/Deshotel/Harper-Brown/Krusee/Phillips

HB 2814 (non-record vote)

House Conferees: Eissler - Chair/Delisi/Hochberg/Patrick/Zedler

HB 2909 (non-record vote)

House Conferees: Gattis - Chair/Creighton/Martinez Fischer/Rodriguez/Van Arsdale

HB 3068 (non-record vote)

House Conferees: Guillen - Chair/Howard, Charlie/Pena/Pierson/Talton

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

CONFERENCE COMMITTEE ON HOUSE BILL 3275

Senator Hegar called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 3275** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 3275** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hegar, Chair; Carona, Patrick, Janek, and Williams.

SENATE BILL 1951 WITH HOUSE AMENDMENTS

Senator Wentworth called **SB 1951** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer, Senator Eltife in Chair, laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1951** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the creation of judicial districts, the creation of the office of district attorney in certain counties, and the election and duties of certain district attorneys in certain counties.

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

SECTION 1. (a) Effective September 15, 2008, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.542 to read as follows:

Sec. 24.542. 397TH JUDICIAL DISTRICT (GRAYSON COUNTY). The 397th Judicial District is composed of Grayson County.

(b) The 397th Judicial District is created on September 15, 2008.

(c) Effective January 1, 2010, the heading to Section 24.106, Government Code, is amended to read as follows:

Sec. 24.106. 6TH JUDICIAL DISTRICT (~~[FANNIN,]~~ LAMAR~~[,]~~ AND RED RIVER COUNTIES).

(d) Effective January 1, 2010, Section 24.106(a), Government Code, is amended to read as follows:

(a) The 6th Judicial District is composed of ~~[Fannin,]~~ Lamar~~[,]~~ and Red River counties.

(e) Effective January 1, 2010, Section 24.482, Government Code, is amended to read as follows:

Sec. 24.482. 336TH JUDICIAL DISTRICT (FANNIN COUNTY ~~[AND GRAYSON COUNTIES]~~). ~~[(a)]~~ The 336th Judicial District is composed of Fannin County ~~[and Grayson counties]~~.

(f) The local administrative district judge for the 6th Judicial District:

(1) shall transfer all cases from Fannin County that are pending in the 6th District Court on January 1, 2010, to the 336th District Court; and

(2) may transfer any case from Fannin County that is pending or filed in the 6th District Court on or after September 15, 2008, to the 336th District Court.

(g) When a case is transferred as provided by Subsection (f) of this section, all processes, writs, bonds, recognizances, or other obligations issued from the 6th District Court are returnable to the 336th District Court as if originally issued by that court. The obligees on all bonds and recognizances taken in and for the 6th District Court and all witnesses summoned to appear in the 6th District Court are required to appear before the 336th District Court as if originally required to appear before that court.

(h) The local administrative district judge for the 336th Judicial District:

(1) shall transfer all cases from Grayson County that are pending in the 336th District Court on January 1, 2010, to the 397th District Court; and

(2) may transfer any case from Grayson County that is pending or filed in the 336th District Court on or after September 15, 2008, to the 397th District Court.

(i) When a case is transferred as provided by Subsection (h) of this section, all processes, writs, bonds, recognizances, or other obligations issued from the 336th District Court are returnable to the 397th District Court as if originally issued by that court. The obligees on all bonds and recognizances taken in and for the 336th District Court and all witnesses summoned to appear in the 336th District Court are required to appear before the 397th District Court as if originally required to appear before that court.

SECTION 2. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.562 to read as follows:

Sec. 24.562. 418TH JUDICIAL DISTRICT (MONTGOMERY COUNTY).

(a) The 418th Judicial District is composed of Montgomery County.

(b) The 418th District Court shall give preference to family law matters.

(b) The 418th Judicial District is created on the effective date of this section.

SECTION 3. (a) Effective October 1, 2007, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.567 to read as follows:

Sec. 24.567. 423RD JUDICIAL DISTRICT (BASTROP COUNTY). The 423rd Judicial District is composed of Bastrop County.

(b) The 423rd Judicial District is created October 1, 2007.

(c) Section 44.111(a), Government Code, is amended to read as follows:

(a) The criminal district attorney of Bastrop County shall attend each term and session of the district courts ~~court~~ in Bastrop County and each term and session of the inferior courts of the county held for the transaction of criminal business. He shall exclusively represent the state in all criminal matters before those courts and any other court in which Bastrop County has pending business.

SECTION 4. (a) Effective January 1, 2009, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.573 to read as follows:

Sec. 24.573. 429TH JUDICIAL DISTRICT (COLLIN COUNTY). The 429th Judicial District is composed of Collin County.

(b) Effective January 1, 2009, the 429th Judicial District is created.

SECTION 5. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.579 to read as follows:

Sec. 24.579. 435TH JUDICIAL DISTRICT (MONTGOMERY COUNTY). (a) The 435th Judicial District is composed of Montgomery County.

(b) The 435th District Court shall give preference to:

(1) civil commitment proceedings under Chapter 841, Health and Safety Code;

(2) criminal cases involving offenses under Section 841.085, Health and Safety Code, and Article 62.203, Code of Criminal Procedure; and

(3) other matters that may be assigned by the administrative judge.

(b) The 435th Judicial District is created on the effective date of this section.

SECTION 6. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.589 to read as follows:

Sec. 24.589. 445TH JUDICIAL DISTRICT (CAMERON COUNTY). (a) The 445th Judicial District is composed of Cameron County.

(b) The 445th District Court shall give preference to criminal law cases.

(b) The 445th Judicial District is created on the effective date of this section.

SECTION 7. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.593 to read as follows:

Sec. 24.593. 449TH JUDICIAL DISTRICT (HIDALGO COUNTY). (a) The 449th Judicial District is composed of Hidalgo County.

(b) The 449th District Court shall give preference to juvenile matters.

(b) The 449th Judicial District is created on the effective date of this section.

SECTION 8. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.5995 to read as follows:

Sec. 24.5995. 506TH JUDICIAL DISTRICT (GRIMES AND WALLER COUNTIES). The 506th Judicial District is composed of Grimes and Waller Counties.

(b) Section 24.109, Government Code, is amended to read as follows:

Sec. 24.109. 9TH JUDICIAL DISTRICT (MONTGOMERY COUNTY [AND WALLER COUNTIES]). (a) The 9th Judicial District is composed of Montgomery County ~~[and Waller counties].~~

(b) ~~[The 9th and 155th district courts have concurrent jurisdiction in Waller County.~~

~~[(e)]~~ The terms of the 9th District Court begin[~~:-~~

~~[(1) in Montgomery County]~~ on the first Monday in January and the first Monday in July[~~;- and~~

~~[(2) in Waller County on the first Monday in January and the first Monday in July].~~

(c) The local administrative district judge shall transfer all cases from Waller County that are pending in the 9th District Court to the 506th District Court on the date the 506th District Court is created.

(d) When a case is transferred as provided by Subsection (c) of this section, all processes, writs, bonds, recognizances, or other obligations issued from the 9th District Court are returnable to the 506th District Court as if originally issued by that court. The obligees on all bonds and recognizances taken in and for the 9th District Court and all witnesses summoned to appear in the 9th District Court are required to appear before the 506th District Court as if originally required to appear before that court.

(e) The 506th Judicial District is created on the effective date of this section.

(f) Effective September 1, 2008, Section 24.455, Government Code, is amended to read as follows:

Sec. 24.455. 278TH JUDICIAL DISTRICT ([GRIMES,] LEON, MADISON, AND WALKER COUNTIES). The 278th Judicial District is composed of ~~[Grimes,]~~ Leon, Madison, and Walker counties.

(g) The local administrative district judge shall transfer all cases from Grimes County that are pending in the 278th District Court on September 1, 2008, to the 506th District Court.

(h) When a case is transferred as provided by Subsection (g) of this section, all processes, writs, bonds, recognizances, or other obligations issued from the 278th District Court are returnable to the 506th District Court as if originally issued by that court. The obligees on all bonds and recognizances taken in and for the 278th District Court and all witnesses summoned to appear in the 278th District Court are required to appear before the 506th District Court as if originally required to appear before that court.

(i) Section 43.1745(e), Government Code, is amended to read as follows:

(e) The district attorney must be at least 30 years of age, must have been a practicing attorney in this state for at least five years, and must have been a resident of Grimes County for at least the time required under Section 141.001, Election Code ~~[three years immediately preceding election or appointment].~~

(j) Effective September 1, 2008, Section 43.1745, Government Code, is redesignated as Section 43.183, Government Code, and amended to read as follows:

Sec. 43.183 [~~43.1745~~]. 506TH [278TH] JUDICIAL DISTRICT. (a) The voters of Grimes County elect a district attorney for the 506th [278th] Judicial District who represents the state only in that county.

(b) The district attorney shall attend each term and session of the district courts and all other courts, except municipal courts, in Grimes County and, unless otherwise provided by law, shall exclusively represent the state in all criminal matters in those courts.

(c) The district attorney has no power, duty, or privilege relating to family law and juvenile matters, including matters involving children's protective services, protective orders under Chapter 71, Family Code, orders under Chapter 159, Family Code, proceedings under Title 3, Family Code, civil commitment matters under Subtitle C, Title 7, Health and Safety Code, or a quo warranto or removal case, except, that if the county attorney fails or refuses to act in a quo warranto or removal case, the district attorney has the power, duty, and privilege to bring a removal of quo warranto action.

(d) The district attorney has no power, duty, or privilege in any civil matter pending before any court.

(e) The district attorney must be at least 30 years of age, must have been a practicing attorney in this state for at least five years, and must have been a resident of Grimes County for at least the time required under Section 141.001, Election Code [three years immediately preceding election or appointment].

(f) The district attorney may not engage in the private practice of law.

(g) The district attorney may, for the purpose of conducting the affairs of the office, appoint assistant district attorneys, investigators, and other necessary staff. The salaries of the members of the staff of the district attorney's office shall be paid from the officer's salary fund of the county with the approval of the commissioners court.

(k) The person serving as district attorney for the 278th Judicial District on September 1, 2008, unless otherwise removed from office, continues to serve in that office as redesignated as the district attorney for the 506th Judicial District for the term to which elected or appointed.

(l) Section 24.254(d), Government Code, is repealed.

SECTION 9. (a) Subchapter D, Chapter 24, Government Code, is amended by adding Section 24.640 to read as follows:

Sec. 24.640. 444TH JUDICIAL DISTRICT (CAMERON COUNTY). The 444th Judicial District is composed of Cameron County.

(b) The 444th Judicial District is created on the effective date of this section.

SECTION 10. (a) Subchapter E, Chapter 24, Government Code, is amended by adding Section 24.908 to read as follows:

Sec. 24.908. EL PASO COUNTY CRIMINAL JUDICIAL DISTRICT NO. 1.

(a) The El Paso County Criminal Judicial District No. 1 is composed of El Paso County.

(b) The El Paso County Criminal District Court No. 1 shall give primary preference to felony drug cases and associated civil cases emanating from those felony drug cases. The criminal district court shall give secondary preference to other criminal cases and associated civil cases emanating from those criminal cases.

(c) The terms of the El Paso County Criminal District Court No. 1 begin on the third Mondays in April and September and the first Mondays in January, July, and November.

(d) The El Paso County Criminal District Court No. 1 shall have a seal similar to the seal of a district court with "El Paso County Criminal District Court No. 1" engraved on the seal.

(b) The El Paso County Criminal Judicial District No. 1 is created on the effective date of this section.

SECTION 11. Section 43.119, Government Code, is amended to read as follows:

Sec. 43.119. 33RD JUDICIAL DISTRICT. The voters of Blanco, Burnet, Llano, and San Saba Counties [the 33rd Judicial District] elect a district attorney for the 33rd and 424th Judicial Districts.

SECTION 12. Section 43.148, Government Code, is amended to read as follows:

Sec. 43.148. 105TH JUDICIAL DISTRICT. (a) The voters of Nueces County [the 105th Judicial District] elect a district attorney for the 105th Judicial District who [The district attorney] has the same powers and duties as other district attorneys and serves all the district, county, and justice courts of Nueces County [and the district courts of Kleberg and Kenedy counties].

(b) The district attorney shall attend each term and session of the district, county, and justice courts of Nueces County [and the district courts of Kleberg and Kenedy counties] and shall represent the state in criminal cases pending in those courts. The district attorney has control of any case heard on petition of writ of habeas corpus before any district or inferior court in the district.

(c) The commissioners court [courts] of Nueces County [the counties comprising the district] may supplement the state salary of the district attorney. The amount of the supplement may not exceed \$12,000 a year. [The supplemental salary must be paid proportionately by the commissioners court of each county according to the population of the county.] The supplemental salary may be paid from the officers' salary fund of the [a] county. If that fund is inadequate, the commissioners court may transfer the necessary funds from the general fund of the county.

SECTION 13. Subchapter B, Chapter 43, Government Code, is amended by adding Section 43.182 to read as follows:

Sec. 43.182. DISTRICT ATTORNEY FOR KLEBERG AND KENEDY COUNTIES. (a) The voters of Kleberg and Kenedy Counties elect a district attorney. The district attorney has the same powers and duties as other district attorneys and serves the district courts of Kleberg and Kenedy Counties.

(b) The district attorney shall attend each term and session of the district courts of Kleberg and Kenedy Counties and shall represent the state in criminal cases pending in those courts. The district attorney has control of any case heard on petition of writ of habeas corpus before any district or inferior court in the district.

(c) The commissioners courts of the counties comprising the district may supplement the state salary of the district attorney. The amount of the supplement may not exceed \$12,000 a year. The supplemental salary must be paid proportionately by the commissioners court of each county according to the population of the county. The supplemental salary may be paid from the officers' salary fund of a county. If that fund is inadequate, the commissioners court may transfer the necessary funds from the general fund of the county.

SECTION 14. Section 46.002, Government Code, is amended to read as follows:

Sec. 46.002. PROSECUTORS SUBJECT TO CHAPTER. This chapter applies to all county prosecutors and to the following state prosecutors:

(1) the district attorneys for Kenedy and Kleberg Counties and for the 1st, 2nd, 8th, 9th, 12th, 18th, 21st, 23rd, 25th, 26th, 27th, 29th, 31st, 32nd, 33rd, 34th, 35th, 36th, 38th, 39th, 42nd, 43rd, 47th, 49th, 50th, 51st, 52nd, 53rd, 63rd, 64th, 66th, 69th, 70th, 76th, 81st, 83rd, 84th, 85th, 88th, 90th, 97th, 100th, 105th, 106th, 110th, 112th, 118th, 119th, 123rd, 142nd, 145th, 156th, 159th, 173rd, 196th, 198th, 216th, 220th, 229th, 235th, 253rd, 258th, 259th, 266th, 268th, 271st, 278th, 286th, 329th, 349th, and 355th judicial districts;

(2) the criminal district attorneys for the counties of Anderson, Austin, Bastrop, Bexar, Bowie, Brazoria, Caldwell, Calhoun, Cass, Collin, Comal, Dallas, Deaf Smith, Denton, Eastland, Galveston, Grayson, Gregg, Harrison, Hays, Hidalgo, Jasper, Jefferson, Kaufman, Lubbock, McLennan, Madison, Navarro, Newton, Panola, Polk, Randall, Rockwall, San Jacinto, Smith, Tarrant, Taylor, Tyler, Upshur, Van Zandt, Victoria, Walker, Waller, Wichita, Wood, and Yoakum; and

(3) the county attorneys performing the duties of district attorneys in the counties of Andrews, Callahan, Cameron, Castro, Colorado, Crosby, Ellis, Falls, Fannin, Freestone, Lamar, Lamb, Lampasas, Lee, Limestone, Marion, Milam, Morris, Ochiltree, Orange, Rains, Red River, Robertson, Rusk, Terry, Webb, and Willacy.

SECTION 15. Effective September 1, 2008, Section 46.002, Government Code, is amended to read as follows:

Sec. 46.002. PROSECUTORS SUBJECT TO CHAPTER. This chapter applies to all county prosecutors and to the following state prosecutors:

(1) the district attorneys for Kenedy and Kleberg Counties and for the 1st, 2nd, 8th, 9th, 12th, 18th, 21st, 23rd, 25th, 26th, 27th, 29th, 31st, 32nd, 33rd, 34th, 35th, 36th, 38th, 39th, 42nd, 43rd, 47th, 49th, 50th, 51st, 52nd, 53rd, 63rd, 64th, 66th, 69th, 70th, 76th, 81st, 83rd, 84th, 85th, 88th, 90th, 97th, 100th, 105th, 106th, 110th, 112th, 118th, 119th, 123rd, 142nd, 145th, 156th, 159th, 173rd, 196th, 198th, 216th, 220th, 229th, 235th, 253rd, 258th, 259th, 266th, 268th, 271st, ~~278th,~~ 286th, 329th, 349th, ~~and~~ 355th, and 506th judicial districts;

(2) the criminal district attorneys for the counties of Anderson, Austin, Bastrop, Bexar, Bowie, Brazoria, Caldwell, Calhoun, Cass, Collin, Comal, Dallas, Deaf Smith, Denton, Eastland, Galveston, Grayson, Gregg, Harrison, Hays, Hidalgo, Jasper, Jefferson, Kaufman, Lubbock, McLennan, Madison, Navarro, Newton, Panola, Polk, Randall, Rockwall, San Jacinto, Smith, Tarrant, Taylor, Tyler, Upshur, Van Zandt, Victoria, Walker, Waller, Wichita, Wood, and Yoakum; and

(3) the county attorneys performing the duties of district attorneys in the counties of Andrews, Callahan, Cameron, Castro, Colorado, Crosby, Ellis, Falls, Fannin, Freestone, Lamar, Lamb, Lampasas, Lee, Limestone, Marion, Milam, Morris, Ochiltrie, Orange, Rains, Red River, Robertson, Rusk, Terry, Webb, and Willacy.

SECTION 16. Effective January 1, 2009, Section 46.002, Government Code, is amended to read as follows:

Sec. 46.002. PROSECUTORS SUBJECT TO CHAPTER. This chapter applies to all county prosecutors and to the following state prosecutors:

(1) the district attorneys for Kenedy and Kleberg Counties and for the 1st, 2nd, 8th, 9th, 12th, 18th, 21st, 23rd, 25th, 26th, 27th, 29th, 31st, 32nd, 33rd, 34th, 35th, 36th, 38th, 39th, 42nd, 43rd, 47th, 49th, 50th, 51st, 52nd, 53rd, 63rd, 64th, 66th, 69th, 70th, 76th, 81st, 83rd, 84th, 85th, 88th, 90th, 97th, 100th, 105th, 106th, 110th, 112th, 118th, 119th, 123rd, 142nd, 145th, 156th, 159th, 173rd, 196th, 198th, 216th, 220th, 229th, 235th, 253rd, 258th, 259th, 266th, 268th, 271st, [~~278th~~] 286th, 329th, 344th, 349th, [~~and~~] 355th, and 506th judicial districts;

(2) the criminal district attorneys for the counties of Anderson, Austin, Bastrop, Bexar, Bowie, Brazoria, Caldwell, Calhoun, Cass, Collin, Comal, Dallas, Deaf Smith, Denton, Eastland, Galveston, Grayson, Gregg, Harrison, Hays, Hidalgo, Jasper, Jefferson, Kaufman, Lubbock, McLennan, Madison, Navarro, Newton, Panola, Polk, Randall, Rockwall, San Jacinto, Smith, Tarrant, Taylor, Tyler, Upshur, Van Zandt, Victoria, Walker, Waller, Wichita, Wood, and Yoakum; and

(3) the county attorneys performing the duties of district attorneys in the counties of Andrews, Callahan, Cameron, Castro, Colorado, Crosby, Ellis, Falls, Fannin, Freestone, Lamar, Lamb, Lampasas, Lee, Limestone, Marion, Milam, Morris, Ochiltrie, Orange, Rains, Red River, Robertson, Rusk, Terry, Webb, and Willacy.

SECTION 17. Except as otherwise provided by this Act, this Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 1951** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.6051 to read as follows:

Sec. 24.6051. 507TH JUDICIAL DISTRICT (BROWN COUNTY). (a) The 507th Judicial District is composed of Brown County.

(b) The 507th District Court has concurrent jurisdiction with the statutory county courts of Brown County in misdemeanor cases as well as the jurisdiction prescribed by general law for district courts.

(b) The 507th Judicial District is created on the effective date of this section.

(c) Notwithstanding Section 24.311, Government Code, the initial vacancy in the office of judge of the 507th Judicial District shall be filled by election. The office exists for purposes of the primary and general election in 2008. A vacancy after the initial vacancy is filled as provided by Section 28, Article V, Texas Constitution.

Floor Amendment No. 3

Amend **CSSB 1951** (House committee printing) by adding the following appropriately numbered SECTION (page 5, between lines 13 and 14) and renumbering the subsequent SECTIONS accordingly:

SECTION _____. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.592 to read as follows:

Sec. 24.592. 448TH JUDICIAL DISTRICT (EL PASO COUNTY). The 448th Judicial District is composed of El Paso County.

(b) The 448th Judicial District is created on the effective date of this section.

Floor Amendment No. 5

Amend **CSSB 1951** (House committee printing) by adding the following appropriately numbered SECTION and renumbering the subsequent SECTIONS accordingly:

SECTION _____. (a) Section 43.120, Government Code, is amended by amending Subsections (d) and (f) and adding Subsections (d-1), (d-2), and (g) to read as follows:

(d) The commissioners courts of Culberson and Hudspeth counties shall each pay to El Paso County the budgeted prosecution costs, which may not exceed a total of \$90,000 for Culberson and Hudspeth counties per fiscal year [~~\$100 a month to be expended, on sworn claims of the district attorney approved by the Commissioners Court of El Paso County~~], for the preparation and conduct of criminal affairs of the district attorney's office, including compensation for assistants and other employees of the district attorney, applicable to their respective county. Each year the district attorney's office shall:

(1) prepare a budget and financial statement for the upcoming fiscal year;
and

(2) file the budget and financial statement with the commissioners courts of Hudspeth and Culberson counties.

(d-1) The budget and financial statement required by Subsection (d) must contain:

(1) the budgeted prosecution costs for Culberson and Hudspeth counties, with the costs for each county listed separately; and

(2) any additional information considered appropriate by the district attorney or required by the commissioners court of Culberson or Hudspeth County.

(d-2) Hudspeth and Culberson counties shall remit one-fourth of the budgeted prosecution costs applicable to the respective county to El Paso County not later than the last day of each fiscal quarter.

(f) El Paso County is responsible for managing the funds expended by the district attorney for the preparation and conduct of criminal affairs of the district attorney's office, including funds to compensate assistants and other employees of the district attorney. Hudspeth and Culberson counties shall remit one-fourth of the budgeted funds to El Paso County not later than the last day of each fiscal quarter.

~~[The assistants and other employees of the district attorney are compensated by the~~

~~Commissioners Court of El Paso County.]~~ The Commissioners Court of El Paso County must approve the number of assistants and other employees appointed by the district attorney and the amount of compensation of those employees.

(g) Nothing in this section prevents El Paso County from entering into an interlocal agreement with Culberson or Hudspeth County in lieu of budgeting costs as provided by this section or Section 140.003, Local Government Code. An interlocal agreement under this subsection may not exceed \$90,000 per fiscal year.

(b) This section takes effect October 1, 2007.

Floor Amendment No. 6

Amend **CSSB 1951** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill appropriately:

SECTION ____ . Section 54.602, Government Code, is repealed.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 1951** on third reading by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . (a) Subchapter H, Chapter 51, Government Code, is amended by adding Section 51.707 to read as follows:

Sec. 51.707. ADDITIONAL FILING FEE FOR CIVIL CASES IN HAYS COUNTY. (a) This section applies only to district courts, probate courts, county courts at law, and justice courts in Hays County.

(b) Except as otherwise provided by this section and in addition to all other fees authorized or required by other law, the clerk of a court shall collect a filing fee of not more than \$15 in each civil case filed in the court to be used for the construction, renovation, or improvement of the facilities that house the Hays County civil courts.

(c) Court fees due under this section shall be collected in the same manner as other fees, fines, or costs are collected in the case.

(d) The clerk shall send the fees collected under this section to the county treasurer or to any other official who discharges the duties commonly assigned to the county treasurer at least as frequently as monthly. The treasurer or other official shall deposit the fees in a special account in the county treasury dedicated to the construction, renovation, or improvement of the facilities that house the courts collecting the fee.

(e) This section applies only to fees for a 12-month period beginning July 1, if the commissioners court:

(1) adopts a resolution authorizing a fee of not more than \$15;

(2) adopts a resolution requiring the county to spend one dollar for the construction, renovation, or improvement of the court facilities for each dollar spent from the special account dedicated to that purpose; and

(3) files the resolutions with the county treasurer or with any other official who discharges the duties commonly assigned to the county treasurer not later than June 1 immediately preceding the first 12-month period during which the fees are to be collected.

(f) A resolution adopted under Subsection (e) continues from year to year until July 1, 2022, allowing the county to collect fees under the terms of this section until the resolution is rescinded.

(g) The commissioners court may rescind a resolution adopted under Subsection (e) by adopting a resolution rescinding the resolution and submitting the rescission resolution to the county treasurer or to any other official who discharges the duties commonly assigned to the county treasurer not later than June 1 preceding the beginning of the first day of the county fiscal year. The commissioners court may adopt an additional resolution in the manner provided by Subsection (e) after rescinding a previous resolution under that subsection.

(h) A fee established under a particular resolution is abolished on the earlier of:

(1) the date a resolution adopted under Subsection (e) is rescinded as provided by Subsection (g); or

(2) July 1, 2022.

(i) The county may make the required expenditure described by Subsection (e)(2) at any time, regardless of when the expenditure from the special account occurs.

(b) Section 101.061, Government Code, is amended to read as follows:

Sec. 101.061. DISTRICT COURT FEES AND COSTS. The clerk of a district court shall collect fees and costs as follows:

(1) filing fee in action with respect to a fraudulent court record or fraudulent lien or claim filed against property (Sec. 12.005, Civil Practice and Remedies Code) . . . \$15;

(2) fee for service of notice of action with respect to a fraudulent court record or fraudulent lien or claim filed against property (Sec. 12.005, Civil Practice and Remedies Code) . . . not to exceed \$20, if notice delivered in person, or the cost of postage, if service is by registered or certified mail;

(3) court cost in certain civil cases to establish and maintain an alternative dispute resolution system, if authorized by the county commissioners court (Sec. 152.004, Civil Practice and Remedies Code) . . . not to exceed \$10;

(4) appellate judicial system filing fees for:

(A) First or Fourteenth Court of Appeals District (Sec. 22.2021, Government Code) . . . not more than \$5;

(B) Second Court of Appeals District (Sec. 22.2031, Government Code) . . . not more than \$5;

(C) Fourth Court of Appeals District (Sec. 22.2051, Government Code) . . . not more than \$5;

(D) Fifth Court of Appeals District (Sec. 22.2061, Government Code) . . . not more than \$5; and

(E) Thirteenth Court of Appeals District (Sec. 22.2141, Government Code) . . . not more than \$5;

(5) additional filing fees:

(A) for each suit filed for insurance contingency fund, if authorized by the county commissioners court (Sec. 51.302, Government Code) . . . not to exceed \$5;

(B) for each civil suit filed, for court-related purposes for the support of the judiciary and for civil legal services to an indigent:

(i) for family law cases and proceedings as defined by Section 25.0002, Government Code (Sec. 133.151, Local Government Code) . . . \$45; or

(ii) for any case other than a case described by Subparagraph (i) (Sec. 133.151, Local Government Code) . . . \$50;

(C) to fund the improvement of Dallas County civil court facilities, if authorized by the county commissioners court (Sec. 51.705, Government Code) . . . not more than \$15; ~~and~~

(D) on the filing of any civil action or proceeding requiring a filing fee, including an appeal, and on the filing of any counterclaim, cross-action, intervention, interpleader, or third-party action requiring a filing fee, to fund civil legal services for the indigent:

(i) for family law cases and proceedings as defined by Section 25.0002, Government Code (Sec. 133.152, Local Government Code) . . . \$5; or

(ii) for any case other than a case described by Subparagraph (i) (Sec. 133.152, Local Government Code) . . . \$10; and

(E) to fund the improvement of Hays County court facilities, if authorized by the county commissioners court (Sec. 51.707, Government Code) . . . not more than \$15;

(6) for filing a suit, including an appeal from an inferior court:

(A) for a suit with 10 or fewer plaintiffs (Sec. 51.317, Government Code) . . . \$50;

(B) for a suit with at least 11 but not more than 25 plaintiffs (Sec. 51.317, Government Code) . . . \$75;

(C) for a suit with at least 26 but not more than 100 plaintiffs (Sec. 51.317, Government Code) . . . \$100;

(D) for a suit with at least 101 but not more than 500 plaintiffs (Sec. 51.317, Government Code) . . . \$125;

(E) for a suit with at least 501 but not more than 1,000 plaintiffs (Sec. 51.317, Government Code) . . . \$150; or

(F) for a suit with more than 1,000 plaintiffs (Sec. 51.317, Government Code) . . . \$200;

(7) for filing a cross-action, counterclaim, intervention, contempt action, motion for new trial, or third-party petition (Sec. 51.317, Government Code) . . . \$15;

(8) for issuing a citation or other writ or process not otherwise provided for, including one copy, when requested at the time a suit or action is filed (Sec. 51.317, Government Code) . . . \$8;

(9) for records management and preservation (Sec. 51.317, Government Code) . . . \$10;

(10) for issuing a subpoena, including one copy (Sec. 51.318, Government Code) . . . \$8;

(11) for issuing a citation, commission for deposition, writ of execution, order of sale, writ of execution and order of sale, writ of injunction, writ of garnishment, writ of attachment, or writ of sequestration not provided for in Section 51.317, or any other writ or process not otherwise provided for, including one copy if required by law (Sec. 51.318, Government Code) . . . \$8;

(12) for searching files or records to locate a cause when the docket number is not provided (Sec. 51.318, Government Code) . . . \$5;

(13) for searching files or records to ascertain the existence of an instrument or record in the district clerk's office (Sec. 51.318, Government Code) . . . \$5;

(14) for abstracting a judgment (Sec. 51.318, Government Code) . . . \$8;

(15) for approving a bond (Sec. 51.318, Government Code) . . . \$4;

(16) for a certified copy of a record, judgment, order, pleading, or paper on file or of record in the district clerk's office, including certificate and seal, for each page or part of a page (Sec. 51.318, Government Code) . . . \$1;

(17) for a noncertified copy, for each page or part of a page (Sec. 51.318, Government Code) . . . not to exceed \$1;

(18) jury fee (Sec. 51.604, Government Code) . . . \$30;

(19) for filing a report of divorce or annulment (Sec. 194.002, Health and Safety Code) . . . \$1;

(20) for filing a suit in Comal County (Sec. 152.0522, Human Resources Code) . . . \$4;

(21) additional filing fee for family protection on filing a suit for dissolution of a marriage under Chapter 6, Family Code, if authorized by the county commissioners court (Sec. 51.961, Government Code) . . . not to exceed \$30;

(22) fee on filing a suit for dissolution of a marriage for services of child support department in Harris County, if authorized by the county commissioners court (Sec. 152.1074, Human Resources Code) . . . not to exceed \$12;

(22-a) a child support service fee in Nueces County if ordered by the commissioners court and assessed by the court (Sec. 152.1844, Human Resources Code) . . . not to exceed \$5 a month payable annually in advance;

(22-b) a service fee to be paid by a person ordered by a district court to pay child or spousal support:

(A) in Collin County if authorized by the juvenile board (Sec. 152.0492, Human Resources Code) . . . not to exceed \$2.50 added to first support payment each month;

(B) in Johnson County if authorized by the juvenile board (Sec. 152.1322, Human Resources Code) . . . \$1.00 added to first support payment each month; and

(C) in Montague County (Sec. 152.1752, Human Resources Code) . . . \$1 if fee is ordered to be paid monthly, 50 cents if fee is ordered to be paid semimonthly or weekly;

(22-c) attorney's fees as an additional cost in Montague County on a finding of contempt of court for failure to pay child or spousal support if the contempt action is initiated by the probation department (Sec. 152.1752, Human Resources Code) . . . \$15;

(23) fee on filing a suit requesting an adoption in Montague County (Sec. 152.1752, Human Resources Code) . . . \$25;

(24) court cost on citation for contempt of court for failure to comply with child support order in Nueces County, if authorized by the commissioners court (Sec. 152.1844, Human Resources Code) . . . not to exceed \$10;

(25) fee on filing a suit for divorce in Orange County (Sec. 152.1873, Human Resources Code) . . . not less than \$5;

(26) court costs on citation for contempt of court in Orange County for failure to comply with a child support order or order providing for possession of or access to a child (Sec. 152.1873, Human Resources Code) . . . amount determined by district clerk;

(27) fee on filing a suit requesting an adoption in Orange County (Sec. 152.1874, Human Resources Code) . . . not less than \$25;

(28) fee on filing a suit requesting an adoption in Wichita County (Sec. 152.2496, Human Resources Code) . . . \$100;

(29) additional filing fee to fund the courthouse security fund, if authorized by the county commissioners court (Sec. 291.008, Local Government Code) . . . not to exceed \$5;

(30) additional filing fee for filing documents not subject to certain filing fees to fund the courthouse security fund, if authorized by the county commissioners court (Sec. 291.008, Local Government Code) . . . \$1;

(31) additional filing fee to fund the courthouse security fund in Webb County, if authorized by the county commissioners court (Sec. 291.009, Local Government Code) . . . not to exceed \$20;

(32) court cost in civil cases other than suits for delinquent taxes to fund the county law library fund, if authorized by the county commissioners court (Sec. 323.023, Local Government Code) . . . not to exceed \$35;

(33) when administering a case for the Rockwall County Court at Law (Sec. 25.2012, Government Code) . . . civil fees and court costs as if the case had been filed in district court;

(34) at a hearing held by an associate judge in Dallas County, a court cost to preserve the record, in the absence of a court reporter, by other means (Sec. 54.509, Government Code) . . . as assessed by the referring court or associate judge;

(35) at a hearing held by an associate judge in Duval County, a court cost to preserve the record (Sec. 54.1151, Government Code, as added by Chapter 1150, Acts of the 78th Legislature, Regular Session, 2003) . . . as imposed by the referring court or associate judge;

(36) court fees and costs, if ordered by the court, for a suit filed by an inmate in which an affidavit or unsworn declaration of inability to pay costs is filed by the inmate (Sec. 14.006, Civil Practice and Remedies Code) . . . the lesser of:

(A) 20 percent of the preceding six months' deposits to the inmate's trust account administered by the Texas Department of Criminal Justice under Section 501.014, Government Code; or

(B) the total amount of court fees and costs;

(37) monthly payment for remaining court fees and costs after the initial payment for a suit in which an affidavit or unsworn declaration of inability to pay costs is filed by the inmate (Sec. 14.006, Civil Practice and Remedies Code) . . . the lesser of:

(A) 10 percent of that month's deposit to the inmate's trust account administered by the Texas Department of Criminal Justice under Section 501.014, Government Code; or

- (B) the total amount of court fees and costs that remain unpaid;
 - (38) the following costs not otherwise charged to the inmate under Section 14.006, Civil Practice and Remedies Code, if the inmate has previously filed an action dismissed as malicious or frivolous (Sec. 14.007, Civil Practice and Remedies Code):
 - (A) expenses of service of process;
 - (B) postage; and
 - (C) transportation, housing, or medical care incurred in connection with the appearance of the inmate in the court for any proceeding;
 - (39) fee for performing a service:
 - (A) related to the matter of the estate of a deceased person (Sec. 51.319, Government Code) . . . the same fee allowed the county clerk for those services;
 - (B) related to the matter of a minor (Sec. 51.319, Government Code) . . . the same fee allowed the county clerk for the service;
 - (C) of serving process by certified or registered mail (Sec. 51.319, Government Code) . . . the same fee a sheriff or constable is authorized to charge for the service under Section 118.131, Local Government Code; and
 - (D) prescribed or authorized by law but for which no fee is set (Sec. 51.319, Government Code) . . . a reasonable fee;
 - (40) court costs, which may include expert witness fees in Travis County in an action in which the plaintiff prevails against an insurer for economic damages sustained by the plaintiff as a result of unfair discrimination (Sec. 544.054, Insurance Code) . . . court costs and reasonable and necessary expert witness fees;
 - (41) security deposit on filing, by any person other than the personal representative of an estate, an application, complaint, or opposition in relation to the estate, if required by the clerk (Sec. 12, Texas Probate Code) . . . probable cost of the proceeding;
 - (42) security deposit on filing, by any person other than the guardian, attorney ad litem, or guardian ad litem, an application, complaint, or opposition in relation to a guardianship matter, if required by the clerk (Sec. 622, Texas Probate Code) . . . probable cost of the guardianship proceeding; and
 - (43) fee for filing an additional petition for review of an appraisal review board order relating to certain regulated property running through or operating in more than one county after the first petition for review relating to the same property is filed for a tax year (Sec. 42.221, Tax Code) . . . \$5.
- (c) Section 101.081, Government Code, is amended to read as follows:
- Sec. 101.081. STATUTORY COUNTY COURT FEES AND COSTS. The clerk of a statutory county court shall collect fees and costs as follows:
- (1) court cost in certain civil cases to establish and maintain an alternative dispute resolution system, if authorized by the county commissioners court (Sec. 152.004, Civil Practice and Remedies Code) . . . not to exceed \$10;
 - (2) appellate judicial system filing fees:
 - (A) First or Fourteenth Court of Appeals District (Sec. 22.2021, Government Code) . . . not more than \$5;
 - (B) Second Court of Appeals District (Sec. 22.2031, Government Code) . . . not more than \$5;

- (C) Fourth Court of Appeals District (Sec. 22.2051, Government Code) . . . not more than \$5;
- (D) Fifth Court of Appeals District (Sec. 22.2061, Government Code) . . . not more than \$5; and
- (E) Thirteenth Court of Appeals District (Sec. 22.2141, Government Code) . . . not more than \$5;
- (3) an official court reporter fee, County Court at Law No. 2 of Bexar County (Sec. 25.0172, Government Code) . . . \$3;
- (4) a court reporter fee when testimony is taken in a county court at law in McLennan County (Sec. 25.1572, Government Code) . . . \$3;
- (5) a stenographer fee, if a record or part of a record is made:
- (A) in a county court at law in Hidalgo County (Sec. 25.1102, Government Code) . . . \$20; and
- (B) in a county court at law in Nolan County (Sec. 25.1792, Government Code) . . . \$25;
- (6) jury fee (Sec. 51.604, Government Code) . . . \$22;
- (7) an additional filing fee:
- (A) for each civil case filed to be used for court-related purposes for the support of the judiciary, if authorized by the county commissioners court (Sec. 51.702, Government Code) . . . \$40;
- (B) to fund the improvement of Dallas County civil court facilities, if authorized by the county commissioners court (Sec. 51.705, Government Code) . . . not more than \$15; ~~and~~
- (C) for filing any civil action or proceeding requiring a filing fee, including an appeal, and on the filing of any counterclaim, cross-action, intervention, interpleader, or third-party action requiring a filing fee, to fund civil legal services for the indigent (Sec. 133.153, Local Government Code) . . . \$5; and
- (D) to fund the improvement of Hays County court facilities, if authorized by the county commissioners court (Sec. 51.707, Government Code) . . . not more than \$15;
- (8) for filing an application for registration of death (Sec. 193.007, Health and Safety Code) . . . \$1;
- (9) fee for judge's services on an application for court-ordered mental health services (Sec. 574.031, Health and Safety Code) . . . not to exceed \$50;
- (10) fee for prosecutor's services on an application for court-ordered mental health services (Sec. 574.031, Health and Safety Code) . . . not to exceed \$50;
- (11) for filing a suit in Comal County (Sec. 152.0522, Human Resources Code) . . . \$4;
- (12) additional filing fee to fund contingency fund for liability insurance, if authorized by the county commissioners court (Sec. 82.003, Local Government Code) . . . not to exceed \$5;
- (13) civil court actions (Sec. 118.052, Local Government Code):
- (A) filing of original action (Secs. 118.052 and 118.053, Local Government Code):
- (i) garnishment after judgment (Sec. 118.052, Local Government Code) . . . \$15; and

(ii) all others (Sec. 118.052, Local Government Code) . . . \$40;

(B) filing of action other than original (Secs. 118.052 and 118.054, Local Government Code) . . . \$30; and

(C) services rendered after judgment in original action (Secs. 118.052 and 118.0545, Local Government Code):

(i) abstract of judgment (Sec. 118.052, Local Government Code) . . . \$5; and

(ii) execution, order of sale, writ, or other process (Sec. 118.052, Local Government Code) . . . \$5;

(14) probate court actions (Sec. 118.052, Local Government Code):

(A) probate original action (Secs. 118.052 and 118.055, Local Government Code):

(i) probate of a will with independent executor, administration with will attached, administration of an estate, guardianship or receivership of an estate, or muniment of title (Sec. 118.052, Local Government Code) . . . \$40;

(ii) community survivors (Sec. 118.052, Local Government Code) . . . \$40;

(iii) small estates (Sec. 118.052, Local Government Code) . . . \$40;

(iv) declarations of heirship (Sec. 118.052, Local Government Code) . . . \$40;

(v) mental health or chemical dependency services (Sec. 118.052, Local Government Code) . . . \$40; and

(vi) additional, special fee (Secs. 118.052 and 118.064, Local Government Code) . . . \$5;

(B) services in pending probate action (Secs. 118.052 and 118.056, Local Government Code):

(i) filing an inventory and appraisal after the 120th day after the date of the initial filing of the action (Sec. 118.052, Local Government Code) . . . \$25;

(ii) approving and recording bond (Sec. 118.052, Local Government Code) . . . \$3;

(iii) administering oath (Sec. 118.052, Local Government Code) . . . \$2;

(iv) filing annual or final account of estate (Sec. 118.052, Local Government Code) . . . \$25;

(v) filing application for sale of real or personal property (Sec. 118.052, Local Government Code) . . . \$25;

(vi) filing annual or final report of guardian of a person (Sec. 118.052, Local Government Code) . . . \$10; and

(vii) filing a document not listed under this paragraph after the filing of an order approving the inventory and appraisal or after the 120th day after the date of the initial filing of the action, whichever occurs first (Secs. 118.052 and 191.007, Local Government Code), if more than 25 pages . . . \$25;

(C) adverse probate action (Secs. 118.052 and 118.057, Local Government Code) . . . \$40; and

(D) claim against estate (Secs. 118.052 and 118.058, Local Government Code) . . . \$2;

(15) other fees (Sec. 118.052, Local Government Code):

(A) issuing document (Secs. 118.052 and 118.059, Local Government Code):

(i) original document and one copy (Sec. 118.052, Local Government Code) . . . \$4; and

(ii) each additional set of an original and one copy (Sec. 118.052, Local Government Code) . . . \$4;

(B) certified papers (Secs. 118.052 and 118.060, Local Government Code):

(i) for the clerk's certificate (Sec. 118.052, Local Government Code) . . . \$5; and

(ii) a fee per page or part of a page (Sec. 118.052, Local Government Code) . . . \$1;

(C) noncertified papers, for each page or part of a page (Secs. 118.052 and 118.0605, Local Government Code) . . . \$1;

(D) letters testamentary, letter of guardianship, letter of administration, or abstract of judgment (Secs. 118.052 and 118.061, Local Government Code) . . . \$2;

(E) safekeeping of wills (Secs. 118.052 and 118.062, Local Government Code) . . . \$5;

(F) mail service of process (Secs. 118.052 and 118.063, Local Government Code) . . . same as sheriff; and

(G) records management and preservation fee (Secs. 118.052, 118.0546, and 118.0645, Local Government Code) . . . \$5;

(16) additional filing fee to fund the courthouse security fund, if authorized by the county commissioners court (Sec. 291.008, Local Government Code) . . . not to exceed \$5;

(17) additional filing fee for filing documents not subject to certain filing fees to fund the courthouse security fund, if authorized by the county commissioners court (Sec. 291.008, Local Government Code) . . . \$1;

(18) additional filing fee to fund the courthouse security fund in Webb County, if authorized by the county commissioners court (Sec. 291.009, Local Government Code) . . . not to exceed \$20;

(19) court cost in civil cases other than suits for delinquent taxes to fund the county law library fund, if authorized by the county commissioners court (Sec. 323.023, Local Government Code) . . . not to exceed \$35;

(20) fee for deposit of a will with the county clerk during testator's lifetime (Sec. 71, Texas Probate Code) . . . \$3;

(21) court cost for each special commissioner in an eminent domain proceeding (Sec. 21.047, Property Code) . . . as taxed by the court, \$10 or more;

(22) fee for county attorney in a suit regarding a railroad company's failure to keep roadbed and right-of-way in proper condition (Art. 6327, Vernon's Texas Civil Statutes) . . . \$10;

(23) court fees and costs, if ordered by the court, for a suit filed by an inmate in which an affidavit or unsworn declaration of inability to pay costs is filed by the inmate (Sec. 14.006, Civil Practice and Remedies Code) . . . the lesser of:

(A) 20 percent of the preceding six months' deposits to the inmate's trust account administered by the Texas Department of Criminal Justice under Section 501.014, Government Code; or

(B) the total amount of court fees and costs;

(24) monthly payment for remaining court fees and costs after the initial payment for a suit in which an affidavit or unsworn declaration of inability to pay costs is filed by the inmate (Sec. 14.006, Civil Practice and Remedies Code) . . . the lesser of:

(A) 10 percent of that month's deposit to the inmate's trust account administered by the Texas Department of Criminal Justice under Section 501.014, Government Code; or

(B) the total amount of court fees and costs that remain unpaid;

(25) the following costs not otherwise charged to the inmate under Section 14.006, Civil Practice and Remedies Code, if the inmate has previously filed an action dismissed as malicious or frivolous (Sec. 14.007, Civil Practice and Remedies Code):

(A) expenses of service of process;

(B) postage; and

(C) transportation, housing, or medical care incurred in connection with the appearance of the inmate in the court for any proceeding;

(26) the official court reporter's fee taxed as costs in civil actions in a statutory county court:

(A) in Bexar County Courts at Law:

(i) Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 (Sec. 25.0172, Government Code) . . . taxed in the same manner as the fee is taxed in district court; and

(ii) No. 2 (Sec. 25.0172, Government Code) . . . \$3;

(B) in Galveston County (Sec. 25.0862, Government Code) . . . taxed in the same manner as the fee is taxed in civil cases in the district courts; and

(C) in Parker County (Sec. 25.1862, Government Code) . . . taxed in the same manner as the fee is taxed in civil cases in the district courts;

(27) a stenographer's fee as costs in each civil, criminal, and probate case in which a record is made by the official court reporter in a statutory county court in Nolan County (Sec. 25.1792, Government Code) . . . \$25;

(28) in Brazoria County, in matters of concurrent jurisdiction with the district court, fees (Sec. 25.0222, Government Code) . . . as prescribed by law for district judges according to the nature of the matter;

(29) in Nueces County, in matters of concurrent jurisdiction with the district court, with certain exceptions, fees (Sec. 25.1802, Government Code) . . . equal to those in district court cases;

(30) security deposit on filing, by any person other than the personal representative of an estate, an application, complaint, or opposition in relation to the estate, if required by the clerk (Sec. 12, Texas Probate Code) . . . probable cost of the proceeding;

(31) security deposit on filing, by any person other than the guardian, attorney ad litem, or guardian ad litem, an application, complaint, or opposition in relation to a guardianship matter, if required by the clerk (Sec. 622, Texas Probate Code) . . . probable cost of the guardianship proceeding;

(32) for a hearing or proceeding under the Texas Mental Health Code (Subtitle C, Title 7, Health and Safety Code) as costs (Secs. 571.017 and 571.018, Health and Safety Code) . . . reasonable compensation to the following persons appointed under the Texas Mental Health Code:

- (A) attorneys;
- (B) physicians;
- (C) language interpreters;
- (D) sign interpreters; and
- (E) masters;

(33) for a hearing or proceeding under the Texas Mental Health Code (Subtitle C, Title 7, Health and Safety Code) as costs (Sec. 571.018, Health and Safety Code):

- (A) attorney's fees;
- (B) physician examination fees;
- (C) expense of transportation to a mental health facility or to a federal agency not to exceed \$50 if transporting within the same county and not to exceed the reasonable cost of transportation if transporting between counties;
- (D) costs and salary supplements authorized under Section 574.031, Health and Safety Code; and
- (E) prosecutors' fees authorized under Section 574.031, Health and Safety Code;

(34) expenses of transporting certain patients from the county of treatment to a hearing in the county in which the proceedings originated (Sec. 574.008, Health and Safety Code) . . . actual expenses unless certain arrangements are made to hold the hearing in the county in which the patient is receiving services;

(35) expenses for expert witness testimony for an indigent patient (Sec. 574.010, Health and Safety Code) . . . if authorized by the court as reimbursement to the attorney ad litem, court-approved expenses;

(36) fee for judge's services for holding a hearing on an application for court-ordered mental health services (Sec. 574.031, Health and Safety Code) . . . as assessed by the judge, not to exceed \$50;

(37) expenses to reimburse judge for holding a hearing in a hospital or location other than the county courthouse (Sec. 574.031, Health and Safety Code) . . . reasonable and necessary expenses as certified;

(38) fee for services of a prosecuting attorney, including costs incurred for preparation of documents related to a hearing on an application for court-ordered mental health services (Sec. 574.031, Health and Safety Code) . . . as assessed by the judge, not to exceed \$50; and

(39) a fee not otherwise listed in this section that is required to be collected under Section 25.0008, Government Code (Sec. 25.0008, Government Code), in a county other than Brazos, Cameron, Ellis, Guadalupe, Harris, Henderson, Liberty, Moore, Nolan, Panola, Parker, Starr, Victoria, and Williamson . . . as prescribed by law relating to county judges' fees.

(d) Section 101.101, Government Code, is amended to read as follows:

Sec. 101.101. STATUTORY PROBATE COURT FEES AND COSTS. The clerk of a statutory probate court shall collect fees and costs as follows:

(1) court cost in certain civil cases to establish and maintain an alternative dispute resolution system, if authorized by the county commissioners court (Sec. 152.004, Civil Practice and Remedies Code) . . . not to exceed \$10;

(2) appellate judicial system filing fees:

(A) First or Fourteenth Court of Appeals District (Sec. 22.2021, Government Code) . . . not more than \$5;

(B) Second Court of Appeals District (Sec. 22.2031, Government Code) . . . not more than \$5;

(C) Fourth Court of Appeals District (Sec. 22.2051, Government Code) . . . not more than \$5;

(D) Fifth Court of Appeals District (Sec. 22.2061, Government Code) . . . not more than \$5; and

(E) Thirteenth Court of Appeals District (Sec. 22.2141, Government Code) . . . not more than \$5;

(3) additional filing fees as follows:

(A) for certain cases to be used for court-related purposes for support of the judiciary, if authorized by the county commissioners court (Sec. 51.704, Government Code) . . . \$40;

(B) to fund the improvement of Dallas County civil court facilities, if authorized by the county commissioners court (Sec. 51.705, Government Code) . . . not more than \$15; ~~and~~

(C) for filing any civil action or proceeding requiring a filing fee, including an appeal, and on the filing of any counterclaim, cross-action, intervention, interpleader, or third-party action requiring a filing fee to fund civil legal services for the indigent (Sec. 133.153, Local Government Code) . . . \$5; and

(D) to fund the improvement of Hays County court facilities, if authorized by the county commissioners court (Sec. 51.707, Government Code) . . . not more than \$15;

(4) for filing an application for registration of death (Sec. 193.007, Health and Safety Code) . . . \$1;

(5) fee for judge's services on an application for court-ordered mental health services (Sec. 574.031, Health and Safety Code) . . . not to exceed \$50;

(6) fee for prosecutor's services on an application for court-ordered mental health services (Sec. 574.031, Health and Safety Code) . . . not to exceed \$50;

(7) additional filing fee to fund contingency fund for liability insurance, if authorized by the county commissioners court (Sec. 82.003, Local Government Code) . . . not to exceed \$5;

(8) probate court actions (Sec. 118.052, Local Government Code):

(A) probate original action (Secs. 118.052 and 118.055, Local Government Code):

(i) probate of a will with independent executor, administration with will attached, administration of an estate, guardianship or receivership of an estate, or muniment of title (Sec. 118.052, Local Government Code) . . . \$40;

(ii) community survivors (Sec. 118.052, Local Government Code) . . . \$40;

(iii) small estates (Sec. 118.052, Local Government Code) . . . \$40;

(iv) declarations of heirship (Sec. 118.052, Local Government Code) . . . \$40;

(v) mental health or chemical dependency services (Sec. 118.052, Local Government Code) . . . \$40; and

(vi) additional, special fee (Secs. 118.052 and 118.064, Local Government Code) . . . \$5;

(B) services in pending probate action (Secs. 118.052 and 118.056, Local Government Code):

(i) filing an inventory and appraisal after the 120th day after the date of the initial filing of the action (Sec. 118.052, Local Government Code) . . . \$25;

(ii) approving and recording bond (Sec. 118.052, Local Government Code) . . . \$3;

(iii) administering oath (Sec. 118.052, Local Government Code) . . . \$2;

(iv) filing annual or final account of estate (Sec. 118.052, Local Government Code) . . . \$25;

(v) filing application for sale of real or personal property (Sec. 118.052, Local Government Code) . . . \$25;

(vi) filing annual or final report of guardian of a person (Sec. 118.052, Local Government Code) . . . \$10; and

(vii) filing a document not listed under this paragraph after the filing of an order approving the inventory and appraisal or after the 120th day after the date of the initial filing of the action, whichever occurs first (Secs. 118.052 and 191.007, Local Government Code), if more than 25 pages . . . \$25;

(C) adverse probate action (Secs. 118.052 and 118.057, Local Government Code) . . . \$40; and

(D) claim against estate (Secs. 118.052 and 118.058, Local Government Code) . . . \$2;

(9) other fees (Sec. 118.052, Local Government Code):

(A) issuing document (Secs. 118.052 and 118.059, Local Government Code):

(i) original document and one copy (Sec. 118.052, Local Government Code) . . . \$4; and

(ii) each additional set of an original and one copy (Sec. 118.052, Local Government Code) . . . \$4;

(B) certified papers (Secs. 118.052 and 118.060, Local Government Code):

(i) for the clerk's certificate (Sec. 118.052, Local Government Code) . . . \$5; and

(ii) a fee per page or part of a page (Sec. 118.052, Local Government Code) . . . \$1;

(C) noncertified papers, for each page or part of a page (Secs. 118.052 and 118.0605, Local Government Code) . . . \$1;

(D) letters testamentary, letter of guardianship, letter of administration, or abstract of judgment (Secs. 118.052 and 118.061, Local Government Code) . . . \$2;

(E) safekeeping of wills (Secs. 118.052 and 118.062, Local Government Code) . . . \$5;

(F) mail service of process (Secs. 118.052 and 118.063, Local Government Code) . . . same as sheriff; and

(G) records management and preservation fee (Secs. 118.052 and 118.0645, Local Government Code) . . . \$5;

(10) fee for deposit of a will with the county clerk during testator's lifetime (Sec. 71, Texas Probate Code) . . . \$3;

(11) court costs for each special commissioner in an eminent domain proceeding (Sec. 21.047, Property Code) . . . as taxed by the court, \$10 or more;

(12) jury fee for civil case (Sec. 51.604, Government Code) . . . \$22;

(13) court cost in civil cases other than suits for delinquent taxes to fund the county law library fund, if authorized by the county commissioners court (Sec. 323.023, Local Government Code) . . . not to exceed \$35;

(14) the expense of preserving the record as a court cost, if imposed on a party by the referring court or associate judge (Sec. 54.612, Government Code) . . . actual cost;

(15) security deposit on filing, by any person other than the personal representative of an estate, an application, complaint, or opposition in relation to the estate, if required by the clerk (Sec. 12, Texas Probate Code) . . . probable cost of the proceeding;

(16) security deposit on filing, by any person other than the guardian, attorney ad litem, or guardian ad litem, an application, complaint, or opposition in relation to a guardianship matter, if required by the clerk (Sec. 622, Texas Probate Code) . . . probable cost of the guardianship proceeding;

(17) for a hearing or proceeding under the Texas Mental Health Code (Subtitle C, Title 7, Health and Safety Code) as costs (Secs. 571.017 and 571.018, Health and Safety Code) . . . reasonable compensation to the following persons appointed under the Texas Mental Health Code:

(A) attorneys;

(B) physicians;

(C) language interpreters;

(D) sign interpreters; and

(E) masters;

(18) for a hearing or proceeding under the Texas Mental Health Code (Subtitle C, Title 7, Health and Safety Code) as costs (Sec. 571.018, Health and Safety Code):

(A) attorney's fees;

(B) physician examination fees;

(C) expense of transportation to a mental health facility or to a federal agency not to exceed \$50 if transporting within the same county and not to exceed the reasonable cost of transportation if transporting between counties;

(D) costs and salary supplements authorized under Section 574.031, Health and Safety Code; and

(E) prosecutors' fees authorized under Section 574.031, Health and Safety Code;

(19) expenses of transporting certain patients from the county of treatment to a hearing in the county in which the proceedings originated (Sec. 574.008, Health and Safety Code) . . . actual expenses unless certain arrangements are made to hold the hearing in the county in which the patient is receiving services;

(20) expenses for expert witness testimony for an indigent patient (Sec. 574.010, Health and Safety Code) . . . if authorized by the court as reimbursement to the attorney ad litem, court-approved expenses;

(21) fee for judge's services for holding a hearing on an application for court-ordered mental health services (Sec. 574.031, Health and Safety Code) . . . as assessed by the judge, not to exceed \$50;

(22) expenses to reimburse judge for holding a hearing in a hospital or location other than the county courthouse (Sec. 574.031, Health and Safety Code) . . . reasonable and necessary expenses as certified;

(23) fee for services of a prosecuting attorney, including costs incurred for preparation of documents related to a hearing on an application for court-ordered mental health services (Sec. 574.031, Health and Safety Code) . . . as assessed by the judge, not to exceed \$50; and

(24) a fee not otherwise listed in this section that is required to be collected under Section 25.0029, Government Code (Sec. 25.0029, Government Code) . . . as prescribed by law relating to county judges' fees.

(e) Section 101.141, Government Code, is amended to read as follows:

Sec. 101.141. JUSTICE COURT AND SMALL CLAIMS COURT FEES AND COSTS. (a) A clerk of a justice court shall collect fees and costs as follows:

(1) additional court cost in certain civil cases to establish and maintain an alternative dispute resolution system, if authorized by the commissioners court of a county with a population of at least 2.5 million (Sec. 152.005, Civil Practice and Remedies Code) . . . not to exceed \$3;

(2) additional filing fees:

(A) to fund Dallas County civil court facilities (Sec. 51.705, Government Code) . . . not more than \$15; ~~and~~

(B) for filing any civil action or proceeding requiring a filing fee, including an appeal, and on the filing of any counterclaim, cross-action, intervention, interpleader, or third-party action requiring a filing fee, to fund civil legal services for the indigent (Sec. 133.153, Local Government Code) . . . \$2; and

(C) to fund the improvement of Hays County court facilities, if authorized by the county commissioners court (Sec. 51.707, Government Code) . . . not more than \$15;

(3) for filing a suit in Comal County (Sec. 152.0522, Human Resources Code) . . . \$1.50;

(4) fee for hearing on probable cause for removal of a vehicle and placement in a storage facility if assessed by the court (Sec. 685.008, Transportation Code) . . . \$20;

(5) court fees and costs, if ordered by the court, for a suit filed by an inmate in which an affidavit or unsworn declaration of inability to pay costs is filed by the inmate (Sec. 14.006, Civil Practice and Remedies Code) . . . the lesser of:

(A) 20 percent of the preceding six months' deposits to the inmate's trust account administered by the Texas Department of Criminal Justice under Section 501.014, Government Code; or

(B) the total amount of court fees and costs;

(6) monthly payment for remaining court fees and costs after the initial payment for a suit in which an affidavit or unsworn declaration of inability to pay costs is filed by the inmate (Sec. 14.006, Civil Practice and Remedies Code) . . . the lesser of:

(A) 10 percent of that month's deposit to the inmate's trust account administered by the Texas Department of Criminal Justice under Section 501.014, Government Code; or

(B) the total amount of court fees and costs that remain unpaid;

(7) the following costs not otherwise charged to the inmate under Section 14.006, Civil Practice and Remedies Code, if the inmate has previously filed an action dismissed as malicious or frivolous (Sec. 14.007, Civil Practice and Remedies Code):

(A) expenses of service of process;

(B) postage; and

(C) transportation, housing, or medical care incurred in connection with the appearance of the inmate in the court for any proceeding; and

(8) the cost of a special program that a court may order a child to attend after a finding that the child committed an offense, if ordered by the court (Art. 45.057, Code of Criminal Procedure) . . . costs of the program not to exceed \$100.

(b) A justice of the peace shall collect the following fees:

(1) services rendered before judgment (Secs. 118.121 and 118.122, Local Government Code):

(A) justice court (Sec. 118.121, Local Government Code) . . . \$15; and

(B) small claims court (Sec. 118.121, Local Government Code) . . . \$10;

(2) services rendered after judgment (Secs. 118.121 and 118.123, Local Government Code):

(A) transcript (Sec. 118.121, Local Government Code) . . . \$10;

(B) abstract of judgment (Sec. 118.121, Local Government Code) . . . \$5;

(C) execution, order of sale, writ of restitution, or other writ or process (Sec. 118.121, Local Government Code) . . . \$5 per page;

(D) certified copy of court papers (Secs. 118.121 and 118.1235, Local Government Code) . . . \$2 for first page; \$0.25 for each additional page; and

(E) issuing other document (no return required) (Sec. 118.121, Local Government Code) . . . \$1 for first page; \$0.25 for each additional page;

(3) court fees and costs, if ordered by the court, for a suit filed by an inmate in which an affidavit or unsworn declaration of inability to pay costs is filed by the inmate (Sec. 14.006, Civil Practice and Remedies Code) . . . the lesser of:

(A) 20 percent of the preceding six months' deposits to the inmate's trust account administered by the Texas Department of Criminal Justice under Section 501.014, Government Code; or

(B) the total amount of court fees and costs;

(4) monthly payment for remaining court fees and costs after the initial payment for a suit in which an affidavit or unsworn declaration of inability to pay costs is filed by the inmate (Sec. 14.006, Civil Practice and Remedies Code) . . . the lesser of:

(A) 10 percent of that month's deposit to the inmate's trust account administered by the Texas Department of Criminal Justice under Section 501.014, Government Code; or

(B) the total amount of court fees and costs that remain unpaid; and

(5) the following costs not otherwise charged to the inmate under Section 14.006, Civil Practice and Remedies Code, if the inmate has previously filed an action dismissed as malicious or frivolous (Sec. 14.007, Civil Practice and Remedies Code):

(A) expenses of service of process;

(B) postage; and

(C) transportation, housing, or medical care incurred in connection with the appearance of the inmate in the court for any proceeding.

Floor Amendment No. 2 on Third Reading

Amend **CSSB 1951** on third reading (House committee printing) by adding the following appropriately numbered SECTIONS and renumbering the subsequent SECTIONS accordingly:

SECTION _____. Section 152.0721, Human Resources Code, is amended by adding Subsection (f) to read as follows:

(f) The Duval County Juvenile Board and the juvenile boards of one or more counties that are adjacent to or in close proximity to Duval County may agree to operate together with respect to all matters, or with respect to certain matters specified by the juvenile boards. Juvenile boards operating together may appoint one fiscal officer to receive and disburse funds for the boards.

SECTION _____. Subchapter D, Chapter 152, Human Resources Code, is amended by adding Section 152.1301 to read as follows:

Sec. 152.1301. JIM HOGG COUNTY. (a) The Jim Hogg County Juvenile Board is composed of the county judge, the district judge in Jim Hogg County, and a citizen of Jim Hogg County appointed by the county judge and the district judge. The citizen member of the board serves the same term of office as the district judge in Jim Hogg County.

(b) The district judge is the chairman of the board and its chief administrative officer.

(c) The commissioners court may pay the juvenile board members an annual salary set by the commissioners court at not less than \$1,200 or more than \$3,600 for the added duties imposed on the members. The salary shall be paid in equal monthly installments from the general fund of the county.

(d) The juvenile board shall appoint not more than five persons to serve on an advisory council.

(e) The Jim Hogg County Juvenile Board and the juvenile boards of one or more counties that are adjacent to or in close proximity to Jim Hogg County may agree to operate together with respect to all matters, or with respect to certain matters specified by the juvenile boards. Juvenile boards operating together may appoint one fiscal officer to receive and disburse funds for the boards.

(f) Sections 152.0002, 152.0004, 152.0005, 152.0006, 152.0007, and 152.0008 do not apply to the juvenile board.

SECTION _____. Section 152.2201, Human Resources Code, is amended by amending Subsection (a) and adding Subsection (f) to read as follows:

(a) The Starr County Juvenile Board is composed of the county judge, the judge of the county court at law in Starr County, and the district judges in Starr County.

(f) The Starr County Juvenile Board and the juvenile boards of one or more counties that are adjacent to or in close proximity to Starr County may agree to operate together with respect to all matters, or with respect to certain matters specified by the juvenile boards. Juvenile boards operating together may appoint one fiscal officer to receive and disburse funds for the boards.

SECTION _____. The Jim Hogg County Juvenile Board is created on the effective date of this Act.

Floor Amendment No. 3 on Third Reading

Amend **CSSB 1951** on third reading by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 53.001, Government Code, is amended by adding Subsection (j) to read as follows:

(j) The judge of the 115th District Court shall appoint a bailiff to serve the court only in Upshur County.

SECTION _____. Section 53.004, Government Code, is amended by adding Subsection (g) to read as follows:

(g) A bailiff appointed by the judge of the 115th District Court to serve the court in Upshur County must be:

(1) a resident of that county; and

(2) at least 18 years of age.

SECTION _____. Sections 53.007(a) and (b), Government Code, are amended to read as follows:

(a) This section applies to:

(1) the 22nd, 34th, 70th, 71st, 86th, 97th, 142nd, 161st, 238th, 318th, 341st, 355th, and 385th district courts;

(2) the County Court of Harrison County;

(3) the criminal district courts of Tarrant County;

(4) the district courts in Taylor County;

(5) the courts described in Section 53.002(c), (d), (e), or (f);

(6) the county courts at law of Taylor County; ~~and~~

(7) the district courts in Tarrant County that give preference to criminal cases; and

(8) the 115th District Court in Upshur County.

(b) On the request of the judge of a court to which this section applies other than the 115th District Court, the sheriff of each county in which the court sits shall deputize the bailiff or grand jury bailiff appointed under this subchapter of that court, in addition to other deputies authorized by law. On the request of the judge of the 115th District Court, the sheriff of Upshur County shall deputize the bailiff appointed by that judge under Section 53.001(j), in addition to other deputies authorized by law.

Floor Amendment No. 4 on Third Reading

Amend **CSSB 1951** on third reading in the SECTION of the bill added by Floor Amendment No. 1 by Chisum as follows:

(1) In added Subsection (b), Section 24.6051, Government Code, strike "statutory" and substitute "constitutional".

(2) Strike Subsection (c) of that SECTION of the bill.

The amendments were read.

Senator Wentworth moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1951** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Wentworth, Chair; Hinojosa, Ogden, Duncan, and Harris.

SENATE BILL 1234 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 1234** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Committee Amendment No. 1

Amend **SB 1234** (Senate engrossment) as follows:

(1) In SECTION 1 of the bill, in added Subdivision (12), Subsection (a-1), Section 61.051, Education Code (page 3, line 22), strike "and".

(2) In SECTION 1 of the bill, in added Subdivision (13), Subsection (a-1), Section 61.051, Education Code (page 4, line 2), between "requirement" and the period, insert the following:

; and

(14) consideration of:

(A) the effectiveness of existing family asset-building programs related to higher education, including individual college savings plans, prepaid tuition plans, and universal children's savings accounts; and

(B) the degree to which such programs contribute to each of the following in relation to study at a public or private institution of higher education:

(i) increased student achievement;

(ii) readiness for higher education;

(iii) enrollment rates;

(iv) dropout prevention;

(v) overall student success and well-being; and

(vi) reliance on student loans

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 1234**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE ON HOUSE BILL 2542

Senator Estes called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 2542** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 2542** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Estes, Chair; Nichols, Jackson, Hegar, and Hinojosa.

SENATE BILL 2031 WITH HOUSE AMENDMENT

Senator Ogden called **SB 2031** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1 on Third Reading

Amend **SB 2031**, on third reading, as follows:

(1) In SECTION 1 of the bill, in added Subsection (a), Section 111.003, Civil Practice and Remedies Code, strike Subdivisions (1) and (2), (page 2, lines 10-16, House committee printing), and substitute the following:

(1) requires this state to pay total monetary damages in an amount that exceeds \$25,000,000 in a state fiscal biennium; or

(2) commits this state to a course of action that in reasonable probability will entail a continuing increased expenditure of state funds over subsequent state fiscal bienniums.

The amendment was read.

Senator Ogden moved to concur in the House amendment to **SB 2031**.

The motion prevailed by the following vote: Yeas 27, Nays 3.

Yeas: Averitt, Brimer, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Harris, Hegar, Hinojosa, Jackson, Janek, Lucio, Nelson, Nichols, Ogden, Patrick, Seliger, Shapiro, Uresti, Van de Putte, Wentworth, West, Whitmire, Williams, Zaffirini.

Nays: Ellis, Shapleigh, Watson.

Absent-excused: Gallegos.

SENATE BILL 766 WITH HOUSE AMENDMENTS

Senator Ogden called **SB 766** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 766** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the transfer of powers and duties for accident reports from the Department of Public Safety of the State of Texas to the Texas Department of Transportation.

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

SECTION 1. Subchapter J, Chapter 201, Transportation Code, is amended by adding Section 201.805 to read as follows:

Sec. 201.805. ACCIDENT REPORTS. (a) The department shall:

(1) tabulate and analyze the vehicle accident reports it receives;

(2) annually or more frequently publish statistical information derived from the accident reports as to the number, cause, and location of highway accidents, including information regarding the number of accidents involving injury to, death of, or property damage to a bicyclist or pedestrian; and

(3) not later than December 15 of each even-numbered year provide to the governor and the legislature:

(A) an abstract of the statistical information for the biennium ending on the preceding August 31; and

(B) a report with the department's conclusions, findings, and recommendations for decreasing highway accidents and increasing highway safety.

(b) The department shall provide electronic access to the system containing the accident reports so that the Department of Public Safety can perform its duties, including the duty to make timely entries on driver records.

SECTION 2. Subchapter D, Chapter 550, Transportation Code, is amended by adding Section 550.0601 to read as follows:

Sec. 550.0601. DEFINITION. In this subchapter, "department" means the Texas Department of Transportation.

SECTION 3. Section 550.063, Transportation Code, is amended to read as follows:

Sec. 550.063. REPORT ON APPROPRIATE FORM. The form of all written accident reports must be approved by the department and the Department of Public Safety. A person who is required to file a written accident report shall report on the appropriate form [~~approved by the department~~] and shall disclose all information required by the form unless the information is not available.

SECTION 4. Section 550.081, Transportation Code, is amended to read as follows:

Sec. 550.081. CORONER'S REPORT. A coroner or other officer performing similar functions shall, not later than the 10th day of each month:

(1) report in writing to the Texas Department of Transportation [~~department~~] the death of a person within the officer's jurisdiction during the preceding calendar month as the result of a traffic accident; and

(2) include in the report the time, place, and circumstances of the accident.

SECTION 5. Subsections (a), (c), and (d), Section 601.004, Transportation Code, are amended to read as follows:

(a) The operator of a motor vehicle that is involved in an accident in this state shall report the accident to the Texas Department of Transportation [~~department~~] not later than the 10th day after the date of the accident if:

(1) the accident is not investigated by a law enforcement officer; and

(2) at least one person, including the operator, sustained:

(A) bodily injury or death; or

(B) property damage to an apparent extent of at least \$1,000.

(c) The report must be made in writing in the form prescribed by the Texas Department of Transportation and the department and must contain information as necessary to enable the department to determine if the requirements for the deposit of security under Subchapter F do not apply because of the existence of insurance or an exception specified in this chapter. The operator or owner shall provide additional information as required by the department.

(d) A written report of an accident made to the Texas Department of Transportation [~~department~~] under Section 550.061 or 550.062 complies with this section if that report contains the information required by this section.

SECTION 6. Section 411.0175, Government Code, is repealed.

SECTION 7. (a) On October 1, 2007:

(1) all duties, obligations, rights, contracts, records, assets, funds, and property, excluding real property and office space, of the Department of Public Safety of the State of Texas that relate primarily to the collection, tabulation, analysis, and maintenance of accident reports and records are transferred to the Texas Department of Transportation;

(2) all appropriations that relate primarily to the collection, tabulation, analysis, and maintenance of accident reports and records are transferred to the Texas Department of Transportation;

(3) all rules, policies, forms, procedures, and decisions of the Department of Public Safety of the State of Texas that relate primarily to collection, tabulation, analysis, and maintenance of accident reports and records are continued in effect as rules, policies, forms, procedures, and decisions of the Texas Department of

Transportation until superseded by a rule or other appropriate action of the Texas Transportation Commission or appropriate action of the Texas Department of Transportation; and

(4) 86 of the full-time employees of the Department of Public Safety of the State of Texas who primarily perform duties related to the collection, tabulation, analysis, and maintenance of the accident reports and records, including employees with management-level experience and expertise sufficient to allow the crash records bureau to immediately operate as an independent organizational unit within the Texas Department of Transportation, become employees of the Texas Department of Transportation.

(b) Not later than September 21, 2007, the Department of Public Safety of the State of Texas shall enter into a memorandum of understanding with the Texas Department of Transportation to implement this section.

SECTION 8. This Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 766** (House committee printing) by adding the following SECTION to the bill, appropriately numbered, and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 550.065, Transportation Code, is amended to read as follows:

Sec. 550.065. RELEASE OF CERTAIN INFORMATION RELATING TO ACCIDENTS. (a) This section applies only to information that is held by an agency that:

(1) receives information from or receives information that relates to a person involved in [the department or another governmental entity and relates to] a motor vehicle accident; or

(2) prepares information relating to a person involved in a motor vehicle accident [reported under this chapter or Section 601.004].

(b) Except as provided by this section, a motor vehicle accident report or information in a motor vehicle accident report that reveals personal information relating to a person involved in a motor vehicle accident, including the person's name, home or employment address, and home or employment telephone number, is confidential and privileged during the 30-day period immediately after the date of the accident as shown on the accident report.

(c) Notwithstanding Subsection (b), a motor vehicle accident report or the information in a motor vehicle accident report held by the agency shall immediately be made available on request to:

(1) a person involved in the motor vehicle accident or a person who is the owner of or a currently recorded lienholder on a vehicle involved in the accident;

(2) a person designated in writing by a person described by Subdivision (1) as the person's representative, the licensed insurance agent of a person described by Subdivision (1), or an insurer that provides coverage for a person involved in the accident or another person under contract with the insurer to provide claim or underwriting information;

(3) an attorney representing the state in anticipation of, in the course of preparing for, or in the course of criminal litigation;

(4) the law enforcement agency that employs a peace officer who investigated the accident and filed the accident report or the information in the report with the agency that holds the information;

(5) the court, in response to a subpoena issued by the court in connection with a pending judicial proceeding that involves the motor vehicle accident;

(6) a radio or television station that holds a license issued by the Federal Communications Commission;

(7) a newspaper that is qualified 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;

(8) an agency of this or another state, of a political subdivision of this or another state, or of the United States that is authorized by law to have access to the motor vehicle accident report or information in the accident report in connection with the agency's statutory duties; or

(9) a private investigator, as defined by Section 1702.002, Occupations Code, who holds a license issued under Chapter 1702 of that code.

(d) A publication is not considered to be a newspaper under Subsection (c) if the publication:

(1) is intended primarily for members of a particular profession or occupational group; or

(2) has as its primary purpose:

(A) the distribution of advertising; or

(B) the publication of the names and other personal identifying information of persons involved in motor vehicle accidents.

(e) Except as otherwise provided by this section, a person may access a motor vehicle accident report or information in a motor vehicle accident report during the 30-day period immediately after the date the report is filed only if the person:

(1) presents a valid driver's license or other form of identification that bears the person's photograph and evidence to show the person's status or qualification to have access to the accident report or the information; and

(2) files a written statement, attested to before an officer authorized to administer oaths, in which the person:

(A) recognizes that during the 30-day period immediately after the date the report was filed, the report or the information is confidential and privileged; and

(B) certifies that during that period the report or information will not be:

(i) used in connection with a commercial solicitation of a person involved in the accident; or

(ii) knowingly disclosed to a third person for the purpose of making a commercial solicitation of a person involved in the accident.

(f) As an alternative to requiring compliance with Subsection (e), an agency that holds a motor vehicle accident report that is confidential and privileged may provide a copy of the accident report or the information in the report by electronic means to a third-party vendor under a contract with one or more insurers, but only if:

(1) the contract and the vendor expressly recognize that during the 30-day period immediately after the date the accident report was filed with the agency the report or information in the report is confidential and privileged under this section; and

(2) the vendor provides the agency with a copy of the contract and certifies that during that 30-day period the report or information in the report will not be:

(A) used in connection with a commercial solicitation of a person involved in the accident; or

(B) knowingly disclosed to a third person for the purpose of making a commercial solicitation of a person involved in the accident.

(g) Nothing in this section is intended to prevent the dissemination or publication of news to the general public by a radio station, television station, or newspaper entitled to have access to a motor vehicle accident report or information in an accident report under this section.

(h) A person commits an offense if the person:

(1) is an employee of a governmental agency described by Subsection (c) and possesses a motor vehicle accident report or information in an accident report that is confidential and privileged under this section; and

(2) knowingly discloses the accident report or the information to a person who is not entitled to have access to the report or the information.

(i) A person commits an offense if the person:

(1) knows that the person is not entitled under this section to have access to a motor vehicle accident report or information in an accident report that is confidential and privileged under this section; and

(2) accesses or attempts to access the accident report or the information.

(j) A person commits an offense if the person knowingly uses a motor vehicle accident report or information in the accident report that is confidential and privileged under this section in a manner that violates the person's written statement filed under Subsection (e)(2).

(k) A violation of Subsection (h) constitutes official misconduct. An offense under that subsection is a Class B misdemeanor.

(l) An offense under Subsection (i) or (j) is:

(1) a Class B misdemeanor if the person convicted under this section has not previously been convicted of an offense under this section;

(2) a Class A misdemeanor if the person convicted under this section has previously been convicted of one offense under this section;

(3) a state jail felony if the person convicted under this section has previously been convicted of two offenses under this section; or

(4) a felony of the third degree if the person convicted under this section has been convicted of three or more offenses under this section.

(m) After the expiration of the 30-day limitation provided by this section, and on ~~Except as provided by Subsection (c), the information is privileged and for the confidential use of:~~

~~(1) the department; and~~

~~(2) an agency of the United States, this state, or a local government of this state that has use for the information for accident prevention purposes.~~

~~[(e) On]~~ written request and payment of any required fee, the agency that holds a motor vehicle accident report or information in a motor vehicle accident report [department or the governmental entity] shall release the accident report or the information to:

(1) a person or [an] entity described by Subsection (c) [(b)]; or
 (2) ~~[the law enforcement agency that employs the peace officer who investigated the accident and sent the information to the department;~~

~~[(3) the court in which a case involving a person involved in the accident is pending if the report is subpoenaed; or~~

~~[(4) a person who provides the agency [department or governmental entity] with two or more of the following:~~

(A) the date of the accident;

(B) the specific address or the highway or street where the accident occurred; or

(C) the name of any person involved in the accident.

~~(n) [(d)]~~ The fee for a copy of a motor vehicle accident [the] report or motor vehicle accident information is \$6 or the actual cost of the preparation of the copy, whichever is less. The copy may be certified by the agency that holds the accident report [department] or the information [governmental entity] for an additional fee of \$2. The agency [department or the governmental entity] may issue a certification that no report or information is on file for a fee of \$6.

Floor Amendment No. 2 on Third Reading

Amend **CSSB 766** on third reading by striking the SECTION of the bill that amends Section 550.065, Transportation Code.

The amendments were read.

Senator Ogden moved to concur in the House amendments to **SB 766**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1719 WITH HOUSE AMENDMENTS

Senator Ogden called **SB 1719** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1719** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the authority of the comptroller to pay certain claims and to directing payment, after approval, of certain miscellaneous claims and judgments against the state out of funds designated by this Act; making appropriations.

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

SECTION 1. Sections 403.074(d) and (e), Government Code, are amended to read as follows:

(d) Except as provided by Subsection (g), the comptroller may not pay under this section a single claim in excess of \$50,000 [~~\$25,000~~], or an aggregate of claims by a single claimant during a biennium in excess of \$50,000 [~~\$25,000~~]. For the purposes of this subsection, all claims that were originally held by one person are considered held by a single claimant regardless of whether those claims were later transferred.

(e) Unless another law provides a period within which a particular claim must be made, a claim may not be made under this section after eight [~~four~~] years from the date on which the claim arose. A claim arises on the day after the last day that payment was due on the original claim. A person who fails to make a claim within the period provided by law waives any right to payment of the claim.

SECTION 2. The following sums of money are appropriated out of the General Revenue Fund Account No. 0001 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay AT&T for telephone services from November 11, 2000, to January 11, 2002 \$668.00

To pay Bertha N. Morgan, c/o Full Circle Services, for a warrant issued November 12, 2002, claim number 93M70356 \$783.00

To pay a confidential payee for claim number 93M70361 for temporary assistance for needy families \$3.00

To pay the Estate of Jeanne Whelan for a warrant issued February 13, 2002, for refund of overpayment of inheritance taxes \$6,487.14

To pay Alma Delia Amaya Munoz, for the Estate of F. Munoz, Jr., c/o Law Office of Tina Hall, PLLC, for replacement of payroll warrants issued between November 12, 2001, and December 3, 2001 \$5,562.76

To pay a confidential payee for claim number 93M70375 for replacement of warrant issued July 28, 1999, for refund of overpayment of franchise tax \$30,000.00

To pay Elgin Golden Years Retirement & Nursing Home, Inc., DBA Elgin Golden Years Nursing & Rehab, for nursing home services rendered between May 27, 2001, and September 15, 2002 \$40,493.05

To pay Living Centers of Texas, Inc., DBA Retama Manor Laredo South, for nursing home services rendered between July 1, 2000, and June 30, 2001 \$818.08

To pay BMW Healthcare, Inc., DBA Lexington Place, for nursing home services rendered between January 25, 2000, and August 31, 2000 \$1,830.15

To pay Senior Care Services, Inc., DBA Free State Crestwood, Inc., for nursing home services rendered between August 17, 1999, and July 31, 2000 \$2,440.42

To pay Summit Care Texas, LP, DBA Briarcliff Nursing and Rehabilitation Center, LP, for nursing home services rendered between June 15, 1998, and August 14, 2003 \$43,973.12

To pay Advanced Living Technologies, Inc., DBA Victoria Nursing & Rehabilitation Center, for nursing home services rendered between November 1, 2000, and July 25, 2004 \$9,084.10

To pay Ft. Worth Southwest Nursing Center, LLC, DBA Southwest Nursing & Rehabilitation Center, for nursing home services rendered between July 31, 2001, and August 31, 2001 \$2,506.36

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| To pay Wood Hospital and Nursing Home, Inc., DBA Wood Memorial Nursing Center, for nursing home services rendered between August 23, 1999, and August 31, 2000 | \$5,893.29 |
| To pay Navarro Convalescent, Inc., DBA Heritage Oaks Retirement Village, for nursing home services rendered between May 18, 1999, and July 31, 2003 | \$3,314.71 |
| To pay Brentwood Healthcare, Ltd., DBA Brentwood Place One, for nursing home services rendered between February 1, 2000, and October 14, 2002 | \$1,574.95 |
| To pay a confidential payee for claim number 93M70450 for warrants issued between November 30, 2000, and February 5, 2001, for refund of overpayment of sales taxes | \$12,196.12 |
| To pay a confidential payee for claim number 93M70478 for warrant issued January 7, 2004, for refund of franchise tax overpayment | \$160,239.00 |
| To pay Dallas Area Rapid Transit for 100 day pass voucher paks issued August 20, 2002 | \$2,000.00 |
| To pay Dallas Area Rapid Transit for 150 day pass voucher paks issued December 4, 2002 | \$3,000.00 |
| To pay Atmos Energy Corporation for natural/liquid gas services rendered on August 31, 2004 | \$7,883.76 |
| To pay Retirement & Nursing Center-Austin, Ltd., DBA Retirement and Nursing Center, for nursing home services rendered between November 1, 2002, and November 30, 2002 | \$349.80 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between March 2, 1998, and August 10, 2000 | \$24,685.80 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between October 1, 1999, and January 31, 2000 | \$22,976.69 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between June 7, 1999, and July 31, 1999 | \$20,499.33 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between May 5, 1998, and June 4, 1999 | \$21,770.83 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between August 1, 1999, and August 16, 1999 | \$2,180.79 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between August 3, 1999, and October 31, 1999 | \$20,934.73 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between July 7, 1999, and August 31, 1999 | \$21,121.82 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between January 17, 2000, and June 30, 2000 | \$21,405.61 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered December 1, 1999 | \$697.25 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between December 17, 1998, and February 1, 2000 | \$1,035.31 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between July 9, 1999, and August 31, 1999 | \$1,918.92 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between March 1, 1998, and August 1, 2000 | \$7,294.56 |

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| To pay APC Home Health Services, Inc., for community based alternative services rendered between November 1, 1998, and August 7, 2000 | \$7,264.31 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between July 1, 1999, and August 31, 1999 | \$335.80 |
| To pay Richard Howard for judgment of 345th Judicial District Court (Cause No. GN200246) issued October 22, 2004, plus interest, if any | \$315,814.24 |
| To pay a confidential payee for claim number 93M10406 related to a warrant issued on March 9, 1995, as a refund of overpayment of taxes | \$545.58 |
| To pay a confidential payee for claim number 93M10408 related to a warrant issued on April 9, 1996, for franchise tax overpayment refund | \$505.77 |
| To pay Olsten Health Services, Inc., DBA Gentiva Health Services, Inc., for room and board for Medically Dependent Children Program (MDCP) for the period between July 1, 1998, and August 31, 1998 | \$11,969.38 |
| To pay a confidential payee for claim number 93M10423 related to a warrant issued on January 13, 1993, for refund of overpayment of taxes | \$2,500.00 |
| To pay a confidential payee for claim number 93M10440 related to a workers' compensation for travel reimbursement for the period between October 21, 1996, and December 17, 1996 | \$98.56 |
| To pay Ian Reynolds, M.D., for copies of medical records on May 16, 1995 | \$18.00 |
| To pay Brian R. Pickett, M.D., DBA Pickett Heart Clinic, for myocardial perfusion on July 2, 1996 | \$128.00 |
| To pay Lorraine Sommerfeldt for medical exam on June 18, 1996 | \$110.00 |
| To pay the Boettcher-Hlavinka Company for various machine parts delivered between June 26, 1996, and December 12, 1997 | \$566.73 |
| To pay Imaging Center Partnership, DBA Southwest Diagnostic Imaging Center, for office visit on July 3, 1996 | \$30.80 |
| To pay Lando, Inc., for community based alternative services rendered between February 1, 1996, and August 31, 1997 | \$24,292.31 |
| To pay a confidential payee for claim number 93M10513 related to a warrant issued on March 11, 1993, for overpayment of franchise tax | \$100.00 |
| To pay The Arrow Project for child care services rendered between August 15, 1996, and March 14, 1997 | \$406.56 |
| To pay James Wayne Thetford for void warrants issued January 24, 1995, and February 23, 1995, for travel reimbursements | \$190.00 |
| To pay Girling Health Care, Inc., for community based alternative services rendered between October 1, 1996, and July 21, 1998 | \$906.73 |
| To pay Visiting Nurse Association of Texas for community based alternative services rendered between October 1, 1996, and July 22, 1997 | \$4,908.51 |
| To pay Amistad Nursing Home for nursing home services rendered between February 22, 1997, and June 1, 1997 | \$7,790.80 |
| To pay Texas Visiting Nurse Services, Ltd., for community based alternative services rendered between September 7, 1996, and September 30, 1996 | \$495.30 |
| To pay Texas Visiting Nurse Services, Ltd., for community based alternative services rendered between August 1, 1996, and August 31, 1997 | \$22,241.11 |

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| To pay Cantex Healthcare Centers, LLC, DBA Cantex Healthcare Centers-Denison, for nursing home services rendered between February 11, 1997, and April 15, 1997 | \$9,068.85 |
| To pay Texas Home Health of America for community based alternative services rendered between April 1, 1996, and February 25, 1997 | \$6,275.59 |
| To pay Texas Home Health of America for community based alternative services rendered between November 1, 1995, and June 15, 1997 | \$4,894.49 |
| To pay Texas Home Health of America for community based alternative services rendered between August 1, 1996, and August 4, 1997 | \$5,250.69 |
| To pay Thrifty Discount Pharmacy of Sealy, Inc., c/o Full Circle Services, Inc., for warrant issued on September 4, 1996, for prescriptions for Medicaid patients | \$3,498.45 |
| To pay Thrifty Discount Pharmacy of Sealy, Inc., c/o Full Circle Services, Inc., for warrant issued on September 9, 1996, for prescriptions for Medicaid patients | \$5,534.91 |
| To pay Xerox Corporation, c/o Full Circle Services, Inc., for warrant issued on December 19, 1996 | \$3,343.39 |
| To pay Cameron County, County and District Attorney for attorney fees and expenses for AFDC, food stamp, and Medicaid fraud prosecution cases on February 28, 1995 | \$280.00 |
| To pay Senior Care Consultants, Inc., DBA Senior Care at Lake Pointe, for nursing home services rendered between August 14, 1996, and May 4, 1997 | \$4,179.72 |
| To pay a confidential payee for claim number 93M10757 related to a warrant issued on September 19, 1996, for refund of overpayment of taxes | \$183.35 |
| To pay Orthopedic Specialist of Texarkana, PLLC, for arthroscopy knee examination on April 22, 1997 | \$322.00 |
| To pay APC Home Health Services for community based alternative services rendered on August 1, 1996 | \$127.00 |
| To pay a confidential payee for claim number 93M10830 for warrant issued on September 26, 1995, for refund of overpayment of taxes | \$33.19 |
| To pay Morning Glory Adult Day Care, Inc., for community care services rendered between October 1, 1997, and January 31, 1998 | \$9,231.04 |
| To pay Michael L. Jones for warrant issued on March 7, 1997, for Fair Labor Standards Act overtime payment | \$1,641.28 |
| To pay Michael L. Jones for warrant issued on April 19, 1988, by Austin State School for travel reimbursement | \$271.05 |
| To pay Debbie Herrera for warrant issued for travel reimbursement on December 16, 1996 | \$693.11 |
| To pay Hidalgo County, Hidalgo County Criminal District Attorney for attorney fees and expenses for AFDC or food stamp prosecution cases on May 6, 1991 | \$280.00 |
| To pay Hidalgo County, Hidalgo County Criminal District Attorney for attorney fees and expenses for AFDC or food stamp prosecution cases on April 3, 1995 | \$280.00 |
| To pay Hidalgo County, Hidalgo County Criminal District Attorney for attorney fees and expenses for AFDC, Medicaid, or food stamp prosecution cases between April 21, 1995, and June 22, 1995 | \$560.00 |

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| To pay a confidential payee for claim number 93M10862 for workers' compensation travel reimbursement paid between December 14, 1993, and February 20, 1996 | \$378.00 |
| To pay FRP Financing Limited, LP, DBA Health Care at the Montevista at Coronado #5251-2, for nursing home services rendered between July 9, 1997, and August 31, 1998 | \$2,007.18 |
| To pay Elvira Puente for travel warrants issued between December 6, 1994, and February 3, 1997, for travel reimbursement | \$1,025.35 |
| To pay H and H Medical Services, Inc., for community based alternative services rendered between April 1, 1997, and November 30, 1997 | \$6,383.50 |
| To pay H and H Medical Services, Inc., for community based alternative services rendered between February 16, 1997, and February 28, 1997 | \$72.36 |
| To pay The High Frontier, Inc., for foster care services rendered between July 3, 1996, and July 31, 1996 | \$484.16 |
| To pay Jeanette Larson for warrant issued on November 5, 1991, for contract services provided | \$105.09 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community based alternative services rendered between February 1, 1997, and February 15, 1997 | \$51.10 |
| To pay City of Denton, c/o Greenbriar Recovery, Inc., for warrant issued on September 24, 1998, for public transportation grant | \$30,000.00 |
| To pay Texas Visiting Nurse Service, Ltd., for community based alternative services rendered between September 10, 1996, and April 30, 1998 | \$5,737.94 |
| To pay Claudia Spang for warrant issued on October 28, 1996, for travel reimbursement | \$77.22 |
| To pay a confidential payee for claim number 93M20037 for workers' compensation mileage reimbursement between February 26, 1996, and July 31, 1997 | \$174.72 |
| To pay Texas Home Health of America, LP, for community care between October, 1995 and August 15, 1996 | \$1,934.40 |
| To pay Texas Home Health of America, LP, for community care between August 1, 1997, and December 4, 1997 | \$1,092.36 |
| To pay Texas Visiting Nurse Service, Ltd., for community based alternative services rendered between January 15, 1997, and August 27, 1998 | \$5,547.76 |
| To pay a confidential payee for claim number 93M20064 for warrant issued on April 11, 1997, for refund of overpayment of taxes | \$10,996.92 |
| To pay Medical Personnel Pool of South Texas, Inc., DBA Interim Healthcare, for community based alternative services rendered between December 1, 1995, and December 30, 1995 | \$1,830.27 |
| To pay Medical Personnel Pool of South Texas, Inc., DBA Interim Healthcare, for community based alternative services rendered between January 1, 1997, and August 31, 1997 | \$2,680.12 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services for community care between March 16, 1997, and August 31, 1998 | \$1,068.96 |

To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community care between June 1, 1997, and June 30, 1998 \$1,236.48

To pay Girling Health Care, Inc., for community based alternative services rendered on May 14, 1997 \$33.00

To pay a confidential payee for claim number 93M20137 for warrant issued on December 27, 1994, for refund of overpayment of taxes \$583.27

To pay SpeedyCorp, Inc., for electricity for between February 23, 1993, and November 12, 1997 \$3,202.62

To pay Amarillo Surgical Group Associated, for warrants issued on March 13, 1997, and March 14, 1997, for medical services provided to mental health and mental retardation patients \$285.83

To pay Texas Agricultural Experiment Station, Texas A&M University System, for grant for the period between June 1, 1999, and August 1, 1999 \$92,872.77

To pay Albert C. Wilson for warrant issued on April 21, 1997, for copies of medical records \$75.00

To pay Office Machines, Inc., for service call rendered on May 19, 1997 \$85.00

To pay a confidential payee for claim number 93M20220 for temporary assistance for needy families between October 1, 1996, and November 30, 1996 \$156.00

To pay Medical Personnel Pool of South Texas, Inc., DBA Interim Healthcare, for community based alternative services rendered between June 18, 1998, and August 31, 1999 \$17,209.78

To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services San Antonio CBA, for community care between June 1, 1997, and August 31, 1997 \$1,412.32

To pay a confidential payee for claim number 93M20233 for warrant issued on October 30, 1997, for refund of overpayment of taxes \$4,142.88

To pay Pharmacy Corporation of America for vendor drug program paid between January 5, 1997, and August 8, 1998 \$2,010.33

To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community care between July 1, 1999, and August 31, 1999 \$451.26

To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community care between July 14, 1999, and July 31, 1999 \$1,016.92

To pay San Benito Medical Associates for medical reports on September 15, 1995 \$15.00

To pay San Benito Medical Associates for physical exam on July 20, 1995 \$35.00

To pay San Benito Medical Associates for physical exam on February 8, 1996 \$35.00

To pay San Benito Medical Associates for physical exam on August 23, 1995 \$35.00

To pay Outreach Health Community Care Services, LP, for community based alternative services rendered between May 1, 1997, and May 15, 1997 \$505.90

To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services of San Antonio CBA, for community based alternative services rendered between June 16, 1999, and August 31, 1999 \$1,635.34

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| To pay Texas Visiting Nurse Service, Ltd., for community based alternative services rendered between August 13, 1997, and July 1, 1998 | \$292.29 |
| To pay Family Services Inc., for community care rendered between April 1, 1996, and July 31, 1998 | \$1,324.56 |
| To pay Tom Maness, Criminal District Attorney - Jefferson County, for judicial district apportionment between September 1, 1998, and August 31, 1999 | \$29,467.00 |
| To pay Texas Home Health of America, LP, for community care rendered between November 1, 1995, and September 30, 1997 | \$8,673.00 |
| To pay Summit Care Texas, LP, DBA Comanche Trail Nursing Center, for nursing home services rendered between October 31, 1997, and November 1, 1997 | \$132.62 |
| To pay Eldercare Properties, Inc., DBA Valley Grande Manor, for nursing home services rendered between June 26, 1996, and October 17, 1996 | \$604.15 |
| To pay Ruben Amaya for void warrants issued on June 3, 1997, for travel reimbursements | \$950.00 |
| To pay APC Home Health Services for community care for the aged and disabled rendered between July 1, 1999, and July 31, 1999 | \$215.28 |
| To pay APC Home Health Services for community based alternative services rendered between June 2, 1999, and August 31, 1999 | \$2,605.62 |
| To pay 22 Texas Partners, LP, DBA Capitol City Nursing Center, for nursing home services rendered between June 1, 1998, and August 31, 1999 | \$24,985.33 |
| To pay 22 Texas Partners, LP, DBA Capitol City Nursing Center, for nursing home services rendered between February 1, 1999, and August 31, 1999 | \$8,449.69 |
| To pay Nueces County, Nueces County District Attorney, for attorney fees and expenses for AFDC or food stamp prosecution cases between May 14, 1996, and November 22, 1996 | \$560.00 |
| To pay Mary E. Kilgore for warrant issued on October 30, 1997, for travel reimbursement | \$144.48 |
| To pay APC Home Health Services, Inc., for community care rendered between June 1, 1999, and August 31, 1999 | \$165.60 |
| To pay APC Home Health Services, Inc., for community care for the aged and disabled rendered between August 1, 1999, and August 31, 1999 | \$187.30 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between January 1, 1999, and August 8, 1999 | \$3,302.42 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between December 14, 1998, and August 31, 1999 | \$3,863.97 |
| To pay APC Home Health Services, Inc., for community care for the aged and disabled rendered between August 1, 1999, and August 31, 1999 | \$115.92 |
| To pay APC Home Health Services, Inc., for community based alternative services rendered between April 1, 1998, and August 31, 1999 | \$24,586.71 |
| To pay Texarkana Healthcare Investors, LP, DBA Texarkana Nursing Health CC, for nursing home services rendered between March 10, 1999, and July 7, 1999 | \$31,572.70 |
| To pay Texarkana Healthcare Investors, LP, DBA Texarkana Nursing Health CC, for nursing home services rendered between March 10, 1999, and April 28, 1999 | \$3,328.88 |

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| To pay a confidential payee for claim number 93M20409 for temporary assistance for needy families payments between August 1, 1995, and January 31, 1998 | \$843.00 |
| To pay Family Services, Inc., for community care for the aged and disabled rendered between September 1, 1997, and September 30, 1997 | \$269.28 |
| To pay Lutheran Social Services, DBA New Life Children's Treatment Center, for foster care between February 1, 1994, and February 14, 1994 | \$1,395.52 |
| To pay a confidential payee for claim number 93M20447 for warrant issued on April 1, 1994, for refund of overpayment of taxes | \$1,227.21 |
| To pay Patricia Porter for travel reimbursement between January 26, 1996, and August 7, 1998 | \$964.88 |
| To pay a confidential payee for claim number 93M20458 for warrants issued between January 21, 1993, and July 1, 1997, for refund of overpayment of taxes | \$646.73 |
| To pay Baywind Village, Inc., DBA Baywind Village Convalescent Center 5175-3, for nursing home services rendered between April 1, 1996, and August 31, 1997 | \$65.73 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for nursing home services rendered between February 1, 1999, and August 31, 1999 | \$6,644.59 |
| To pay GSM Investments, Inc., DBA Oakview Manor, for nursing home services rendered between August 19, 1996, and August 31, 1996 | \$118.56 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community care for the aged and disabled rendered between May 1, 1999, and August 31, 1999 | \$7,935.70 |
| To pay Tutor Nursing Home, Inc., for nursing home services rendered between December 29, 1995, and January 14, 1996 | \$108.02 |
| To pay Newburn Health Services, Inc., DBA Bonner Place, for nursing home services rendered between June 30, 1996, and August 31, 1996 | \$112.77 |
| To pay Missionary Baptist Foundation of America, Inc., DBA Valley View Care Center, for nursing home services rendered between December 24, 1997, and December 31, 1997 | \$506.24 |
| To pay Susan K. Linger, M.D., for orthopedic exam on March 27, 1997 | \$120.00 |
| To pay Gespand's Nursing Care Center for nursing home services rendered between September 19, 1995, and September 22, 1995 | \$121.64 |
| To pay a confidential payee for claim number 93M20553 for warrants issued on July 24, 1997, for refund of overpayment of taxes | \$153.49 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community care for the aged and disabled rendered between July 1, 1997, and August 15, 1999 | \$1,895.65 |
| To pay Smart Corp for copies of medical records on May 13, 1997 | \$18.00 |
| To pay Sisters of Charity of Incarnate Word Houston Texas, DBA Christus Regis Saint Elizabeth Center, for nursing home services rendered between September 1, 1995, and July 30, 1997 | \$2,212.55 |
| To pay Cameron County for county foster care/legal cost provided to foster care children between September 1, 1997, and February 28, 1998 | \$22,784.46 |

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| To pay Cameron County for county foster care/administration and maintenance provided to foster care children between December 1, 1997, and August 31, 1998 | \$1,850.81 |
| To pay Cameron County for county foster care/administration and maintenance provided to foster care children between September 1, 1998, and August 31, 1999 | \$10,272.84 |
| To pay 22 Texas Services, LP, DBA College Park Care Center, for nursing home services rendered between March 10, 1999, and May 28, 1999 | \$3,713.25 |
| To pay Summit Care Texas, LP, DBA Oakland Manor Nursing Center, for nursing home services rendered between February 4, 1999, and August 31, 1999 | \$12,538.52 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between December 26, 1995, and September 5, 1998 | \$223.92 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between March 5, 1997, and May 12, 1997 | \$760.00 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between August 6, 1997, and July 5, 1998 | \$1,438.29 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between March 1, 1998, and July 31, 1998 | \$9,606.72 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between January 8, 1998, and August 17, 1998 | \$310.25 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between September 26, 1995, and February 29, 1996 | \$547.66 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between July 1, 1997, and August 13, 1997 | \$3,182.52 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between September 1, 1995, and November 30, 1997 | \$757.10 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between April 18, 1997, and April 30, 1997 | \$196.69 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between December 22, 1995, and July 14, 1997 | \$2,051.97 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between December 1, 1995, and February 28, 1997 | \$138.07 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between April 11, 1998, and August 24, 1998 | \$2,742.65 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between January 1, 1996, and January 31, 1997 | \$144.94 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between February 1, 1996, and June 30, 1996 | \$1,285.01 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between April 1, 1996, and August 31, 1996 | \$974.61 |
| To pay Jimmy Breeding for warrant issued on September 16, 1993, for travel reimbursement | \$250.00 |
| To pay 22 Texas Services, LP, DBA Courtyard Convalescent Center, for nursing home services rendered between June 10, 1998, and August 31, 1999 | \$11,910.81 |

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| To pay McLean Care Center, Inc., for nursing home services rendered between June 20, 1997, and August 31, 1999 | \$1,106.45 |
| To pay Robert B. Schwart, Jr., for warrant issued on August 25, 1997, for travel reimbursement | \$204.12 |
| To pay Advantage Rent A Car for car rental for Anthony Walker on May 7, 1997 | \$34.00 |
| To pay Daybreak Healthcare, Inc., for nursing home services rendered between December 11, 1995, and December 14, 1998 | \$289.37 |
| To pay Summit Care Texas, LP, DBA Monument Hill Nursing Center, for nursing home services rendered between August 5, 1999, and August 31, 1999 | \$2,238.03 |
| To pay The Medical Team, Inc., for community care for the aged and disabled rendered between February 15, 1998, and August 31, 1999 | \$1,950.89 |
| To pay Summit Care Texas, LP, DBA Coronado Nursing Center, for nursing home services rendered between December 5, 1997, and August 3, 1999 | \$5,290.01 |
| To pay Ouida E. Thornton for warrants issued between September 1, 1988, and March 1, 1989 for travel reimbursements | \$3,435.63 |
| To pay South Texas Equipment Co., c/o H & E Hi-Lift Equipment, for warrants issued for refund of charter fees paid between February 6, 1995, and October 11, 1995 | \$50.00 |
| To pay Jaime D. Murcia, M.D., Plainview Children's Rural Health Clinic, for copy of medical records on April 23, 1997 | \$15.00 |
| To pay Lutheran Social Services, DBA The Nelson Center, for foster care between January 1, 1998, and January 31, 1998 | \$1,292.48 |
| To pay Lutheran Social Services, DBA The Nelson Center, for foster care between August 5, 1998, and May 31, 1999 | \$5,385.45 |
| To pay Beverly Enterprises-Texas, Inc., DBA Caldwell Health & Rehab Center, for nursing home services rendered between August 23, 1996, and August 24, 1996 | \$22.64 |
| To pay Beverly Enterprises-Texas, Inc., DBA Palo Pinto Nursing Center, for nursing home services rendered between March 28, 1997, and March 31, 1997 | \$6.04 |
| To pay Summit Care Texas, LP, DBA Heritage Oaks Nursing & Rehab Center, for nursing home services rendered between February 1, 1998, and August 14, 1998 | \$11,828.01 |
| To pay Rancier Nursing Center, Inc., DBA The Rosewood, for nursing home services rendered between April 1, 1999, and May 31, 1999 | \$14,862.46 |
| To pay Lutheran Social Services, DBA Nelson Children's Treatment Center, for foster care services rendered between April 23, 1996, and April 30, 1996 | \$797.44 |
| To pay Thank You Nurses, Inc. for community living assistance support services rendered between June 1, 1997, and June 30, 1997 | \$283.24 |
| To pay David Hillard Trucking for warrant issued June 21, 1994, for refund of bond collected | \$100.00 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community based alternative services rendered between July 1, 1998, and August 18, 1999 | \$725.60 |

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| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community based alternative services rendered between September 1, 1995, and December 1, 1997 | \$2,637.89 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community based alternative services rendered between January 1, 1998, and August 13, 1999 | \$1,140.14 |
| To pay a confidential payee for claim number 93M20736 for warrants issued between March 22, 1994, and April 12, 1994, for refund of overpayment of taxes | \$128.14 |
| To pay Lamb County Care Center, Inc., DBA Amherst Manor Living Center, for nursing home services rendered between May 6, 1994, and January 31, 1996 | \$27,203.15 |
| To pay Summit Care Texas, LP, DBA Oak Crest Nursing, for nursing home services rendered between July 12, 1999, and August 31, 1999 | \$5,101.02 |
| To pay a confidential payee for claim number 93M20772 for warrant issued on April 24, 1997, for refund of overpayment of taxes | \$1,053.33 |
| To pay a confidential payee for claim number 93M20773 for warrant issued on March 20, 1998, for refund of overpayment of taxes | \$590.23 |
| To pay Senior Care Consultants, Inc., DBA Fair Park Health Care Center, for nursing home services rendered between March 2, 1998, and August 31, 1999 | \$4,604.26 |
| To pay Alice Ann Yarbrough for payroll warrant issued on June 1, 1998 | \$369.40 |
| To pay Summit Care Texas, LP, DBA City View Care Center, for nursing home services rendered between July 1, 1999, and August 19, 1999 | \$2,112.00 |
| To pay a confidential payee for claim number 93M20803 for warrant issued on August 22, 1997, for refund of overpayment of taxes | \$143.61 |
| To pay a confidential payee for claim number 93M20805 for temporary assistance for needy families payments between June 1, 1997, and July 31, 1997 | \$156.00 |
| To pay Fort Worth Medical Investors, Ltd., DBA Haltom Convalescent Center, for nursing home services rendered between December 1, 1997, and December 31, 1997 | \$221.34 |
| To pay Texas Agricultural Experiment Station, Texas A&M University System, for cost incurred for contract between March 1, 1999, and May 31, 1999 | \$10,904.43 |
| To pay Lutheran Social Services of the South, DBA Nelson Children's RTC, for foster care services for various clients rendered between April 13, 1998, and August 31, 1999 | \$3,949.40 |
| To pay Lutheran Social Services of the South, DBA Nelson Children's RTC, for foster care services rendered between February 17, 1997, and May 31, 1997 | \$1,772.16 |
| To pay Lutheran Social Services of the South, DBA Bokenkamp's Children's RTC, for foster care services rendered between September 1, 1996, and September 30, 1996 | \$2,990.40 |
| To pay Mervin H. Dial for payroll warrants issued on July 1, 1992, and June 1, 1998 | \$3,065.16 |
| To pay a confidential payee for claim number 93M20834 for warrant issued on January 30, 1997, for refund of overpayment of taxes | \$166.04 |

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| To pay a confidential payee for claim number 93M20836 for warrant issued on January 30, 1997, for refund of overpayment of taxes | \$27,337.00 |
| To pay a confidential payee for claim number 93M20841 for warrant issued on July 12, 1996, for refund of overpayment of taxes | \$210.53 |
| To pay Senior Care Consultants, Inc., DBA Senior Care at Lake Pointe, for nursing home services rendered between November 1, 1998, and November 30, 1998 | \$303.00 |
| To pay Avante Villa at Corpus Christi, Inc., DBA Oak Manor Nursing Home, for nursing home services rendered between June 24, 1994, and August 31, 1996 | \$216,310.92 |
| To pay Summit Care Texas, LP, DBA Briarcliff Nursing and Rehabilitation Center, for nursing home services rendered between October 1, 1998, and November 30, 1998 | \$5,049.48 |
| To pay 22 Texas Services, LP, DBA Rosenberg Health and Rehab Center, for nursing home services rendered between February 23, 1999, and August 11, 1999 | \$9,462.10 |
| To pay Holly J. Weaver for warrant issued on July 8, 1998, for travel reimbursement | \$58.31 |
| To pay Senior Care Consultants, Inc., DBA Senior Care at Lake Pointe, for nursing home services rendered between July 26, 1998, and July 31, 1998 | \$344.22 |
| To pay Summit Care Texas, LP, DBA Lubbock Hospitality House, for nursing home services rendered between August 1, 1999 and August 22, 1999 | \$316.80 |
| To pay Summit Care Texas, LP, DBA Coronado Nursing Center, for nursing home services rendered between October 27, 1998 and August 31, 1999 | \$4,193.99 |
| To pay Craig Lewis for warrant issued on October 8, 1996, for travel reimbursement | \$72.80 |
| To pay a confidential payee for claim number 93M30021 for warrant issued on September 24, 1997, for refund of overpayment of taxes | \$500.00 |
| To pay Pennzenergy Company, c/o Full Circle Services, Inc., for warrant issued on June 7, 2000, for refund of diesel tax overpayment | \$46,690.21 |
| To pay Pediatric Clinic for pediatric exam on October 1, 1997 | \$120.00 |
| To pay Pediatric Clinic for pediatric exam on March 25, 1997 | \$110.00 |
| To pay a confidential payee for claim number 93M30041 for warrant issued on April 12, 1979, for refund of overpayment of taxes | \$115.12 |
| To pay Bryan Manor Healthcare and Rehabilitation Center, DBA Heart of Texas Healthcare & Rehabilitation Center-Bryan Manor, for nursing home services rendered between December 1, 1998, and August 31, 1999 | \$31,954.85 |
| To pay Texas State Technical College for warrant issued on June 25, 2001, for reimbursement expensed on a Texas Workforce Commission grant | \$214,614.00 |
| To pay The Hlavinka Equipment Company for supplies and parts received between February 27, 1997, and February 28, 1997 | \$354.42 |
| To pay Brentwood Health Care, Ltd., DBA Brentwood Place III, for nursing home services rendered between July 22, 1997, and August 31, 1999 | \$3,484.19 |
| To pay Preferred Care Health Facilities of Texas II Inc., DBA Professional Care Center, for nursing home services rendered between August 1, 1997, and August 31, 1999 | \$7,536.84 |

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| To pay Summit Care Texas, LP, DBA Guadalupe Valley Nursing Center, for nursing home services rendered between August 7, 1998, and August 31, 1999 | \$2,695.19 |
| To pay Burmont, Inc., for nursing home services rendered between May 1, 1997, and June 30, 2000 | \$366.08 |
| To pay Gainesville Healthcare Center, Ltd. Co., DBA Renaissance Care Center, for nursing home services rendered between August 21, 1998, and July 31, 1999 | \$974.54 |
| To pay Nacogdoches Health Care Center, Ltd. Co., DBA Nacogdoches Convalescent Center, for nursing home services rendered between September 11, 1997, and August 26, 1999 | \$1,254.28 |
| To pay Summit Care Texas, LP, DBA City View Care Center, for nursing home services rendered between July 4, 1999, and July 31, 1999 | \$2,208.00 |
| To pay Summit Care Texas, LP, DBA Colonial Manor Care Center, for nursing home services rendered between September 1, 1997, and August 31, 1999 | \$25,798.49 |
| To pay The Evangelical Lutheran Good Samaritan Society, DBA McAllen Good Samaritan Center, for nursing home services rendered between March 17, 1998, and August 31, 1999 | \$1,127.29 |
| To pay Starr County Tax Assessor Collector for warrants issued between October 31, 1991, and July 23, 1993, for refund of boat license revenue payments | \$165.60 |
| To pay Starr County Tax Assessor Collector for warrants issued between December 1, 1982, and June 4, 1990, for refund of boat license revenue payments | \$211.50 |
| To pay Starr County Tax Assessor Collector for warrants issued between October 2, 1990, and July 22, 1996, for refund of boat license revenue payments | \$436.50 |
| To pay Starr County Tax Assessor Collector for warrants issued between August 20, 1991, and September 5, 1995, for refund of boat license revenue payments | \$455.40 |
| To pay Starr County Tax Assessor Collector for warrants issued between October 21, 1988, and March 18, 1991, for refund of boat license revenue payments | \$264.60 |
| To pay a confidential payee for claim number 93M30149 for warrant issued on February 25, 1983, for refund of overpayment of taxes | \$200.00 |
| To pay Texas Workforce Commission for child care services rendered between September 1, 1999, and August 31, 2000 | \$72,490.01 |
| To pay a confidential payee for claim number 93M30156 for warrant issued on October 6, 1997, for refund of overpayment of taxes | \$111.57 |
| To pay Travis County District Attorney's Office for attorney fees for prosecution of welfare fraud cases between August 22, 1997, and August 29, 1997 | \$560.00 |
| To pay Travis County District Attorney's Office for attorney fees for prosecution of welfare fraud cases between March 30, 1998, and April 3, 1998 | \$560.00 |
| To pay Travis County District Attorney's Office for attorney fees for prosecution of welfare fraud cases between September 10, 1998, and July 20, 1999 | \$1,798.00 |
| To pay Travis County District Attorney's Office for attorney fees for prosecution of welfare fraud cases on January 10, 1997 | \$280.00 |
| To pay Travis County District Attorney's Office for attorney fees for prosecution of welfare fraud cases between March 20, 1995, and August 31, 1995 | \$4,760.00 |

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| To pay Travis County District Attorney's Office for attorney fees for prosecution of welfare fraud cases on November 24, 1997 | \$280.00 |
| To pay Travis County District Attorney's Office for attorney fees for prosecution of welfare fraud cases between September 7, 1995, and July 3, 1996 | \$2,240.00 |
| To pay Summit Care Texas, LP, DBA West Side Campus of Care, for nursing home services rendered between May 1, 1998, and August 31, 1999 | \$5,469.16 |
| To pay Nacogdoches Health Care Center, Ltd. Co., DBA Nacogdoches Convalescent Center, for nursing home services rendered on October 1, 1998 | \$76.53 |
| To pay Oakwood Health Care Center, Ltd. Co., DBA Oakwood Manor Nursing Home, for nursing home services rendered between July 9, 1998, and August 9, 1998 | \$3,790.74 |
| To pay American Hospice for nursing home services rendered between February 1, 1996, and June 6, 1999 | \$95,269.03 |
| To pay a confidential payee for claim number 93M30209 for warrant issued on September 24, 1998, for refund of overpayment of taxes | \$30.83 |
| To pay a confidential payee for claim number 93M30216 for warrant issued on September 23, 1997, for refund of overpayment of taxes | \$875.00 |
| To pay San Jacinto Methodist Hospital for nursing home services rendered between January 27, 1997, and August 31, 1999 | \$284.18 |
| To pay Advanced Living Technologies, Inc., DBA County Care Plex, for nursing home services rendered between August 1, 1997, and December 19, 1999 | \$2,200.14 |
| To pay Marwitz Healthcare Services, Inc., DBA Crestview Manor, for nursing home services rendered between July 17, 1998, and August 31, 2000 | \$33,353.83 |
| To pay a confidential payee for claim number 93M30241 for warrant issued on September 30, 1992, for refund of overpayment of taxes | \$17.18 |
| To pay a confidential payee for claim number 93M30250 for warrant issued on May 3, 1996, for refund of overpayment of taxes | \$3,500.00 |
| To pay Shirley A. Norman for payroll warrant issued on April 13, 1993 | \$78.01 |
| To pay Estate of Dorothy McCarver, c/o Marilu Johnston and William McCarver, heirs, for payroll warrants issued between March 7, 1996, and March 8, 1996 | \$10,642.20 |
| To pay a confidential payee for claim number 93M30292 for warrant issued on November 12, 1997, for refund of overpayment of taxes | \$3,623.20 |
| To pay Seminole Hospital District of Gaines County, DBA Memorial Health Care Center, for nursing home services rendered between October 27, 1998, and August 31, 1999 | \$24,577.95 |
| To pay The Arboretum Group, Inc., DBA Twin Pines Nursing Facility, for nursing home services rendered between August 3, 1998, and February 16, 2000 | \$8,744.17 |
| To pay Fort Worth Nursing Home Partners, LP, DBA Birchwood Manor Nursing Home, c/o Diane Reed, Chapter 7 Trustee, for nursing home services rendered between January 2, 1997, and March 31, 1999 | \$197.61 |
| To pay Fort Worth Nursing Home Partners, LP, DBA Hillside Manor Nursing Home, c/o Diane Reed, Chapter 7 Trustee, for nursing home services rendered between June 16, 1997, and April 30, 1999 | \$126,449.80 |

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| To pay Fort Worth Nursing Home Partners, LP, DBA Smith's Nursing Home, c/o Diane Reed, Chapter 7 Trustee, for nursing home services rendered between March 27, 1998, and February 28, 1999 | \$9,162.77 |
| To pay Department of Human Services, Assignee for Fort Worth Nursing Home Partners, LP, DBA Village Creek Nursing Home, for nursing home services rendered between August 1, 1997, and March 14, 1999 | \$2,777.90 |
| To pay Karen S. Payne for payroll warrant issued on December 1, 1998 | \$1,035.87 |
| To pay SBC for telephone charges on October 1, 1995 | \$495.92 |
| To pay Bee First Home Health, Inc., for community based alternative services rendered between July 1, 1999, and August 31, 2000 | \$58,513.38 |
| To pay HCRA of Texas, Inc., DBA Heartland of San Antonio, for nursing home services rendered between September 24, 1998, and August 31, 2000 | \$6,503.10 |
| To pay Tomball Hospital Authority, DBA The Skilled Nursing Center, for nursing home services rendered between October 9, 1997, and August 12, 1999 | \$11,169.22 |
| To pay Senior Care Consultants, Inc., DBA Rockwall Nursing Care Center, for nursing home services rendered between April 12, 1998, and August 15, 1999 | \$824.77 |
| To pay Nurses in Touch, Inc., for community based alternative services rendered between February 6, 1998, and February 10, 1998 | \$496.50 |
| To pay Four Star Medical Investors, LP, DBA Vosswood Nursing Center, for nursing home services rendered between November 19, 1997, and December 18, 1997 | \$2,726.40 |
| To pay Diversicare Leasing Corp., DBA Hillside Lodge, for nursing home services rendered between June 1, 1997, and August 13, 2000 | \$5,331.55 |
| To pay Extendicare Health Facilities, Inc., DBA Bremond Nursing Center, for nursing home services rendered between April 18, 1998, and April 22, 1998 | \$437.15 |
| To pay Senior Care Consultants, Inc., DBA Free State Crestwood, for nursing home services rendered between May 8, 1998, and February 15, 2000 | \$520.06 |
| To pay Senior Care Consultants, Inc., DBA Rockwall Nursing Care Center, for nursing home services rendered between June 15, 2000, and July 31, 2000 | \$1,731.26 |
| To pay Senior Care Consultants, Inc., DBA Rockwall Nursing Care Center, for nursing home services rendered between March 1, 1999, and August 31, 1999 | \$7,980.30 |
| To pay The Arboretum Group, Inc., DBA The Arboretum of San Marcos, for nursing home services rendered between May 16, 1997, and August 31, 1998 | \$16,623.06 |
| To pay Rancier Nursing Center, Inc., DBA The Rosewood, for nursing home services rendered between April 1, 1999, and August 31, 2000 | \$117,295.57 |
| To pay Riverside Healthcare Inc., DBA Normandy Terrace Southeast, for nursing home services rendered between July 17, 1999, and August 31, 2000 | \$32,672.86 |
| To pay Grayson Square Health Care Center, Inc., for nursing home services rendered between January 10, 1996, and January 31, 1997 | \$6,509.42 |
| To pay Summit Care Texas, LP, DBA Southwood Care Center, for nursing home services rendered between September 17, 1997, and February 15, 2000 | \$10,477.57 |

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| To pay CC Young Memorial Home for nursing home services rendered between October 17, 1997, and August 31, 1999 | \$98,718.70 |
| To pay Sprint for phone bill dated June 4, 1998 | \$177.45 |
| To pay Laredo Downtown Pharmacy, Inc., for vendor drug program on December 3, 1998 | \$8.93 |
| To pay Panhandle Physical Medicine & Rehabilitation, PA, for orthopedic exam on February 19, 1998 | \$120.00 |
| To pay Living Centers of Texas, Inc., DBA Bastrop Nursing Center, for nursing home services rendered between September 22, 1999, and February 29, 2000 | \$6,520.05 |
| To pay Daybreak Healthcare, Inc., DBA Greencrest Manor, for nursing home services rendered between August 3, 1999, and August 31, 1999 | \$99.18 |
| To pay Daybreak Healthcare, Inc., DBA Bridgeport Care Center, for nursing home services rendered between August 3, 1999, and August 15, 1999 | \$4,435.86 |
| To pay Daybreak Healthcare, Inc., DBA Carousel Manor, for nursing home services rendered between August 3, 1999, and August 28, 1999 | \$195.30 |
| To pay Daybreak Healthcare, Inc., DBA Terrace Gardens Nursing Center, for nursing home services rendered between November 1, 1998, and August 31, 1999 | \$2,034.61 |
| To pay Daybreak Healthcare, Inc., DBA Rolling Oaks Care Center, for nursing home services rendered between September 1, 1998, and August 15, 1999 | \$6,160.18 |
| To pay Daybreak Healthcare, Inc., DBA Woodhaven Nursing Home, for nursing home services rendered between September 13, 1998, and July 31, 1999 | \$25,516.42 |
| To pay Coastal Pines Care Center, Inc., DBA Rockport Care Center, for nursing home services rendered between March 28, 1996, and December 31, 1998 | \$650.88 |
| To pay Ansuyaben D. Desai for payroll warrant issued by Austin State Hospital on March 1, 1996 | \$4,974.12 |
| To pay Visiting Nurse Association of Texas for community based alternative services rendered between September 28, 1998, and August 21, 2000 | \$3,518.10 |
| To pay Family Service Inc., for community care for the aged and disabled rendered between January 31, 1996, and December 31, 1997 | \$23,488.04 |
| To pay Bexar County for Federal Incentive Share between January 1, 1996, and August 31, 1997 | \$15,678.00 |
| To pay Travis County District Clerk, Amalia Rodriguez Mendoza, for court filing fees between September 2, 1999, and October 28, 1999 | \$7,824.00 |
| To pay Travis County District Clerk, Amalia Rodriguez Mendoza, for court filing fees between September 9, 1999, and October 26, 1999 | \$493.00 |
| To pay Travis County District Clerk, Amalia Rodriguez Mendoza, for court filing fees between September 21, 1999, and March 16, 2000 | \$6,629.00 |
| To pay a confidential payee for claim number 93M30511 for warrants issued on August 16, 1994, and November 23, 1994 for refund of overpayment of taxes | \$4,190.80 |
| To pay a confidential payee for claim number 93M30512 for warrants issued on November 8, 1996, and January 27, 1998, for overpayment of taxes | \$231.51 |
| To pay Blanca Estella Callahan for warrant issued April 16, 1997, for refund of fees | \$50.00 |

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| To pay Girling Health Care, Inc., for community based alternative care rendered between August 1, 1997, and August 31, 1999 | \$4,137.91 |
| To pay Girling Health Care, Inc., for community based alternative care rendered between February 1, 1999, and August 27, 1999 | \$695.70 |
| To pay North Texas Home Health Service, Inc., for community care for the aged and disabled rendered between October 1, 1998, and August 31, 1999 | \$282.36 |
| To pay Travis County District Clerk, Amalia Rodriguez Mendoza, for court filing fees between September 14, 1999, and November 30, 1999 | \$1,485.00 |
| To pay Travis County District Clerk, Amalia Rodriguez Mendoza, for court filing fees between November 10, 1999, and December 17, 1999 | \$564.00 |
| To pay Gentiva Health Services for community based alternative services rendered between September 1, 1998, and August 31, 2000 | \$9,656.87 |
| To pay Recordex Acquisition Corp., DBA Sourcecorp Healthsave, for copies of medical records on May 5, 1998 | \$16.00 |
| To pay Recordex Acquisition Corp., DBA Sourcecorp Healthsave, for copies of medical records on April 30, 1998 | \$12.00 |
| To pay Michelle K. Medlock for productivity bonus warrant issued on December 15, 1992 | \$58.43 |
| To pay Department of Human Services, Assignee for Daybreak Healthcare, Inc., DBA Brownwood Nursing Home, for nursing home services rendered between February 28, 1999, and June 23, 1999 | \$7,899.14 |
| To pay RAMHIA, Inc., for community care for the aged and disabled rendered between May 30, 1997, and August 31, 1999 | \$5,946.92 |
| To pay Bridgeway Health Services, Inc., for community based alternative services rendered between November 1, 1998, and June 6, 2000 | \$7,239.35 |
| To pay Department of Human Services, Assignee for Daybreak Healthcare, Inc., DBA Lake Ridge Nursing & Rehabilitation Center, for nursing home services rendered between June 29, 1999, and August 31, 1999 | \$48,346.20 |
| To pay Lakeview Convalescent Services, Inc., for nursing home services rendered between February 29, 1996, and February 28, 1999 | \$27,169.45 |
| To pay Stonebridge Health Center, Inc., DBA Stonebridge Health Center, for nursing home services rendered between December 15, 1996, and February 2, 1999 | \$6,721.48 |
| To pay Living Centers of Texas, DBA Las Palmas Health, for nursing home services rendered between April 23, 2000, and August 31, 2000 | \$1,671.45 |
| To pay Preferred Care Health Facilities of TX. II, Inc., DBA Professional Care Center, for nursing home services rendered between April 5, 2000, and August 31, 2000 | \$23,549.66 |
| To pay Anna Marie Flores for warrants issued on April 29, 1988 | \$188.75 |
| To pay Travis County District Clerk, Amalia Rodriguez Mendoza, for court filing fees between November 24, 1999, and August 28, 2000 | \$4,984.00 |
| To pay Travis County District Clerk, Amalia Rodriguez Mendoza, for court filing fees between January 20, 2000, and August 29, 2000 | \$1,511.00 |
| To pay Ward Electric Supply Company for electrical supplies on December 16, 1998 | \$758.97 |

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| To pay Marcos Reis, M.D., for copies of medical records on September 26, 1996 | \$15.00 |
| To pay Amarillo Heart Group, PA, for various medical services rendered from January 15, 1998, to July 30, 1998 | \$232.25 |
| To pay Crossroads Home Health, Inc., for community based alternative services rendered between November 1, 1997, and August 31, 2000 | \$4,631.18 |
| To pay Texas Visiting Nurse Service, Ltd., for community based alternative services rendered between December 1, 1998, and June 11, 1999 | \$6,471.64 |
| To pay Texas Visiting Nurse Service, Ltd., for community based alternative services rendered between June 11, 1998, and August 25, 2000 | \$13,369.35 |
| To pay Summit Care Texas, LP, DBA West Side Campus of Care, for nursing home services rendered between September 1, 1998, and July 12, 2000 | \$1,565.80 |
| To pay Summit Care Texas, LP, DBA West Side Campus of Care, for nursing home services rendered between March 15, 1999, and March 31, 1999 | \$96.00 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services, for community based alternative services rendered on July 24, 1996 | \$573.96 |
| To pay Ward Electric Supply Co., for electrical supplies between September 15, 1998, and September 25, 1998 | \$13,273.18 |
| To pay Lucy R. Gonzales for travel expenses between January 6, 1999, and January 29, 1999 | \$126.45 |
| To pay a confidential payee for claim number 93M30704 for warrant issued for overpayment of franchise tax on May 17, 1994 | \$473.90 |
| To pay American Habilitation Services, Inc., DBA Westside Development Center, for room and board for intermediate care facility for the mentally retarded between June 9, 2000, and August 15, 2000 | \$302,670.22 |
| To pay Vista Hospice Care, Inc., DBA Vistacare Family Hospice, for hospice home care between July 2, 1998, and August 30, 1999 | \$11,062.90 |
| To pay Vista Hospice Care, Inc., DBA Vistacare Family Hospice, for hospice home care between February 24, 2000, and August 31, 2000 | \$10,275.36 |
| To pay Vista Hospice Care, Inc., DBA Vistacare Family Hospice, for hospice home care between April 2, 1999, and July 24, 1999 | \$8,394.80 |
| To pay Vista Hospice Care, Inc., DBA Vistacare Family Hospice, for hospice home care between March 5, 1999, and August 31, 1999 | \$10,348.29 |
| To pay Vista Hospice Care, Inc., DBA Vistacare Family Hospice, for hospice home care between February 19, 1999, and August 31, 1999 | \$8,742.00 |
| To pay Hospice of the Big Country, Inc., for hospice home care between February 10, 1999, and August 14, 2000 | \$24,360.45 |
| To pay Senior Care Management, Inc., DBA Honey Grove Nursing Center, for nursing home services rendered between March 20, 1996, and August 31, 1999 | \$1,561.92 |
| To pay P & S Rexall Pharmacy, Inc., for warrant issued on July 25, 1994 | \$3,469.21 |
| To pay The Evangelical Lutheran Good Samaritan Society, DBA Harlingen Good Samaritan Center, for nursing home services rendered between June 1, 1999, and August 15, 2000 | \$7,449.70 |

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| To pay A World for Children for foster care between November 11, 1998, and March 25, 1999 | \$14,931.60 |
| To pay Frontline Health Services, Inc., DBA First Choice Healthcare HCSS, for community based alternative services rendered between September 13, 1998, and August 31, 2000 | \$2,074.86 |
| To pay Delta Home Health Care of Paris, Inc., for community based alternative services rendered between January 1, 1999, and August 31, 1999 | \$3,073.18 |
| To pay GT Distributors, Inc., for law enforcement supplies from July 27, 1998, to September 8, 1998 | \$2,353.50 |
| To pay Mary E. Ford for warrant issued on March 3, 1992, for full-time instructor services (Director of Student Teaching) | \$2,015.21 |
| To pay Palm Valley Medical Clinic, PA, for copies of medical records on October 13, 1998 | \$15.00 |
| To pay a confidential payee for claim number 93M30822 for warrant issued on April 27, 1999 for tax refund | \$57.70 |
| To pay a confidential payee for claim number 93M30827 for warrant issued on March 30, 1998 for tax refund | \$3,017.45 |
| To pay a confidential payee for claim number 93M30830 for warrant issued on May 15, 1990 for tax refund | \$18.49 |
| To pay Gilbert Sanchez, District Clerk, El Paso County, for court costs incurred between April 26, 1999, and April 27, 1999 | \$163.00 |
| To pay TIRR for radiology treatments between February 16, 1999, and August 23, 1999 | \$368.91 |
| To pay TIRR for speech treatments between October 7, 1998, and October 27, 1998 | \$245.44 |
| To pay TIRR for occupational therapy between July 27, 1999, and August 10, 1999 | \$587.50 |
| To pay TIRR for psychological services between May 27, 2000, and June 2, 2000 | \$188.00 |
| To pay TIRR for medical treatment and observation on May 24, 2000 | \$42.64 |
| To pay TIRR for pulmonary function services rendered between August 27, 1999, and September 7, 1999 | \$79.90 |
| To pay TIRR for occupational therapy services rendered on May 23, 2000 | \$68.88 |
| To pay TIRR for physical therapy and occupational therapy services rendered between February 5, 2000, and February 11, 2000 | \$95.80 |
| To pay TIRR for medical services rendered on September 19, 2000 | \$70.58 |
| To pay TIRR for occupational therapy services rendered between July 21, 2000, and August 4, 2000 | \$282.00 |
| To pay TIRR for medical treatment and observation services rendered on August 14, 2000 | \$42.64 |
| To pay TIRR for physical therapy and occupational therapy services rendered between December 29, 1999, and January 5, 2000 | \$144.60 |
| To pay TIRR for physical therapy services rendered on August 8, 2000 | \$357.00 |
| To pay TIRR for psychological services on June 26, 2000 | \$403.00 |
| To pay TIRR for physical therapy services rendered between November 2, 1999, and November 16, 1999 | \$486.20 |

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| To pay TIRR for occupational therapy services rendered between August 28, 2000, and September 11, 2000 | \$551.04 |
| To pay TIRR for hospital services rendered between August 18, 2000, and August 31, 2000 | \$11,661.37 |
| To pay TIRR for physical therapy services rendered between July 27, 2000, and August 10, 2000 | \$178.50 |
| To pay TIRR for physical therapy services rendered on July 18, 2000 | \$132.30 |
| To pay TIRR for occupational therapy services rendered between August 3, 2000, and August 17, 2000 | \$129.25 |
| To pay TIRR for occupational therapy services rendered between July 4, 2000, and July 18, 2000 | \$658.00 |
| To pay TIRR for occupational therapy services rendered between June 8, 2000, and August 11, 2000 | \$68.80 |
| To pay TIRR for physical therapy evaluation on January 5, 2000 | \$103.80 |
| To pay TIRR for psychological services between July 12, 2000, and July 26, 2000 | \$32.50 |
| To pay Bridgeway Health Services, Inc., for community care for the aged and disabled rendered between March 16, 1999, and March 19, 2000 | \$2,403.51 |
| To pay Girling Health Care, Inc., for community based alternative services rendered between March 3, 1999, and August 2, 2000 | \$3,695.87 |
| To pay Girling Health Care, Inc., for community based alternative services rendered between September 24, 1998, and July 29, 2000 | \$6,563.98 |
| To pay Frontline Health Services, Inc., DBA First Choice Healthcare HCSS, for community based alternative services rendered between September 1, 1998, and August 1, 2000 | \$5,018.02 |
| To pay Rodger L. Templeton for warrant issued on February 12, 1996 | \$71.35 |
| To pay a confidential payee for claim number 93M30938 for warrant issued on December 21, 1992 for tax refund | \$205.06 |
| To pay a confidential payee for claim number 93M30939 for warrant issued on April 9, 1996 for tax refund | \$264.76 |
| To pay Bay Star Communications, Inc., for pager leasing fees between May 1, 1999, and August 31, 1999 | \$48.50 |
| To pay Girling Health Care, Inc., for community based alternative services rendered between December 1, 1998, and August 30, 2000 | \$6,047.97 |
| To pay Southwest Care Associates, LP, DBA Southwest Care Center, for nursing home services rendered between June 1, 2000, and August 31, 2000 | \$17,492.01 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor Nursing Center, for nursing home services rendered between March 14, 2000, and August 31, 2000 | \$16,328.53 |
| To pay Hermitage Communities, Inc., DBA Katyville Healthcare Center, for nursing home services rendered between March 29, 1999, and August 28, 2000 | \$4,961.57 |
| To pay Senior Care Consultants, Inc., DBA Fair Park Health Care Center, for nursing home services rendered between November 1, 1998, and August 7, 2000 | \$10,741.21 |

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| To pay Ridgecrest Retirement Center, Ltd., for nursing home services rendered between January 7, 1999, and February 17, 2000 | \$1,437.10 |
| To pay Living Centers of Texas, Inc., DBA Park Highlands Nursing & Rehabilitation Center, for nursing home services rendered between March 1, 2000, and July 9, 2000 | \$3,993.78 |
| To pay Girling Health Care, Inc., for community based alternative services rendered between September 12, 1998, and August 31, 2000 | \$504.07 |
| To pay Candace Best for warrant issued on February 24, 1988 for travel expenses reimbursement | \$22.05 |
| To pay a confidential payee for claim number 93M40033 for warrant issued on July 26, 1990 for tax refund | \$679.95 |
| To pay James Freeberg, PhD, for psychological exam and IQ mental status evaluation on February 1, 1999 | \$66.50 |
| To pay Living Centers of Texas, Inc., DBA Stoneybrook Healthcare Center, for nursing home services rendered between February 7, 2000, and February 15, 2000 | \$1,341.75 |
| To pay Living Centers of Texas, Inc., DBA Hilltop Village, for nursing home services rendered between May 3, 2000, and May 9, 2000 | \$577.64 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor Nursing Center, for nursing home services rendered between August 29, 2000, and August 31, 2000 | \$258.60 |
| To pay Living Centers of Texas, Inc., DBA Broadway Lodge Convalescent Center, for nursing home services rendered between June 23, 2000, and August 23, 2000 | \$1,202.18 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor Nursing Jourdanton, for nursing home services rendered between January 19, 2000, and August 31, 2000 | \$355.82 |
| To pay Supreme Home Health Services, Inc., for community based alternative services rendered between February 16, 1999, and August 31, 2000 | \$13,684.54 |
| To pay Living Centers of Texas, Inc., DBA San Antonio Convalescent Center, for nursing home services rendered between July 3, 2000, and July 8, 2000 | \$734.00 |
| To pay Living Centers of Texas, Inc., DBA Village Healthcare Center, for nursing home services rendered between June 26, 2000, and June 30, 2000 | \$233.10 |
| To pay Living Centers of Texas, Inc., DBA Northway Healthcare Center, for nursing home services rendered between June 21, 2000, and July 12, 2000 | \$1,586.58 |
| To pay Living Centers of Texas, Inc., DBA Care Inn-Abilene, for nursing home services rendered between March 28, 2000, and March 31, 2000 | \$279.20 |
| To pay Living Centers of Texas Inc., DBA Memorial Medical Nursing Center, for nursing home services rendered between April 5, 2000, and April 11, 2000 | \$656.53 |
| To pay Living Centers of Texas, Inc., DBA Broadway Lodge Convalescent Center, for nursing home services rendered between February 7, 2000, and August 31, 2000 | \$1,668.39 |
| To pay The Villa at Mountain View for nursing home services rendered between August 6, 1997, and August 31, 2000 | \$35,698.47 |

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| To pay Jordan Home Care, Inc., for community care for the aged and disabled rendered between May 16, 1999, and May 31, 1999 | \$395.60 |
| To pay Hendrick Medical Center for nursing home services rendered between April 9, 1999, and August 31, 2000 | \$4,370.91 |
| To pay Vista Continuing Care Center, Inc., for nursing home services rendered between April 1, 1999, and July 12, 2000 | \$2,115.21 |
| To pay Extendicare Health Facilities, Inc., DBA Alamo Heights Health & Rehab Center, for nursing home services rendered between April 1, 1998, and July 23, 2000 | \$1,811.27 |
| To pay Living Centers of Texas, Inc., DBA Holiday Lodge Nursing Home, for nursing home services rendered between June 1, 2000, and August 30, 2000 | \$3,996.60 |
| To pay Gary W. Davis for replacement of payroll warrant issued on August 6, 1998 | \$4,024.62 |
| To pay SBC for telephone services rendered on May 19, 1999 | \$141.07 |
| To pay a confidential payee for claim number 93M40091 for warrant issued on May 30, 2001, for tax refund for May and June, 1998 | \$117,910.05 |
| To pay Crisp, Boyd & Poff, LLP, c/o Bill Schubert, Attorney at Law, Bowie County Court Appointed Legal Counsel for James Scott Porter, Texas Department of Criminal Justice | \$10,339.93 |
| To pay Summit Care Texas, LP, DBA West Side Campus of Care, for nursing home services rendered between February 5, 1999, and July 5, 2000 | \$2,309.49 |
| To pay Summit Care Texas, LP, DBA Lubbock Hospitality House, for nursing home services rendered between September 14, 1999, and July 6, 2000 | \$3,266.23 |
| To pay Daniel Jarvis Private Duty Corp., DBA Daniel Jarvis Home Health Agency, for community care for the aged and disabled rendered between September 1, 1999, and October 31, 1999 | \$191.88 |
| To pay Extendicare Homes, Inc., DBA Lockney Health & Rehab Center, for nursing home services rendered between June 1, 1999, and June 4, 1999 | \$269.32 |
| To pay Extendicare Homes, Inc., DBA Lakeside Rehab & Care Center, for nursing home services rendered between July 8, 1999, and July 18, 2001 | \$9,128.47 |
| To pay Abundant Health Care, Inc, DBA Abundant Health Care Services, for community care for the aged and disabled rendered between February 1, 1999, and July 21, 2000 | \$2,620.07 |
| To pay The Home Care Team, Inc., DBA Med Team, Inc., for community care for the aged and disabled rendered between November 15, 1998, and August 31, 2000 | \$4,662.88 |
| To pay 22 Keystone Services, LP, DBA McAllen Nursing Center, for nursing home services rendered between August 1, 1999, and August 21, 2000 | \$21,963.66 |
| To pay Girling Health Care, Inc., for community care for the aged and disabled rendered between March 17, 1999, and May 5, 2000 | \$1,728.12 |
| To pay Lakeview Convalescent Services, Inc., DBA Lakeview Manor, for nursing home services rendered between February 1, 1999, and February 28, 1999 | \$11,822.25 |
| To pay Senior Care Consultants, Inc., DBA Fair Park Health Care Center, for nursing home services rendered between April 14, 1999, and May 18, 2000 | \$2,207.82 |

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| To pay Wilbarger General Hospital for community care for the aged and disabled rendered between January 1, 1999, and August 31, 1999 | \$4,872.12 |
| To pay North Central Texas Home Care, Inc., for community based alternative services rendered between May 1, 1998, and August 31, 2000 | \$33,466.14 |
| To pay Pure and Dependable, Inc., DBA Home Health Agency, for community based alternative services rendered between January 4, 1999, and August 16, 2000 | \$41,646.29 |
| To pay Professional Care Home Health, Inc., for community based alternative services rendered between February 1, 1999, and February 28, 1999 | \$2,453.86 |
| To pay North Central Texas Home Care, Inc., for community care for the aged and disabled rendered between August 1, 1998, and August 31, 2000 | \$4,123.37 |
| To pay Oasis Adult Day Care, Inc., for community care for the aged and disabled rendered between February 15, 1999, and August 30, 1999 | \$3,423.60 |
| To pay Oasis Adult Day Care, Inc., for community care for the aged and disabled rendered between May 3, 1999, and August 31, 1999 | \$2,016.12 |
| To pay Texas Home Health of America, LP, for community care for the aged and disabled rendered between March 16, 1999, and May 31, 1999 | \$480.24 |
| To pay The Evangelical Lutheran Good Samaritan Society, DBA Lake Forest Good Samaritan Village HCC, for nursing home services rendered between June 12, 2000, and August 31, 2000 | \$1,706.95 |
| To pay Living Centers of Texas, Inc., DBA La Paloma Nursing Center, for nursing home services rendered between July 1, 2000, and August 31, 2000 | \$1,786.68 |
| To pay Living Centers of Texas, Inc., DBA Parkdale, for nursing home services rendered between March 7, 2000, and May 31, 2000 | \$3,235.20 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor Weslaco, for nursing home services rendered between February 10, 2000, and February 15, 2000 | \$497.16 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor Weslaco, for nursing home services rendered between January 19, 2000, and August 31, 2000 | \$2,848.02 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor-Laredo South, for nursing home services rendered between February 11, 2000, and August 31, 2000 | \$5,474.66 |
| To pay a confidential payee for claim number 93M40245 for franchise tax warrant issued on November 30, 1999 | \$200.00 |
| To pay A.E. Fogg Health Care, Inc., for nursing home services rendered between September 8, 1997, and September 30, 1998 | \$88,694.95 |
| To pay Laredo Downtown Pharmacy, Inc., for vendor drug program between September 30, 1999, and October 30, 1999 | \$85.78 |
| To pay Jo A. Fields for salary warrant issued by North Texas State Hospital on January 23, 2004 | \$881.84 |
| To pay a confidential payee for claim number 93M40265 for warrant issued on June 4, 1996, for refund of overpayment tax penalty | \$50.00 |
| To pay Glen Rose Medical Center for pulmonary function test on April 23, 1999 | \$191.75 |
| To pay Jeff Harrelson, Attorney at Law, Bowie County court appointed indigent inmate defense for Chris Hubbard, Texas Department of Criminal Justice | \$21,330.00 |

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| To pay a confidential payee for claim number 93M40272 for warrant issued on May 8, 1998, for refund of franchise tax overpayment | \$192.03 |
| To pay Denise Paz for warrants issued on February 22, 1999, and March 5, 1999 | \$63.90 |
| To pay a confidential payee for claim number 93M40283 for warrant issued on October 22, 1997, for refund of franchise tax overpayment | \$6,343.03 |
| To pay a confidential payee for claim number 93M40284 for warrant issued on March 31, 1999, for sales tax refund | \$558.30 |
| To pay Hermitage Communities, Inc., DBA Katyville Healthcare Center, for nursing home services rendered between June 2, 2001, and August 31, 2001 | \$2,267.92 |
| To pay Cantex Healthcare Centers, LLC, DBA The Manor at Seagoville, for nursing home services rendered between July 15, 1998, and August 31, 1999 | \$6,973.15 |
| To pay Knapp Medical Center, c/o Full Circle Services, Inc., for warrant issued December 17, 1999 | \$2,073.20 |
| To pay Harvest Communities of Houston, Inc., DBA Harvest Retirement Communities, for nursing home services rendered between January 20, 1999, and July 29, 1999 | \$1,370.42 |
| To pay Mariner Healthcare of Nashville, Inc., DBA Mariner Health Care of North Dallas, for nursing home services rendered between February 15, 2001, and August 19, 2001 | \$10,395.17 |
| To pay Pyramid Healthcare, DBA Canterbury Villa of Ballinger, for nursing home services rendered between December 1, 1998, and November 14, 1999 | \$25,423.92 |
| To pay Living Centers of Texas, Inc., DBA Heritage House, for nursing home services rendered between June 1, 2000, and August 30, 2000 | \$1,155.28 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor-Alice, for nursing home services rendered between January 19, 2000, and August 31, 2000 | \$14,193.34 |
| To pay Living Centers of Texas, Inc., DBA Jacinto City, for nursing home services rendered between March 15, 2000, and August 31, 2000 | \$1,090.84 |
| To pay Living Centers of Texas, Inc., DBA Edgewater Care Center, for nursing home services rendered between March 30, 2000, and March 31, 2000 | \$203.42 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor West, for nursing home services rendered between April 5, 2000, and July 12, 2000 | \$4,380.00 |
| To pay Living Centers of Texas, Inc., DBA Edinburg Nursing Center, for nursing home services rendered between March 1, 2000, and August 31, 2000 | \$1,269.65 |
| To pay NSCL, Inc., for community based alternative services rendered between November 4, 1998, and August 30, 1999 | \$8,982.45 |
| To pay NSCL, Inc., for community based alternative services rendered between November 4, 1998, and August 30, 1999 | \$15,392.16 |
| To pay a confidential payee for claim number 93M40337 for temporary assistance for needy families payments between August 1, 1998, and August 31, 1998 | \$78.00 |
| To pay a confidential payee for claim number 93M40338 for temporary assistance for needy families payments between March 1, 1995, and September 30, 1995 | \$451.00 |

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| To pay a confidential payee for claim number 93M40342 for temporary assistance for needy families payments between January 1, 1998, and July 30, 1998 | \$564.00 |
| To pay Javier Garcia for unclaimed property warrant issued on June 22, 2001 | \$49,250.00 |
| To pay J Nissi Healthcare, Inc., DBA Windsor Place, for nursing home services rendered between September 1, 1995, and August 31, 1999 | \$1,127.18 |
| To pay Extencicare Home, Inc., DBA Meadowbrook Care Center, for nursing home services rendered between March 27, 2000, and June 21, 2000 | \$5,535.07 |
| To pay Extencicare Home, Inc., DBA Lakeside Rehab & Care Center, for nursing home services rendered between July 1, 1999, and July 31, 2000 | \$1,043.06 |
| To pay NHCI of Hillsboro, Inc., DBA Hill Regional Hospital, for nursing home services rendered between June 20, 1999, and June 21, 1999 | \$71.40 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor-South, for nursing home services rendered between July 3, 2000, and July 13, 2000 | \$1,067.00 |
| To pay The Hospice at the Texas Medical Center for nursing care services rendered between March 10, 1999, and August 31, 1999 | \$7,020.14 |
| To pay City of Corpus Christi, DBA Senior Community Services, for community care for the aged and disabled rendered between February 14, 2000, and July 31, 2000 | \$502.90 |
| To pay Gentiva Health Services USA, Inc., for community based alternative services rendered between January 2, 1999, and August 30, 2000 | \$7,640.97 |
| To pay Sleep Medicine Associates of Texas for nurse visit and Plue oximeter between May 26, 1999, and May 27, 1999 | \$177.50 |
| To pay a confidential payee for claim number 93M40390 for warrant issued for refund of franchise tax on November 30, 1993 | \$2,317.13 |
| To pay a confidential payee for claim number 93M40392 for warrant issued for franchise tax refund on December 1, 1999 | \$61.22 |
| To pay a confidential payee for claim number 93M40396 for warrants issued on March 21, 2000, and October 18, 2000 | \$2,623.20 |
| To pay Methodist Healthcare System of SA, Ltd., DBA Methodist Specialty Transplant Hospital, for myocardial perfusion ETT on January 18, 1999 | \$1,418.95 |
| To pay a confidential payee for claim number 93M40406 for warrant issued for franchise tax refund on December 23, 1998 | \$13,319.00 |
| To pay a confidential payee for claim number 93M40407 for warrant issued for franchise tax refund on December 23, 1998 | \$9,596.00 |
| To pay a confidential payee for claim number 93M40408 for warrant issued for franchise tax refund on December 21, 1998 | \$68,094.44 |
| To pay Buckner Children and Family Services, Inc., for foster care between October 1, 1999, and October 28, 1999 | \$2,174.58 |
| To pay American Habilitation Services, Inc., for community living assistance support services rendered between August 7, 2000, and August 31, 2000 | \$179.24 |
| To pay New Hope Manor, Inc., for nursing home services rendered on July 16, 1999 | \$31.00 |
| To pay a confidential payee for claim number 93M40469 for warrant issued on March 15, 2000, for franchise tax refund | \$600.00 |

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| To pay a confidential payee for claim number 93M40471 for warrants issued on March 30, 2000, and December 18, 2000, for franchise tax refund | \$1,069.27 |
| To pay Living Centers of Texas, Inc., DBA Brazosview Health Care Center, for nursing home services rendered between January 1, 2001, and August 15, 2001 | \$2,766.44 |
| To pay a confidential payee for claim number 93M40491 for warrant issued on March 3, 2000, for franchise tax refund | \$760.00 |
| To pay Educare Community Living Corporation-Gulf Coast for community living assistance support services rendered between August 31, 1999, and August 31, 2000 | \$1,402.98 |
| To pay TIBH for invoices for temporary help to Laredo State Center between November 1, 1998, and November 30, 1999 | \$32,568.22 |
| To pay NME Properties Corp., DBA Brookhaven Nursing Center, for nursing home services rendered between January 22, 1997, and May 22, 2001 | \$335.40 |
| To pay Summit Care Texas, LP, DBA Oak Crest Nursing, for nursing home services rendered between November 1, 1999, and March 31, 2001 | \$1,742.47 |
| To pay Tomball Hospital Authority, DBA The Skilled Nursing Center, for nursing home services rendered between January 1, 1998, and February 7, 2001 | \$2,615.20 |
| To pay Dinsmore Emergency Alert Service, Inc., for community based alternative services rendered between September 1, 1999, and August 31, 2000 | \$300.00 |
| To pay Travis County District Clerk for court filing fees between August 2, 1996, and February 25, 2000 | \$788.00 |
| To pay City of Austin for electric services rendered between March 22, 2000, and April 20, 2000 | \$17,182.41 |
| To pay Atmos Energy Corporation for natural gas services rendered between May 19, 1999, and June 17, 1999 | \$1,465.60 |
| To pay County of Nueces, c/o Full Circle Services, Inc., for warrant issued on December 4, 1998 | \$7,935.10 |
| To pay San Jacinto College for warrant issued on September 8, 2000 | \$51,967.00 |
| To pay Texas State Technical College, c/o Parr Recovery, Inc., for warrant issued on June 25, 2001 | \$26,941.73 |
| To pay Angelica Rose Adams for refund of renewal fee collection on July 2, 1997 | \$35.00 |
| To pay a confidential payee for claim number 93M40538 for warrant issued on March 14, 2000, for refund of overpayment of taxes | \$67.53 |
| To pay Visiting Nurse Association of Texas for community based alternative services rendered between January 1, 2000, and August 31, 2000 | \$2,072.40 |
| To pay Summit Care Texas, LP, DBA Southwood Care Center, for nursing home services rendered between June 1, 1998, and June 6, 2001 | \$477.00 |
| To pay Morningstar Operating #1, Ltd., DBA Fireside Lodge Center of Cleburne, for nursing home services rendered between March 1, 1999, and March 30, 1999 | \$3,055.80 |
| To pay TIBH for temporary services provided between July 16, 2001, and July 20, 2001 | \$615.60 |

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| To pay TIBH for temporary services provided between May 22, 2000, and May 25, 2000 | \$255.78 |
| To pay TIBH for temporary services provided between June 5, 2000, and June 9, 2000 | \$414.12 |
| To pay TIBH for temporary services provided on May 30, 2000, and June 1-2, 2000 | \$292.32 |
| To pay Travis County District Clerk for court filing fees between June 25, 1996, and February 4, 2000 | \$2,070.00 |
| To pay Travis County District Clerk for court filing fees between January 13, 1999, and December 27, 1999 | \$415.00 |
| To pay Travis County District Clerk for court filing fees between June 30, 1999, and July 27, 2001 | \$624.00 |
| To pay Buckner Children & Family Services, Inc., for foster care between September 24, 1999, and October 21, 1999 | \$2,730.00 |
| To pay Vital Health Care, Inc., for community based alternative services rendered between September 3, 1999, and December 8, 2000 | \$2,910.24 |
| To pay Daybreak Healthcare, Inc., DBA Greencrest Manor, for nursing home services rendered between August 1, 2000, and August 31, 2000 | \$306.28 |
| To pay 22 Keystone Services, LP, DBA Mesquite Tree Nursing Center, for nursing home services rendered between January 1, 2000, and August 31, 2001 | \$5,491.79 |
| To pay a confidential payee for claim number 93M50026 for temporary assistance for needy families payments between January 1, 1999, and August 31, 2001 | \$270.00 |
| To pay a confidential payee for claim number 93M50028 for warrant issued on November 8, 1994, for refund of overpayment of sales tax | \$32.78 |
| To pay Tempcare Homehealth Services, Inc., for community care for the aged and disabled rendered between February 1, 2000, and April 30, 2000 | \$466.48 |
| To pay Woodland Springs Nursing Center, Inc., for nursing home services rendered between July 1, 1997, and June 25, 2000 | \$3,897.40 |
| To pay Sunglo Fellowship Centers, Inc., c/o Nelson-Brown Equities, Inc., for warrant issued on July 1, 1998 | \$65,567.94 |
| To pay a confidential payee for claim number 93M50040 for warrant issued on November 23, 1999, for franchise tax refund | \$783.81 |
| To pay ADL Services, Inc., for community care for the aged and disabled rendered between August 1, 1999, and August 31, 1999 | \$1,374.48 |
| To pay ADL Services, Inc., for community care for the aged and disabled rendered between November 1, 1999, and January 15, 2000 | \$1,715.99 |
| To pay Kelly's Primary Care, Inc., for community care for the aged and disabled rendered between December 16, 1999, and December 31, 1999 | \$595.60 |
| To pay Delta Home Health Care of Greenville, Inc., for community care for the aged and disabled rendered between September 1, 2000, and August 31, 2001 | \$20,860.20 |
| To pay Delta Home Health Care of Greenville, Inc., for community care for the aged and disabled rendered between November 1, 2000, and August 31, 2001 | \$18,106.75 |

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| To pay Delta Home Health Care of Greenville, Inc., for community care for the aged and disabled rendered between November 1, 2000, and May 14, 2001 | \$5,638.82 |
| To pay Outreach Health Community Care Services, LP, DBA Outreach Health Services of San Antonio CBA, for community based alternative services rendered between January 1, 2000, and August 15, 2000 | \$878.14 |
| To pay Summit Care Texas, LP, DBA Woodlands Healthcare Center, for nursing home services rendered between February 13, 1999, and August 31, 2000 | \$8,978.58 |
| To pay Arise Home Health Care, Inc., for community based alternative services rendered on December 31, 1998 | \$150.00 |
| To pay ADL Services, Inc., for community care for the aged and disabled rendered between September 1, 1999, and July 31, 2000 | \$2,786.41 |
| To pay American Habilitation Services, Inc., for community living assistance support services rendered between September 1, 1999, and August 31, 2000 | \$22,869.16 |
| To pay American Habilitation Services, Inc., for community living assistance support services rendered between November 1, 1999, and March 31, 2000 | \$17,525.64 |
| To pay Meals on Wheels and More, Inc., for community care for the aged and disabled rendered between September 1, 1999, and August 31, 2000 | \$1,235.67 |
| To pay Bay Star Communications for pager service rendered on August 1, 2000 | \$35.00 |
| To pay a confidential payee for claim number 93M50116 for warrant issued January 30, 1998 for refund of overpayment of taxes | \$3,474.15 |
| To pay Griffin Moving Services, Inc., for moving services rendered on November 22, 1999 | \$299.92 |
| To pay Canon U.S.A., Inc., for copier rental between July 1, 2000, and August 31, 2000 | \$330.68 |
| To pay City of Lamesa for sewer and garbage service rendered between June 24, 1999, and July 26, 1999, for Texas Department of Criminal Justice Smith Unit | \$25,976.98 |
| To pay Sanjuanita A. Medrano for warrant issued on April 19, 1999, for travel reimbursement | \$116.20 |
| To pay Texas Orthopedics for orthopedic exam on August 13, 1998 | \$176.00 |
| To pay Cantex Healthcare Centers, LLC, DBA the Manor at Seagoville, for nursing home services rendered between July 17, 1997, and May 28, 2000 | \$4,050.69 |
| To pay Summit Care Texas, LP, DBA Heritage Oaks Nursing & Rehab Center, for nursing home services rendered between November 1, 1998, and August 31, 2001 | \$5,579.04 |
| To pay Hospice of East Texas for hospice home care services rendered on February 1, 1997 | \$94.48 |
| To pay Walnut Hills Convalescent Center, Inc., DBA Walnut Hills Convalescent Center, for nursing home services rendered between May 31, 2000, and June 21, 2000 | \$759.71 |
| To pay Ashford Hall, Inc., DBA Ashford Hall, for nursing home services rendered between August 1, 1999, and May 2, 2000 | \$117.23 |

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| To pay Denison Care Center, Inc., DBA The Homestead of Denison, for nursing home services rendered between July 1, 1999, and July 31, 1999 | \$1,536.48 |
| To pay Senior Care Consultants, Inc., DBA Rowlett Nursing Center, for nursing home services rendered between February 28, 1998, and March 13, 1998 | \$1,176.03 |
| To pay Daybreak Healthcare, Inc., DBA Denison Manor, for nursing home services rendered between February 19, 2000, and October 27, 2000 | \$3,601.99 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor - Alice, for nursing home services rendered between October 14, 2000, and August 31, 2001 | \$14,274.47 |
| To pay Fort Worth Nursing & Rehab Center for nursing home services rendered between July 1, 1999, and August 31, 1999 | \$3,205.20 |
| To pay Fort Worth Nursing & Rehab Center for nursing home services rendered between September 1, 1997, and September 26, 1997 | \$1,450.54 |
| To pay APC Home Health Services, Inc., for community care for the aged and disabled rendered between July 1, 1999, and April 30, 2000 | \$2,114.12 |
| To pay APC Home Health Services, Inc., for community care for the aged and disabled rendered between July 1, 1998, and August 31, 1999 | \$15,458.15 |
| To pay Vector Care, Inc., DBA Slaton Care Center, for nursing home services rendered between October 30, 1998, and June 25, 2000 | \$4,493.14 |
| To pay Salem Nursing & Rehab Center of Jasper, Inc., DBA Timberlake Health & Rehabilitation, for nursing home services rendered between April 1, 2000, and August 31, 2000 | \$11,337.42 |
| To pay APC Home Health Services, Inc., for community care for the aged and disabled rendered between September 1, 1999, and September 7, 2000 | \$14,130.48 |
| To pay APC Home Health Services, Inc., for community care for the aged and disabled rendered between September 1, 1999, and September 21, 2000 | \$12,551.51 |
| To pay People for Progress, Inc., c/o Full Circle Services, Inc., for warrant issued on February 2, 2000 | \$1,202.17 |
| To pay a confidential payee for claim number 93M50257 for warrant issued on May 1, 1998 for refund of overpayment of taxes | \$54.48 |
| To pay a confidential payee for claim number 93M50264 for warrant issued on September 30, 2002 for overpayment of taxes | \$53,638.45 |
| To pay City of Hondo for electricity, water, and wastewater services rendered for Torres/Ney Unit between June 12, 2000, and July 10, 2000 | \$78,952.45 |
| To pay a confidential payee for claim number 93M50303 for workers' compensation warrants issued between December 6, 1994, and June 19, 1995 | \$3,717.67 |
| To pay Central Texas Youth Services - Option House for foster care between March 29, 2000, and March 31, 2000 | \$292.50 |
| To pay Galveston County for warrant issued on July 26, 2004 | \$56,549.37 |
| To pay a confidential payee for claim number 93M50318 for warrant issued on September 26, 2001 | \$32,422.06 |
| To pay SBC for telephone service rendered on August 11, 2000 | \$39.57 |
| To pay Extencicare Homes, Inc., DBA Tulia Care Center, for nursing home services rendered between July 1, 1998, and August 15, 1998 | \$1,514.55 |
| To pay Oak Manor, Inc., DBA Schulenburg Regency Nursing Center, for nursing home services rendered between December 1, 1999, and April 25, 2001 | \$24,861.48 |

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| To pay Sprint for warrant issued on September 14, 2000, for telephone charges | \$72.38 |
| To pay Sprint for warrant issued on September 14, 2000, for telephone charges | \$32.19 |
| To pay Sprint for warrant issued on September 14, 2000, for telephone charges | \$32.19 |
| To pay a confidential payee for claim number 93M50373 for warrant issued January 24, 2001, for refund of overpayment of taxes | \$4,169.17 |
| To pay Service Electronics, Inc., c/o Nelson-Brown Equities, Inc., for warrant issued August 2, 2001 | \$28,282.68 |
| To pay Criminal District Attorney/Galveston County, c/o Full Circle Services, Inc., for warrant issued November 9, 1999 | \$2,638.43 |
| To pay Patti S. Garner for unclaimed property warrant issued April 17, 2000 | \$49,396.54 |
| To pay a confidential payee for claim number 93M50423 for warrant issued January 17, 2002 for refund of overpayment of taxes | \$151,398.96 |
| To pay Soft Touch Home Care, Inc., for community care for the aged and disabled rendered between February 1, 2000, and August 31, 2000 | \$1,662.51 |
| To pay Soft Touch Home Care, Inc., for community based alternative services rendered between January 12, 2000, and July 12, 2001 | \$2,926.79 |
| To pay Soft Touch Home Care, Inc., for community care for the aged and disabled rendered between January 1, 2000, and August 31, 2000 | \$11,139.98 |
| To pay Senior Care Consultants, Inc., DBA Rockwall Nursing Care Center, for nursing home services rendered between February 16, 2002, and August 31, 2002 | \$30,158.73 |
| To pay City of Austin for electricity, water, wastewater, and anti-litter fees between February 17, 1999, and January 29, 2000 | \$34.86 |
| To pay City of Austin for electricity, water, wastewater, and anti-litter fees between October 26, 1992, and October 27, 1995 | \$634.07 |
| To pay City of Austin for electricity, water, wastewater, and anti-litter fees between August 5, 1999, and August 5, 2002 various accounts | \$5,141.38 |
| To pay City of Austin Utilities for warrant issued February 5, 2001 | \$4,232.81 |
| To pay City of Austin for electricity, water, wastewater, and anti-litter fees between September 6, 1996, and March 14, 2001 | \$2,470.76 |
| To pay City of Austin for electricity, water, wastewater, and anti-litter fees between August 19, 1997, and August 21, 2002 | \$5,022.38 |
| To pay City of Austin for electricity, water, wastewater, and anti-litter fees between November 13, 2000, and June 5, 2002, for various accounts | \$3,952.07 |
| To pay SBC for telephone services rendered between April 21, 1999, and April 21, 2000 | \$417.34 |
| To pay SBC for telephone services rendered between March 27, 1999, and July 27, 2001 | \$103.17 |
| To pay SBC for telephone services rendered between November 5, 2000, and November 5, 2001 | \$4.27 |
| To pay SBC for telephone services rendered between March 17, 1999, and July 17, 2001 | \$15.66 |

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| To pay SBC for telephone services rendered between March 15, 1999, and August 15, 2001 | \$517.16 |
| To pay SBC for telephone services rendered between March 23, 1999, and July 23, 2001 | \$95.99 |
| To pay SBC for telephone services rendered between March 29, 1999, and March 29, 2001 | \$5,374.89 |
| To pay SBC for telephone services rendered between August 25, 2000, and July 25, 2001 | \$49.12 |
| To pay SBC for telephone services rendered between March 15, 1999, and July 15, 2001 | \$398.20 |
| To pay SBC for telephone services rendered between March 19, 1999, and August 19, 2001 | \$2,069.99 |
| To pay Billy Jack Garner for warrant issued March 5, 2001 | \$298.38 |
| To pay University of Houston, Division of Research, for reimbursement for interagency contract | \$274,093.31 |
| To pay University of Houston, Division of Research, for reimbursement for interagency contract | \$277,410.83 |
| To pay University of Houston, Division of Research, for reimbursement for interagency contract | \$7,432.20 |
| To pay University of Houston, Division of Research, for reimbursement for interagency contract | \$26,657.95 |
| To pay City of Austin for electricity, water, wastewater, and anti-litter fees between March 6, 2001, and December 5, 2001 | \$6,113.16 |
| To pay Jerry Albright for travel reimbursement between March 14, 2001, and April 26, 2001 | \$750.37 |
| To pay Advantage Rent A Car for rental car reimbursement for Joy Pierce Foster on December 1, 2000 | \$36.00 |
| To pay SBC for telephone services rendered between July 3, 1999, and August 3, 2002 | \$156.36 |
| To pay SBC for telephone services rendered between June 1, 1999, and August 1, 2001 | \$782.72 |
| To pay SBC for telephone services rendered between June 1, 1999, and August 1, 2001 | \$1,045.03 |
| To pay a confidential payee for claim number 93M50563 for warrant issued October 9, 2000, for tax refund | \$172.15 |
| To pay a confidential payee for claim number 93M50564 for warrant issued January 5, 1998, for tax refund | \$628.11 |
| To pay SBC for telephone services rendered between June 1, 1999, and August 1, 2001 | \$1,382.75 |
| To pay SBC for telephone services rendered between April 27, 1999, and March 27, 2002 | \$420.38 |
| To pay SBC for telephone services rendered - access transport circuit listing between December 25, 1998, and January 24, 1999 | \$1,500.00 |
| To pay SBC for telephone services rendered between June 9, 1999, and August 9, 2001 | \$1,379.66 |

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| To pay SBC for telephone services rendered between June 1, 1999, and August 1, 2001 | \$1,939.46 |
| To pay SBC for telephone services rendered between June 1, 1999, and August 1, 2001 | \$2,186.15 |
| To pay Verizon Southwest for telephone services rendered on December 7, 2000 | \$55.59 |
| To pay SBC for telephone services rendered between June 1, 1999, and August 1, 2001 | \$1,257.86 |
| To pay SBC for telephone services rendered between July 1, 1999, and August 1, 2001 | \$1,887.39 |
| To pay SBC for telephone services rendered between July 1, 1999, and August 1, 2001 | \$1,160.31 |
| To pay SBC for telephone services rendered between July 1, 1999, and June 1, 2001 | \$2,801.76 |
| To pay Jerry Albright for travel reimbursement between January 1, 2001, and March 1, 2001 | \$368.33 |
| To pay SBC for telephone services rendered between July 1, 1999, and August 1, 2001 | \$271.09 |
| To pay Shared Technologies Allegiance, Inc., for optical reader, readerboards, and software or hardware between January 31, 2001, and July 9, 2002 | \$16,267.35 |
| To pay SBC for telephone services rendered between July 1, 1999, and August 1, 2001 | \$1,312.02 |
| To pay Texas Agricultural Experiment Station, Texas A&M University System, for grant contract | \$25,000.00 |
| To pay SBC for telephone services rendered between July 1, 1999, and August 1, 2001 | \$2,622.73 |
| To pay Darryl L. Tubbs for travel reimbursement for mileage between June 5, 2001, and June 25, 2001 | \$89.49 |
| To pay Darryl L. Tubbs for travel reimbursement for mileage between July 12, 2001, and July 25, 2001 | \$79.69 |
| To pay Philip P. Huang for warrant issued for travel reimbursement on January 5, 2001 | \$183.13 |
| To pay SBC for telephone services rendered between July 1, 1999, and August 1, 2001 | \$2,318.22 |
| To pay SBC for telephone services rendered between August 1, 1999, and December 1, 2001 | \$2,461.67 |
| To pay SBC for telephone services rendered between August 1, 1999, and August 1, 2001 | \$1,759.07 |
| To pay SBC for telephone services rendered between August 1, 1999, and August 1, 2001 | \$1,699.83 |
| To pay Bisonwood Investments, Inc., c/o Burns & Noble, for warrant issued March 2, 1999, for rent per lease agreement | \$470.25 |
| To pay James Chiropractic Clinic, PC, for x-rays on July 1, 1999 | \$27.20 |
| To pay City of Austin for electricity, water, wastewater, and anti-litter fees between October 26, 1992, and January 5, 2001 | \$4,866.88 |

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| To pay Socorro M. Del Garcia for replacement of warrant issued June 10, 1974 | \$110.00 |
| To pay Bobby R. Delbosque for salary warrant issued July 1, 1998 | \$1,426.03 |
| To pay Bobby R. Delbosque for salary warrant issued June 30, 1998 | \$168.94 |
| To pay Sylvia S. Lopez for payroll warrants issued between March 2, 1998, and April 1, 1998 | \$3,026.26 |
| To pay E. Bruce Curry for travel reimbursement for mileage between October 1, 1997, and November 30, 1997 | \$527.13 |
| To pay E. Bruce Curry for travel reimbursement for mileage between December 1, 1997, and December 31, 1997 | \$267.74 |
| To pay E. Bruce Curry for travel reimbursement for mileage between January 1, 1998, and February 28, 1998 | \$401.02 |
| To pay E. Bruce Curry for travel reimbursement for mileage between March 1, 1998, and April 30, 1998 | \$452.68 |
| To pay E. Bruce Curry for travel reimbursement for mileage between May 1, 1998, and June 30, 1998 | \$407.09 |
| To pay E. Bruce Curry for travel reimbursement for mileage between July 1, 1998, and August 31, 1998 | \$495.43 |
| To pay E. Bruce Curry for travel reimbursement for mileage between September 1, 1998, and October 31, 1998 | \$602.67 |
| To pay Alltell for directory listing for the period January 1, 2001, and November 30, 2002 | \$33.00 |
| To pay TIBH for copy paper between June 13, 2001, and August 29, 2001 | \$3,982.00 |
| To pay E. Bruce Curry for travel reimbursement for mileage between November 1, 1998, and December 31, 1998 | \$447.78 |
| To pay E. Bruce Curry for travel reimbursement for mileage between January 1, 1999, and February 28, 1999 | \$493.30 |
| To pay E. Bruce Curry for travel reimbursement for mileage between September 1, 1999, and October 31, 1999 | \$425.99 |
| To pay E. Bruce Curry for travel reimbursement for mileage between March 1, 1999, and April 30, 1999 | \$656.46 |
| To pay E. Bruce Curry for travel reimbursement for mileage between November 1, 1999, and December 31, 1999 | \$319.68 |
| To pay Baptist Memorials Ministries for nursing care services rendered between May 1, 1998, and September 30, 1998 | \$1,795.26 |
| To pay Daybreak Health Care, Inc., DBA Palo Duro Care Center, for nursing home services rendered between October 12, 1999, and April 20, 2001 | \$17,758.33 |
| To pay Daybreak Health Care, Inc., DBA Canterbury Villa of Kingsville, for nursing home services rendered between June 6, 2000, and July 21, 2000 | \$250.00 |
| To pay Daybreak Health Care, Inc., DBA Countryside Nursing and Rehab, for nursing home services rendered between May 11, 2000, and August 31, 2005 | \$1,325.00 |
| To pay Daybreak Health Care, Inc., DBA Canterbury Villa of Carrizo Springs, for nursing home services rendered between February 29, 2000, and June 16, 2000 | \$418.75 |

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| To pay Town Hall Estates - Whitney, Inc., for nursing home services rendered between July 2, 2001, and July 31, 2001 | \$2,452.20 |
| To pay Centurytel for local telephone services rendered on January 19, 2001 | \$12.00 |
| To pay Centurytel for local telephone services rendered between September 1, 2000, and October 1, 2001 | \$108.00 |
| To pay Southern Sanitation Company for trash pickup between October, 2000, and November, 2000 | \$163.34 |
| To pay City of Austin General Government/Grant Accounting for immunization services rendered between August 1, 2003, and August 31, 2003 | \$57,119.44 |
| To pay a confidential payee for claim number 93M60118 for temporary assistance for needy families payments between January 1, 1996, and January 31, 1996 | \$22.00 |
| To pay a confidential payee for claim number 93M60121 for replacement of a warrant issued October 16, 2000, for sales tax refund | \$105.49 |
| To pay Mariner Healthcare of Nashville, Inc., DBA Mariner Health Care of Fort Worth, for nursing home services rendered between April 27, 2001, and June 30, 2001 | \$1,630.71 |
| To pay Crown of Texas Southwest, Ltd., DBA Crown of Texas Hospice, for hospice services rendered between April 6, 2000, and April 15, 2000 | \$593.30 |
| To pay Orlando R. Earl for replacement warrant issued November 9, 2000 for October, 2000 wages | \$121.75 |
| To pay Retirement & Nursing Center - Austin, Ltd., for nursing home services rendered between March 29, 2001, and March 31, 2001 | \$251.22 |
| To pay Thomas T. Young for replacement of warrant issued on December 4, 2000 | \$165.50 |
| To pay TIBH for temporary employment services rendered between October 15, 2000, and August 31, 2003 | \$3,079.89 |
| To pay Beatrice F. Dodd for replacement of warrants issued between January 14, 2000, and August 10, 2001 | \$300.00 |
| To pay a confidential payee for claim number 93M60168 for replacement of warrant issued March 20, 2001, for refund of overpayment of taxes | \$8,852.67 |
| To pay SBC for telephone services rendered between January 9, 2000, and October 9, 2002 | \$123.66 |
| To pay a confidential payee for claim number 93M60185 for replacement of workers' compensation warrant issued July 31, 2001 | \$4,476.00 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor Nursing Center, for nursing home services rendered between November 29, 2000, and March 15, 2002 | \$4,071.44 |
| To pay Mariner Health Care of Nashville, Inc., DBA Mariner Health of North Dallas, for nursing home services rendered between August 1, 2001, and August 21, 2001 | \$2,079.00 |
| To pay Living Centers of Texas, Inc., DBA Las Palmas Healthcare Center, for nursing home services rendered between August 1, 2001, and April 2, 2002 | \$1,990.94 |
| To pay Living Centers of Texas, Inc., DBA Retama Manor West, for nursing home services rendered between September 22, 2000, and March 21, 2002 | \$8,090.65 |

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| To pay Living Centers of Texas, Inc., DBA Las Palmas Healthcare Center, for nursing home services rendered between January 1, 2001, and August 26, 2001 | \$3,161.70 |
| To pay Texas Agricultural Experiment Station, Contracts and Grants Office, for cost of research grant | \$1,263.05 |
| To pay Shields Care Center, Inc., DBA Denton Rehabilitation & Nursing Center, for nursing home services rendered between September 24, 1999, and July 31, 2000 | \$3,752.51 |
| To pay Gregg Home for the Aged, Inc., for nursing home services rendered between August 1, 2000, and August 31, 2000 | \$826.33 |
| To pay a confidential payee for claim number 93M60205 for replacement of warrant issued on August 20, 2003, for refund of overpayment of franchise tax | \$206,331.00 |
| To pay SBC for telephone services rendered between October 11, 1999, and October 11, 2003 | \$468.10 |
| To pay Highland Pines Nursing Home, Ltd., for nursing home services rendered between April 28, 2000, and July 31, 2000 | \$201.55 |
| To pay DEL-KY, Inc., DBA Southaven Nursing Center, for nursing home services rendered between June 13, 2000, and August 27, 2000 | \$1,725.64 |
| To pay Gilbert Coffey Hobson, A Professional Corporation, for replacement of warrant issued on July 5, 2001, for refund of overpayment of taxes | \$125.00 |
| To pay Sam Houston State University for reimbursement for inter-agency contract | \$97,541.60 |
| To pay Sam Houston State University for reimbursement for inter-agency contract | \$93,367.85 |
| To pay Sam Houston State University for reimbursement for grant | \$27,569.63 |
| To pay Brackenridge Hospital for medical services rendered provided to Austin State Hospital patient between December 22, 2003, and December 23, 2003 | \$3,782.71 |
| To pay Brackenridge Hospital for medical services rendered provided to Austin State Hospital patient December 18, 2003 | \$18,612.53 |
| To pay Brackenridge Hospital for medical services rendered provided to Austin State Hospital patient between December 16, 2003, and December 18, 2003 | \$10,326.10 |
| To pay Shinichi Sakurai for replacement of warrant issued October 27, 2000 | \$106.20 |
| To pay a confidential payee for claim number 93M60253 for replacement of warrant issued April 6, 2001, for refund of franchise tax overpayment | \$77.38 |
| To pay Farm Service Agency for replacement of warrant issued August 22, 1997, for refund of overpayment of fees submitted for lien search for Grankirk Farms, Inc. | \$10.00 |
| To pay SBC for telephone services rendered on August 27, 2000 | \$493.98 |
| To pay Dennis Sean McGowan for replacement of warrant issued December 8, 2000, for residential substitute | \$112.84 |
| To pay Verizon Select Services for labor charges and phone equipment between March 2, 2000, and January 5, 2001 | \$1,980.00 |

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| To pay Verizon Select Services for labor charges and phone equipment between January 31, 2001, and May 6, 2003 | \$8,350.60 |
| To pay Alice A. Guidry for replacement of warrant issued December 9, 1999 | \$516.81 |
| To pay Gloria Rogers for replacement of warrant issued March 23, 2001 | \$1,017.24 |
| To pay Republican County Chairman, Starr County, for warrant issued March 15, 2002 | \$811.99 |
| To pay City of Laredo for costs incurred between January 1, 2000, and December 31, 2000 | \$29,976.61 |
| To pay City of Laredo for costs incurred between April 1, 2001, and March 31, 2002 | \$42,193.99 |
| To pay Estate of Jeffery Howard for warrants issued on February 19, 2002, and February 20, 2002 | \$64.86 |
| To pay 22 Keystone Services, LP, DBA Colonial Manor, for nursing home services rendered between December 31, 1999, and July 31, 2002 | \$2,690.38 |
| To pay Pyramid Healthcare Corp., for nursing home services rendered between April 22, 2001, and June 15, 2001 | \$2,666.26 |
| To pay Pitney Bowes, Inc., c/o Full Circle Services, Inc., for warrant issued April 2, 2001 | \$615.39 |
| To pay a confidential payee for claim number 93M60353 for replacement of warrant issued January 30, 2002, for refund of overpayment of taxes | \$5,664.38 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between April 20, 2000, and September 29, 2000 | \$8,591.00 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between October 6, 2000, and October 20, 2000 | \$550.00 |
| To pay Valerie Ng-Joe for replacement of warrant issued October 13, 1994 | \$193.05 |
| To pay AT&T for telephone charges for November 13, 2000 | \$213.41 |
| To pay Signature Pampa Hospital, LP, DBA Pampa Regional Medical Center, for overpayment refund on a forgivable loan repayment 1994-1997 | \$4,660.42 |
| To pay AT&T for telephone charges for August 29, 2000 | \$260.55 |
| To pay TIBH-Temps for various temporary employment services rendered between November 26, 2001, and June 21, 2002 | \$7,700.61 |
| To pay a confidential payee for claim number 93M60390 for replacement of warrant issued October 22, 1996, for overpayment of sales tax | \$123.67 |
| To pay Disability Services of the Southwest, Inc., for community living assistance support services rendered between July 1, 2002, and August 31, 2002 | \$13,817.26 |
| To pay SBC for telephone services rendered between May 1, 2000, and August 31, 2001 | \$1,786.08 |
| To pay Beverly A. Reece for replacement of payroll warrant issued July 16, 2001, for Vernon State Hospital, also known as North Texas State Hospital | \$261.03 |
| To pay AT&T for telephone services rendered between April 1, 2001, and May 1, 2001 | \$678.06 |

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| To pay a confidential payee for claim number 93M60397 for temporary assistance for needy families payments between October, 1999, and January, 2000 | \$36.00 |
| To pay Amarillo Nursing Center for nursing home services rendered between September 16, 2000, and June 27, 2003 | \$4,187.24 |
| To pay Lawana L. Bunn for warrant issued July 3, 2000 | \$1,272.93 |
| To pay SBC for telephone services rendered between May 1, 2000, and August 31, 2001 | \$269.52 |
| To pay AT&T for telephone services rendered on March 13, 2002 | \$353.15 |
| To pay AT&T for telephone services rendered between July 29, 2000, and January 29, 2001 | \$5,225.18 |
| To pay AT&T for telephone services rendered between July 5, 2000, and January 5, 2002 | \$1,269.23 |
| To pay AT&T for telephone services rendered between July 29, 2000, and December 29, 2001 | \$718.74 |
| To pay AT&T for telephone services rendered on February 5, 2002 | \$225.51 |
| To pay AT&T for telephone services rendered between August 1, 2000, and January 1, 2002 | \$1,911.82 |
| To pay AT&T for telephone services rendered between June 27, 2000, and December 27, 2001 | \$462.21 |
| To pay AT&T for telephone services rendered between June 27, 2000, and December 27, 2001 | \$2,190.86 |
| To pay a confidential payee for claim number 93M60436 for warrant issued on April 6, 1999, for sales tax cash bond refund | \$1,150.00 |
| To pay Debbie Paul for replacement of warrants issued between March 22, 1996, and January 31, 1997, for office cleaning per contract | \$180.00 |
| To pay a confidential payee for claim number 93M60444 for replacement of warrant issued on September 5, 2002, for franchise tax refund | \$64,256.43 |
| To pay a confidential payee for claim number 93M60445 for replacement of warrant issued on July 14, 2003, for state and local sales tax refunds | \$54,625.72 |
| To pay a confidential payee for claim number 93M60448 for temporary assistance for needy families payment November, 1995 | \$18.00 |
| To pay a confidential payee for claim number 93M60449 for temporary assistance for needy families payments between February, 1999, and August, 2001 | \$444.00 |
| To pay Girling Health Care, Inc., for community based alternative services rendered between September 1, 2002, and August 15, 2003 | \$13,378.32 |
| To pay a confidential payee for claim number 93M60474 for temporary assistance for needy families payment January, 2002 | \$13.00 |
| To pay a confidential payee for claim number 93M60475 for temporary assistance for needy families payments between January, 1999, and August, 2001 | \$270.00 |
| To pay a confidential payee for claim number 93M60476 for temporary assistance for needy families payments between June, 1999, and November, 1999 | \$92.00 |

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| To pay a confidential payee for claim number 93M60477 for temporary assistance for needy families payments between January, 1999, and March, 2000 | \$230.00 |
| To pay a confidential payee for claim number 93M60481 for replacement of warrants issued on May 20, 1999, and June 12, 2000, for refund of overpayment of local and sales tax | \$1,269.21 |
| To pay a confidential payee for claim number 93M60506 for replacement of warrant issued on June 25, 2002, for refund of overpayment of sales tax | \$646.79 |
| To pay a confidential payee for claim number 93M60509 for temporary assistance for needy families payment February, 1996 | \$28.00 |
| To pay a confidential payee for claim number 93M60510 for temporary assistance for needy families payment April, 1998 | \$10.00 |
| To pay a confidential payee for claim number 93M60511 for temporary assistance for needy families payments between February, 2002, and August, 2003 | \$133.00 |
| To pay E. Bruce Curry for travel reimbursement for postage between June 1, 2002, and June 30, 2002 | \$456.00 |
| To pay E. Bruce Curry for travel reimbursement for mileage between July 1, 2002, and August 30, 2002 | \$698.76 |
| To pay AT&T for telephone services rendered between July 13, 2000, and October 13, 2003 | \$745.11 |
| To pay AT&T for telephone services rendered between October 27, 2000, and January 27, 2002 | \$1,406.88 |
| To pay AT&T for telephone services rendered between December 11, 2000, and August 11, 2001 | \$1,410.03 |
| To pay AT&T for telephone services rendered between October 13, 2000, and October 13, 2001 | \$983.35 |
| To pay AT&T for telephone services rendered between November 1, 2000, and January 1, 2002 | \$871.09 |
| To pay a confidential payee for claim number 93M70099 for warrant issued September 28, 1999, for refund of overpayment of taxes | \$6,021.10 |
| To pay Laurenwood Nursing and Rehabilitation for nursing home services rendered between March 19, 1999, and July 13, 2002 | \$2,583.42 |
| To pay a confidential payee for claim number 93M70107 for replacement of warrant issued on November 9, 2001, for franchise tax refund | \$127.00 |
| To pay Senior Care Services, Inc., DBA Freestate Crestwood, Inc., for nursing home services rendered between August 1, 2002, and August 31, 2003 | \$1,231.68 |
| To pay Abraham Investment Company for replacement of void warrant issued August 27, 2002, for withdrawal of sale | \$77,140.00 |
| To pay Abraham Investment Company for replacement of void warrant issued August 27, 2002, for withdrawal of sale | \$46,690.00 |
| To pay Abraham Investment Company for replacement of void warrant issued August 27, 2002, for withdrawal of sale | \$8,120.00 |
| To pay Kenwood Health Care Center, DBA The Villa at Mountain View, for nursing home services rendered between July 6, 1997, and March 27, 2002 | \$17,467.22 |

To pay Denison Health Care Center, Ltd. Co., DBA Brentwood Place, for nursing home services rendered between September 8, 1998, and August 31, 2001 \$382.84

To pay Paul A. Walton for replacement of warrant issued April 8, 1993 \$52.16

To pay a confidential payee for claim number 93M70142 for additional temporary income benefits for workers' compensation payments between January 5, 1994, and July 3, 1994 \$257.13

To pay AT&T for telephone services rendered between October 27, 2000, and December 27, 2001 \$53.79

To pay AT&T for telephone services rendered between October 15, 2000, and September 15, 2001 \$879.64

To pay Senior Care Consultants, Inc., for nursing home services rendered between April 19, 2002, and May 19, 2003 \$1,930.39

To pay AT&T for telephone services rendered between July 9, 2000, and July 9, 2002 \$1,930.05

To pay Denison Health Care Center, Ltd. Co., DBA Brentwood Place, for nursing home services rendered between November 24, 1998, and August 31, 2000 \$4,373.98

To pay Villa Health Care Center, Ltd. Co., for nursing home services rendered between November 19, 1999, and May 31, 2000 \$209.63

To pay Oakwood Health Care Center, Ltd. Co., DBA Oakwood Manor Nursing Home, for nursing home services rendered between September 14, 1998, and July 31, 2000 \$5,879.58

To pay Nacogdoches Convalescent Center for nursing home services rendered between September 16, 1998, and September 21, 1998 \$573.00

To pay Nacogdoches Convalescent Center for nursing home services rendered between October 17, 2000, and November 7, 2000 \$406.70

To pay Nacogdoches Convalescent Center for nursing home services rendered between October 2, 1998, and August 3, 2002 \$2,115.00

To pay Cantex Healthcare Centers, LLC, DBA Ashford Gardens, for nursing home services rendered between April 6, 1999, and September 17, 1999 \$3,604.80

To pay Cantex Healthcare Centers, LLC, DBA Ashford Gardens, for nursing home services rendered between August 20, 1996, and August 31, 2001 \$13,084.65

To pay Cantex Healthcare Centers, LLC, DBA Mathis Nursing Center, for nursing home services rendered between October 1, 1997, and December 15, 1999 \$6,769.19

To pay Cresthaven Health Care Center, Ltd. Co., DBA Magnolia Manor, for nursing home services rendered between December 21, 1998, and August 31, 2000 \$2,723.24

To pay Cresthaven Health Care Center, Ltd. Co., DBA Magnolia Manor, for nursing home services rendered between November 4, 1997, and June 24, 1999 \$3,972.44

To pay Silsbee Health Care Center, Ltd. Co., DBA Silsbee Convalescent Center, for nursing home services rendered between June 1, 2000, and August 31, 2002 \$532.66

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| To pay Cantex Healthcare Centers, LLC, DBA Mathis Nursing Center, for nursing home services rendered between June 1, 2000, and August 31, 2001 | \$10,866.73 |
| To pay a confidential payee for claim number 93M70180 for replacement of warrant issued December 18, 2002, for refund of overpayment of franchise tax | \$108,599.80 |
| To pay E. Bruce Curry for travel reimbursement for mileage between January 1, 2002, and February 28, 2002 | \$455.85 |
| To pay E. Bruce Curry for travel reimbursement for mileage between March 1, 2002, and April 30, 2002 | \$641.15 |
| To pay E. Bruce Curry for travel reimbursement for postage between January 1, 2002, and January 31, 2002 | \$426.00 |
| To pay Dallas Home for Jewish Aged, Inc., for nursing home services rendered between July 31, 1998, and July 31, 1999 | \$1,715.26 |
| To pay Senior Care Consultants, Inc., DBA Rockwall Nursing Care Center, for nursing home services rendered between January 1, 1999, and July 15, 2000 | \$1,315.15 |
| To pay Dallas Home for Jewish Aged, Inc., for hospice home services rendered between June 22, 1999, and May 20, 2000 | \$650.28 |
| To pay Cantex Healthcare Centers, LLC, DBA Stoneleight Estates, for nursing home services rendered between September 26, 1998, and July 17, 2000 | \$2,370.87 |
| To pay Alvin Health Care Center, Ltd. Co., DBA Alvin Convalescent Center, for nursing home services rendered between August 10, 2000, and August 31, 2000 | \$2,319.44 |
| To pay Alvin Health Care Center, Ltd. Co., for nursing home services rendered between September 17, 1998, and February 29, 2000 | \$2,632.23 |
| To pay Sterling Care, Inc., DBA Autumn Winds Retirement Lodge, for nursing home services rendered between May 26, 2000, and May 31, 2000 | \$258.36 |
| To pay Missionary Baptist Foundation of America, Inc., for nursing aid training rendered between December 9, 1999, and July 30, 2000 | \$2,595.60 |
| To pay Bellmire Health Care Facilities, LP, DBA Bellmire Healthcare, for nursing home services rendered between July 6, 1998, and February 28, 2001 | \$6,024.94 |
| To pay E. Bruce Curry for travel reimbursement for mileage and overnight meals between May 1, 2002, and June 30, 2002 | \$801.32 |
| To pay E. Bruce Curry for travel reimbursement for lodging, meals, and parking between January 1, 2002, and January 31, 2002 | \$416.72 |
| To pay Highland Pines Nursing Home, Ltd., for nursing home services rendered between August 23, 2000, and August 31, 2000 | \$873.00 |
| To pay Brentwood Healthcare, Ltd., for nursing home services rendered between September 7, 1999, and August 31, 2000 | \$1,857.86 |
| To pay Wesleyan Nursing Home for nursing home services rendered between February 1, 2000, and February 6, 2000 | \$630.90 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between February 1, 2000, and February 11, 2000 | \$66.00 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between November 8, 1999, and November 15, 1999 | \$316.80 |

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| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between November 8, 1999, and November 15, 1999 | \$66.00 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between January 16, 1999, and November 30, 1999 | \$514.80 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between November 18, 1999, and November 29, 1999 | \$486.00 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between November 29, 1999, and November 30, 1999 | \$170.10 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between January 17, 2000, and January 31, 2000 | \$237.60 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between January 19, 2000, and January 25, 2000 | \$324.00 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between February 2, 2000, and February 11, 2000 | \$118.80 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between February 16, 2000, and February 28, 2000 | \$237.60 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered on February 28, 2000 | \$85.05 |
| To pay Center for Neuro Skills, Inc., Texas for medical services rendered between December 2, 1999, and February 25, 2000 | \$1,258.50 |
| To pay Baptist Memorials Health Care Services, DBA Baptist Memorials Center, for nursing home services rendered between August 1, 2000, and August 31, 2000 | \$990.14 |
| To pay Brentwood Healthcare, Ltd., for medical services rendered between September 1, 2000, and August 31, 2001 | \$13,213.66 |
| To pay 22 Texas Services, LP, DBA DeSoto Nursing Home, for nursing home services rendered between March 1, 2000, and May 23, 2002 | \$5,651.99 |
| To pay 22 Texas Services, LP, DBA Lakeview Health Care Center, for nursing home services rendered between December 1, 1997, and August 15, 2002 | \$1,427.98 |
| To pay The Evangelical Lutheran Good Samaritan Society, DBA Brownsville Good Samaritan Primary Home Care, for nursing home services rendered between February 1, 2000, and February 21, 2003 | \$3,284.64 |
| To pay Centers for Long Term Care of Texas, Inc., DBA CLC Oak Park, for nursing home services rendered on July 31, 2000 | \$94.65 |
| To pay The Evangelical Lutheran Good Samaritan Society, DBA Brownsville Good Samaritan Primary Home Care, for nursing home services rendered between August 7, 2001, and August 31, 2001 | \$184.25 |
| To pay Fort Worth Nursing & Rehabilitation Center for nursing home services rendered between December 1, 1999, and March 21, 2000 | \$4,565.13 |
| To pay Bessie Ruth Fowler for foster care between September 23, 1999, and September 30, 1999 | \$186.56 |
| To pay Walnut Hills Convalescent Center for nursing home services rendered between September 1, 1995, and August 31, 1999 | \$3,873.64 |
| To pay Summit Care Texas, LP, DBA Guadalupe Valley Nursing Center, for nursing home services rendered between January 1, 2000, and April 1, 2000 | \$3,049.13 |

To pay a confidential payee for claim number 93M70302 for replacement of warrant issued October 16, 2002, for refund of overpayment of franchise tax \$108.01

To pay Brentwood Healthcare, Ltd., DBA Brentwood Place One, for nursing home services rendered between July 30, 1996, and June 30, 2000 \$10,525.21

To pay Brentwood Healthcare, Ltd., DBA Brentwood Place Two, for nursing home services rendered between December 1, 1995, and August 31, 2000 \$6,080.50

To pay 22 Texas Partners, LP, DBA Park View Care Center, for nursing home services rendered between June 1, 1997, and August 31, 2001 \$4,592.56

To pay Linda Lou McCall for replacement of payroll warrant issued December 31, 1977 \$414.97

To pay University of Houston for replacement of warrant issued October 29, 2004, for reimbursement for training contracts \$32,027.72

To pay Harris County for reimbursement for services rendered under contract \$23,424.06

To pay Patricia King for judgment plus interest from November 20, 2000, until paid \$382,414.57

To pay Anna M. Abraham for judgment plus interest from November 10, 2004, until paid \$393,776.39

To pay Simon Angel Rivera, c/o The Law Offices of Frank T. Ivy & Associates, P.C., for wrongful imprisonment settlement \$25,000.00

To pay Frank T. Ivy & Associates, P.C., for wrongful imprisonment settlement for attorney's fees \$7,620.00

To pay Nate Stark for wrongful imprisonment settlement for attorney's fees \$7,380.00

SECTION 3. The following sums of money are appropriated out of the State Highway Fund No. 0006 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Kenneth Gerald McEntire for warrant issued January 23, 1992, as partial payment of eminent domain acquisition of property \$59.00

To pay Gorgie L. Fabela for warrant issued February 3, 2003, for lump sum payment \$2,676.73

To pay TXU Electric Delivery for utility adjustment to relocate lines between September 1, 2001, and August 31, 2002 \$6,451.38

To pay CenterPoint Energy Houston Electric, LLC, for relocation of electrical facilities of NASA Rd 1, completed in June 2000 \$1,059,231.01

To pay Cingular Wireless for roaming charges for wireless services rendered between July 19, 2001, and August 8, 2002 \$4,934.63

To pay City of Houston Fire Department for workers' compensation medical services rendered on February 1, 1994 \$287.50

To pay City of San Antonio, General Accounting Division, for installation of traffic signal between December 24, 1996, and August 28, 1998 \$121,580.00

To pay City of Mesquite for installation of traffic signal on US Highway 80 at Belt Line between September 1, 1995, and August 31, 1996 \$24,404.14

To pay City of San Antonio, General Accounting Division, for reimbursement of project NH 96 (738) M Wurzback Pkwy between August 22, 1997, and August 23, 1997 \$2,505.45

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| To pay City of San Antonio, General Accounting Division, for reimbursement of project NH 96 (738) M Wurzback Pkwy between September 16, 1997, and January 7, 1998 | \$2,406.52 |
| To pay City of San Antonio, General Accounting Division, for reimbursement of project NH 96 (738) M Wurzback Pkwy between February 8, 1999, and August 31, 1999 | \$32,849.11 |
| To pay Montgomery County Title Company, Agent for Fidelity National Title Insurance Company, for warrant issued on February 21, 1996, for title expenses | \$1,162.00 |
| To pay Texas Book Company, DBA St. Phillips College Bookstore, for warrant issued on April 2, 1998, for college books | \$53.10 |
| To pay TXU Fuel Company for pipeline adjustment to facilitate highway construction work performed between September, 1999, and December, 1999 | \$122,444.55 |
| To pay Estate of Paris C. Hood, Jr., for payroll warrants issued between March 13, 1998, and April 7, 1998 | \$3,043.00 |
| To pay Seaway Products Pipe Line Company for Johnson County utility relocation on US Highway 67 performed between June 29, 2000, and July 27, 2000 | \$120,262.23 |
| To pay City of Bryan for relocation of electricity for construction project on FM 60 in Burleson County performed on November 1, 1999 | \$273,016.26 |
| To pay TXU Gas Co. for relocation of two high pressure pipelines on September 23, 1997 | \$72,453.71 |
| To pay Southwestern Public Service Co., for utility adjustment on June 27, 2001 | \$29,030.32 |
| To pay Victoria Electric Cooperative, Inc., for utility adjustment on November 4, 1997 | \$80,166.55 |
| To pay SBC for utility relocation between April 1, 1995, and April 31, 1995 | \$81,986.95 |
| To pay City of Laredo for utility (water) service from March 1, 1998, to August 31, 2000 | \$8,179.83 |
| To pay City of Honey Grove for electric service for traffic light from September 12, 1997, to August 30, 2000 | \$2,839.37 |
| To pay City of San Antonio, General Accounting Division, for installation of traffic signals from February 8, 1999, to April 24, 2000 | \$818.83 |
| To pay Oncor Electric Delivery Company for relocation of aerial conductors from July 19, 1999, to June 22, 2000 | \$229,550.73 |
| To pay Kinder Morgan Tejas Pipeline, LP, c/o Kinder Morgan, Inc., for work performed on June 12, 2000 | \$37,430.14 |
| To pay Oncor Electric Delivery Company for relocation of Trophy Club Substation (Agreement U1-3574) to allow for reroute of State Highway 114 between December 22, 1997, and January 3, 2000 | \$59,638.38 |
| To pay Centerpoint Energy Houston for relocation of substation | \$30,005.45 |
| To pay Aqua Water Supply Corporation for utility adjustment between February 1, 2000, and February 29, 2000 | \$65,628.44 |
| To pay Darryl Stanford White for warrant issued on September 10, 1998 | \$17.39 |

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| To pay SBC for relocation of telephone facilities on US Highway 79 in Williamson County between October 1, 1999, and February 28, 2001 | \$393,451.98 |
| To pay City of Waco for utility expenses for water line relocation due to expansion of FM 1637 in Waco between May 1, 2001, and May 31, 2001 | \$104,819.26 |
| To pay Bartlett Electric Coop, Inc., for relocation of electric lines on new right of way for expansion project on State Highway 195, Bell County | \$45,325.74 |
| To pay Oncor Transmission Division for relocation of electric line on September 1, 1998 | \$376,094.00 |
| To pay TIBH, assignee for Burke Center, for warrants issued between November 5, 1999, and December 9, 1999, for landscaping and janitorial services contracts | \$80,386.41 |
| To pay Dallas County for professional engineering services rendered between July 26, 1999, and August 31, 1999 | \$337,101.56 |
| To pay Centerpoint Energy Houston for installation of steel at IH 10 and West Street-59 North Interchange between March 20, 2000, and April 4, 2000 | \$52,808.07 |
| To pay City of Houston, Planning & Development, for Main Street/USA 90A landscape enhancements between February 28, 2002, and August 31, 2002 | \$113,104.98 |
| To pay TXU Fuel Company for pipeline adjustment to widen US Highway 82 in Fannin County on February 1, 1997 | \$188,071.84 |
| To pay Deborah B. Goertz for payroll warrant issued May 3, 1999 | \$2,159.54 |
| To pay Centerpoint Energy Houston for adjusting, relocating, and removing gas lines for highway construction IH 45 between May 1, 1998, and May 31, 1998 | \$677,405.04 |
| To pay Centerpoint Energy Houston for gas line relocation IH 45 North between December 1, 1999, and December 31, 1999 | \$384,042.73 |
| To pay Centerpoint Energy Houston for gas line relocation IH 610 North between July 1, 1996, and July 31, 1996 | \$46,745.60 |
| To pay Centerpoint Energy Houston for installation of steel main on State Highway 35 between November 1, 1997, and November 30, 1997 | \$81,474.12 |
| To pay City of Hurst for alternative fuel agreement between January 1, 1997, and August 31, 1998 | \$84,943.00 |
| To pay Oncor, Transmission Division, for relocation of Oncor existing facilities in conflict with planned construction to SH66 in Dallas County in January, 1999 | \$613,273.28 |
| To pay El Paso Merchant Energy-Petroleum Company for pipeline adjustment of facilities for FM Hwy 1593 improvement project in February, 1999 | \$34,194.88 |
| To pay SBC for telephone services rendered between March 13, 1999, and August 13, 2001 | \$396.96 |
| To pay SBC for telephone services rendered between February 23, 1999, and July 23, 2001 | \$107.96 |
| To pay SBC for telephone services rendered between February 23, 1999, and July 5, 2001 | \$961.66 |
| To pay Dallas County District Clerk for court costs on seizure cases between June 30, 1997, and August 31, 1998 | \$787.00 |

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| To pay City of Austin for electricity for traffic signals between October, 1996, and August, 2000 | \$441,263.84 |
| To pay Hartford Fire Insurance Company - Tom Joyce, for warrant issued on February 7, 2002 | \$92,678.60 |
| To pay Duncan R. Fox for warrant issued March 1, 1999 | \$2,720.88 |
| To pay Dallas County District Clerk for court costs on seizure cases between September 20, 2000, and July 31, 2002 | \$474.00 |
| To pay City of San Antonio Finance Department for furnishing and installing traffic signal and equipment project on Blanco Road between February 11, 1999, and August 30, 2000 | \$34,072.29 |
| To pay City of San Antonio Finance Department for furnishing and installing traffic signal and equipment project between April 4, 2001, and July 10, 2002 | \$8,584.32 |
| To pay City of San Antonio Finance Department for furnishing and installing traffic signal and equipment project between September 12, 2001, and August 28, 2002 | \$31,817.74 |
| To pay Centerpoint Energy, DBA Entex, for relocation of gas lines due to highway construction between September 1, 2001, and August 31, 2002 | \$66,850.25 |
| To pay Costello, Inc., for survey data in support of road design between July 1, 2001, and July 28, 2001 | \$8,290.00 |
| To pay SBC for telephone charges for August 1, 2001 | \$40,333.51 |
| To pay Esequiel Perez for replacement of warrant issued November 7, 2000 | \$82.96 |
| To pay Van Horns Automotive for replacement of warrant issued November 9, 2000 | \$67.85 |
| To pay City of Fort Worth, Transportation & Public Works, for traffic signal system expansion between June, 2002, and November, 2002 | \$146,485.04 |
| To pay Elizabeth F. Swan for replacement of warrant issued September 19, 2000 | \$17.50 |
| To pay Sears Roebuck and Co., c/o Full Circle Services, Inc., for replacement of warrant issued November 26, 2001 | \$599.92 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 18, 2002 | \$2,450.96 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 4, 2002 | \$1,568.14 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 4, 2002 | \$784.74 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 8, 2002 | \$847.06 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 18, 2002 | \$718.92 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 15, 2002 | \$897.28 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 13, 2002 | \$1,000.43 |

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| To pay TXU Energy Retail Company, LP, for electric services rendered on March 11, 2002 | \$753.40 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 21, 2002 | \$2,719.03 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 27, 2002 | \$495.59 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 11, 2002 | \$206.51 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on March 11, 2002 | \$129.36 |
| To pay Texarkana Water Utilities for utility relocation of the south stateline water main between September 1, 2000, and August 31, 2001 | \$48,772.74 |
| To pay DCS Information Systems for database access services rendered between January 31, 2000, and January 31, 2001 | \$1,834.06 |
| To pay City of Corpus Christi for water lab tests between February 21, 2002, and February 20, 2003 | \$845.00 |
| To pay TXU Energy Retail Company, LP, for electric services rendered between April 4, 2002, and May 3, 2002 | \$1,233.76 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on June 26, 2002 | \$1,021.55 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on June 10, 2002 | \$700.79 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on June 17, 2002 | \$340.22 |
| To pay TXU Energy Retail Company, LP, for electric services rendered on June 10, 2002 | \$223.16 |
| To pay Centerpoint Energy for relocation of high pressure main | \$45,258.96 |
| To pay City of Fort Worth, Transportation & Public Works, for traffic signal system expansion between October, 2001, and December, 2002 | \$138,961.07 |
| To pay City of Fort Worth, Transportation & Public Works, for traffic signal system expansion between January, 2003, and August, 2003 | \$160,996.12 |
| To pay City of Dallas, Public Works & Transportation, for Katy Trail Extension Phase III between February 1, 2003, and August 31, 2003 | \$5,483.98 |
| To pay AEP Energy Services, Inc., for utility construction to relocate Katy-Pearland line for US Highway 59 widening near US Highway 90 alternate between February 28, 2000, and April 25, 2000 | \$415,440.75 |
| To pay AEP Energy Services, Inc., for utility construction for US Highway 59 widening near US Highway 90 Alternate between February 18, 2000, and May 15, 2000 | \$1,753,151.82 |
| To pay Barry Paul Evans for replacement of warrant issued on April 2, 2001 | \$94.91 |
| To pay APM & Associates, Inc., for engineering services rendered for various bridge replacements between July 1, 2004, and August 31, 2004 | \$36,332.76 |
| To pay Bryan Texas Utilities for relocation of electric distribution facilities for widening of RM 158, Brazos County | \$572,060.58 |

SECTION 4. The following sums of money are appropriated out of the General Revenue - Game, Fish, and Water Safety Fund Account No. 0009 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

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| To pay Schmidt Implement Company for Estate of William H. Schmidt, c/o W.H. Schmidt II and Richard ("Rick") Schmidt, Independent Co-Administrators, for warrants issued on June 7, 1995, and July 17, 1995, for grant contracts | \$735.67 |
| To pay Hino Gas Sales, Inc., for motor fuel (propane) between April 1, 1996, and March 31, 1997 | \$409.82 |
| To pay SBC for telephone charges between November 27, 1997, and December 27, 1997 | \$53.10 |
| To pay TXU Communications Telephone for telephone charges on May 16, 1998 | \$25.00 |
| To pay Texas Agricultural Experiment Station, Texas A&M University System, for grant contract issued on August 31, 1999 | \$1,289.96 |
| To pay Texas Agricultural Experiment Station, Texas A&M University System, for grant contract issued on August 31, 1999 | \$66.57 |
| To pay SBC for warrant issued on November 25, 1997, for telephone services | \$162.39 |
| To pay AT&T for telephone charges incurred on December 4, 1998 | \$656.46 |
| To pay AT&T for telephone charges incurred on November 4, 1997 | \$394.53 |
| To pay AT&T for telephone charges incurred on October 4, 1997 | \$1,265.59 |
| To pay AT&T for telephone charges incurred on September 4, 1997 | \$1,712.72 |
| To pay David G. Archer for warrant issued on February 13, 1995 | \$403.68 |
| To pay SBC for telephone services rendered on April 1, 1998 | \$214.80 |
| To pay SBC for telephone services rendered on May 1, 2000 | \$293.08 |
| To pay SBC for telephone services rendered on June 21, 1998 | \$283.82 |
| To pay SBC for telephone services rendered on October 5, 1998, December 5, 1998, July 5, 2000, and August 5, 2002 | \$453.17 |
| To pay SBC for telephone services rendered between March 1, 1999, and August 1, 2001 | \$159.19 |
| To pay J.F. Ralston Co., Inc., for roller chopper with winch truck unloaded at Chaparral Wildlife Management Area on May 11, 2000 | \$172.00 |
| To pay SBC for telephone services rendered between March 9, 2000, and December 9, 2001 | \$26.04 |
| To pay SBC for telephone services rendered between February 21, 2000, and August 21, 2001 | \$34.03 |
| To pay SBC for telephone services rendered between March 19, 1999, and January 19, 2001 | \$22.23 |
| To pay SBC for telephone services rendered between March 3, 2000, and January 3, 2002 | \$55.56 |
| To pay SBC for telephone services rendered between March 2, 2000, and August 5, 2001 | \$30.99 |
| To pay SBC for telephone services rendered on July 27, 2000 | \$91.49 |
| To pay SBC for telephone services rendered between March 9, 2000, and August 9, 2001 | \$1,756.95 |

To pay Raquel Hidrogo for replacement of payroll warrant issued April 2, 2001 \$427.96

To pay Binkley Fidge for replacement of warrant issued October 19, 2001 \$79.50

To pay AT&T for telephone charges for July 5, 2001 \$172.33

SECTION 5. The following sums of money are appropriated out of the General Revenue - Vital Statistics Fund Account No. 0019 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Jesus Rodriguez for warrant issued on March 31, 1994, for refund of vital statistics overpayments \$36.00

To pay Elias Valenzuela for warrant issued on June 8, 1995, for refund of birth certificate fees \$47.00

SECTION 6. The following sums of money are appropriated out of the General Revenue - Texas Department of Insurance Operating Fund Account No. 0036 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Boke Yan Fong for warrant issued on April 5, 1994, for travel reimbursements \$84.89

SECTION 7. The following sums of money are appropriated out of the General Revenue - State Parks Account No. 0064 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay SBC for telephone charges on October 29, 1997 \$188.25

To pay City of Fredericksburg for utility services for Admiral Nimitz State Historic Site between September 1, 1996, and July 31, 1999 \$1,255.45

To pay City of Fredericksburg for utility services for Admiral Nimitz Historic Walk between October 1, 1998, and July 31, 1999 \$111.42

To pay City of Fredericksburg for utility services for Admiral Nimitz State Historic Site between October 1, 1998, and July 31, 1999 \$121.72

To pay City of Fredericksburg for utility services for Admiral Nimitz State Historic Site between July 1, 1998, and June 30, 1999 \$42.92

To pay City of Fredericksburg for utility services for Admiral Nimitz State Historic Site between July 1, 1998, and June 30, 1999 \$38.31

To pay City of Fredericksburg for utility services for Admiral Nimitz State Historic Site between July 1, 1998, and June 30, 1999 \$193.69

To pay City of Fredericksburg for utility services for Admiral Nimitz State Historic Site between October 1, 1998, and July 31, 1999 \$482.79

To pay SBC for telephone services between August 23, 1998, and November 23, 1998 \$104.38

To pay SBC for telephone charges on September 19, 1999, and January 19, 2001 \$856.62

To pay SBC for warrant issued on October 28, 1998 \$194.68

To pay SBC for telephone charges on June 15, 1999 \$30.88

To pay SBC for telephone services between December 27, 1999, and October 27, 2000 \$244.56

To pay Joanne McAnally for warrant issued September 30, 1999 \$74.50

To pay SBC for telephone services between June 23, 1999, and December 23, 2001 \$64.31

To pay SBC for telephone services between April 21, 2000, and December 21, 2001 \$90.38

To pay SBC for telephone services between November 7, 2000, and December 7, 2001 \$265.45

To pay SBC for telephone services between March 7, 2000, and January 7, 2002 \$104.84

To pay SBC for telephone services between March 9, 2000, and August 9, 2001 \$55.98

To pay SBC for telephone services between February 19, 2000, and December 19, 2001 \$90.62

To pay SBC for telephone services between February 23, 2000, and December 23, 2001 \$200.45

To pay SBC for telephone services between February 23, 2000, and December 23, 2001 \$112.68

To pay City of Austin for electricity services between June 12, 1996, and November 25, 1996 \$2,873.77

SECTION 8. The following sums of money are appropriated out of the General Revenue - Operators and Chauffeurs License Fund Account No. 0099 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Southwestern Bell Wireless for telephone charges on October 28, 1994 \$85.22

SECTION 9. The following sums of money are appropriated out of the General Revenue - Air Control Board Federal Account No. 0102 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay SBC for telephone services between July 3, 2000, and August 3, 2001 \$10.13

SECTION 10. The following sums of money are appropriated out of the General Revenue - Law Enforcement Officer Standards and Education Fund Account No. 0116 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay City of Surfside Beach Police Department for replacement of warrant issued on February 21, 2002, for law enforcement officer training \$1,077.03

SECTION 11. The following sums of money are appropriated out of the General Revenue - Clean Air Fund Account No. 0151 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Farkhondeh A. Salehi for warrant issued on July 8, 1996 \$37.50

To pay Petro Amigos Supply, Inc., c/o Full Circle Services, Inc., for warrant issued on January 22, 1998 \$799.40

To pay SBC for telephone services rendered between October 25, 2000, and August 25, 2001 \$113.73

To pay SBC for telephone services rendered between May 7, 1999, and August 7, 2001 \$24.15

To pay City of Austin for electricity, water, wastewater, and anti-litter fees between September 17, 1999, and September 21, 2001 \$6.39

To pay SBC for telephone services rendered between May 7, 1999, and January 7, 2002 \$28.61

To pay SBC for telephone services rendered between February 23, 2001, and August 3, 2001 \$68.89

To pay Laredo Community College, c/o Acct Department, for lease of air monitoring site between September 1, 1993, and August 31, 2003 \$900.00

SECTION 12. The following sums of money are appropriated out of the General Revenue - Water Resource Management Fund Account No. 0153 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay SBC for telephone services from May 23, 2000, to December 23, 2001 \$662.59

SECTION 13. The following sums of money are appropriated out of the General Revenue - Unemployment Compensation Special Administration Account No. 0165 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Midfirst Bank for judgment of 200th District Court of Travis County issued July 26, 1999, plus interest, if any \$362,632.03

SECTION 14. The following sums of money are appropriated out of the General Revenue - Federal Civil Defense and Disaster Relief Fund Account No. 0221 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay City of Graham, c/o Full Circle Services, Inc., for replacement of warrant issued June 14, 2001 \$2,008.75

SECTION 15. The following sums of money are appropriated out of the General Revenue - Texas Southern University Current Account No. 0247 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Carolyn I. Mitchell for warrant issued on April 23, 1996, for travel expenses to attend USAS workshop \$318.56

SECTION 16. The following sums of money are appropriated out of the General Revenue - Federal Health and Health Lab Funding Excess Revenue Fund Account No. 0273 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay P & S Rexall Pharmacy, Inc., for warrant issued on September 10, 1997 \$802.72

To pay Debbie Paul for replacement of warrants issued between March 22, 1996, and January 31, 1997, for office cleaning per contract \$450.00

SECTION 17. The following sums of money are appropriated out of the General Revenue - Telecommunications Infrastructure Account No. 0345 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay the City of Ennis for interface system grant between April 1, 2000, and June 30, 2001 \$76,874.00

SECTION 18. The following sums of money are appropriated out of the General Revenue - Compensation to Victims of Crime Fund Account No. 0469 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay a confidential payee for claim number 93M30153 for warrant issued on August 29, 1994, for crime victims compensation \$69.62

SECTION 19. The following sums of money are appropriated out of the General Revenue - Waste Management Account No. 0549 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Chemical Waste Management, Inc., for refund of storage tank permit application on December 10, 1997 \$17,056.00

SECTION 20. The following sums of money are appropriated out of the General Revenue - Hazardous and Solid Waste Remediation Fees Account No. 0550 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay SBC for telephone services rendered between August 11, 2000, and August 11, 2002 \$8.25

SECTION 21. The following sums of money are appropriated out of the General Revenue - Petroleum Storage Tank Remediation Fund Account No. 0655 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Finley Investments, Inc., DBA Mirror Industries, for refund of petroleum storage tank fees paid between November 5, 1993, and November 13, 1995 \$2,625.00

To pay Security Real Estate, Inc., for refund of petroleum storage tank fees paid between December 15, 1993, and November 9, 1995 \$400.00

To pay Robstown Groceries, Inc., for refund of petroleum storage tank fees paid between November 29, 1995, and October 8, 1996 \$200.00

To pay Hanson Pipe & Products, Inc., for refund of petroleum storage tank fee paid on November 14, 1995 \$75.00

To pay Hill Ranch for refund of petroleum storage tank fee paid on November 1, 1994 \$50.00

To pay U-Haul Company of South Houston for refund of petroleum storage tank fees paid on September 20, 1993 \$750.00

To pay Estate of Eileen Gassen, c/o John F. Rother, Jr., & Ellen R. Johnson, Co-Independent Executors, for refund of petroleum storage tank fees paid between July 23, 1993, and November 22, 1995 \$1,050.00

To pay Estate of Helen & Garland Beaver, c/o John Scott Beaver & Paul M. Beaver, Co-Independent Executors, for refund of petroleum storage tank fees paid between October 1, 1987, and October 23, 1995 \$400.00

To pay Bain Tire Company, c/o Phillip Bain, for refund of petroleum storage tank fees paid on September 30, 1996 \$50.00

To pay Bruce O. King for refund of petroleum storage tank fees paid between September 1, 1987, and October 30, 1995 \$400.00

To pay Benavides ISD for refund of petroleum storage tank fees paid between September 1, 1989, and December 4, 1995 \$700.00

To pay American Legion Post #433 for refund of petroleum storage tank fees paid between April 24, 1996, and October 30, 1996 \$450.00

To pay Advertising & Marketing Associates, Inc., for refund of petroleum storage tank fees paid between September 1, 1987, and October 23, 1995 \$400.00

To pay Pickens & Pickens, Inc., DBA Austin Quality Car Wash, for refund of petroleum storage tank fees paid between September 30, 1992, and October 16, 1996 \$500.00

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| To pay Alexander Oil Field Service for refund of petroleum storage tank fees paid between September 30, 1991, and November 10, 1995 | \$250.00 |
| To pay Guaranty Federal Bank, FSB, formerly American Federal Bank, for refund of petroleum storage tank fees paid between July 31, 1995, and October 30, 1996 | \$150.00 |
| To pay Anahuac ISD for refund of petroleum storage tank fees paid between September 30, 1989, and November 25, 1996 | \$400.00 |
| To pay Atrium Door & Window Company, Division of Fojtasek Companies, Inc., for refund of petroleum storage tank fees paid between November 13, 1995, and December 27, 1996 | \$100.00 |
| To pay Hereford Real Estate for refund of petroleum storage tank fees paid between November 2, 1993, and October 23, 1996 | \$450.00 |
| To pay Jim McClure for refund of petroleum storage tank fees paid on December 6, 1996 | \$100.00 |
| To pay Randy L. Hall for refund of petroleum storage tank fees paid on April 26, 1996 | \$1,600.00 |
| To pay Andrews Ford, Inc., c/o Bill Andrews, for refund of petroleum storage tank fees paid between September 1, 1990, and October 16, 1995 | \$300.00 |
| To pay Margie A. Belvins for refund of petroleum storage tank fees paid on April 18, 1996 | \$350.00 |
| To pay Douglas & Elms, Inc., for refund of petroleum storage tank fees paid between September 30, 1992, and September 30, 1995 | \$200.00 |
| To pay Mohammed Ali for refund of petroleum storage tank fees paid between September 30, 1993, and October 19, 1995 | \$450.00 |
| To pay Amerada Hess Corporation for refund of petroleum storage tank fees paid between October 18, 1994, and November 6, 1995 | \$600.00 |
| To pay Richard N. Cole for refund of petroleum storage tank fees paid between November 6, 1995, and November 15, 1996 | \$100.00 |
| To pay Century Fuel, Inc., for refund of petroleum storage tank fees paid between March 21, 1994, and November 18, 1996 | \$800.00 |
| To pay Continental Products of Texas for refund of petroleum storage tank fee paid on October 15, 1996 | \$50.00 |
| To pay Champion Window, Inc., for refund of petroleum storage tank fee paid on October 13, 1996 | \$25.00 |
| To pay Charles Clark Chevrolet Company for refund of petroleum storage tank fees paid between October 27, 1993, and November 12, 1996 | \$200.00 |
| To pay City of Huntington for refund of petroleum storage tank fees paid between October 30, 1994, and October 30, 1996 | \$150.00 |
| To pay Circle K Convenience Stores, Inc., for refund of petroleum storage tank fees paid between September 30, 1990, and April 15, 1994 | \$200.00 |
| To pay McCulloch County Precinct 4 for refund of petroleum storage tank fee paid on October 24, 1994 | \$100.00 |
| To pay Citizens Medical Center for refund of petroleum storage tank fees paid between October 28, 1994, and October 31, 1996 | \$150.00 |
| To pay Commins Southwest, Inc., for refund of petroleum storage tank fee paid on April 16, 1996 | \$100.00 |

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| To pay Conroe Country Club for refund of petroleum storage tank fees paid between October 25, 1995, and October 16, 1996 | \$100.00 |
| To pay Astro Beverages, Inc., for refund of petroleum storage tank fee paid on October 17, 1994 | \$600.00 |
| To pay Dave Hicks Company, Inc., and Arnold Ablon for refund of petroleum storage tank fees paid between October 20, 1993, and October 19, 1994 | \$100.00 |
| To pay Eagle Mart, LC, for refund of petroleum storage tank fee paid on October 15, 1996 | \$150.00 |
| To pay Herman Eaker for refund of petroleum storage tank fee paid on October 21, 1996 | \$25.00 |
| To pay City of Liberty for refund of petroleum storage tank fees paid between November 28, 1995, and November 14, 1996 | \$100.00 |
| To pay Ultramar Diamond Shamrock Corporation for refund of petroleum storage tank fee paid on September 30, 1988 | \$50.00 |
| To pay Koch Petroleum Group, LP, for refund of petroleum storage tank fees paid between June 19, 1995, and December 4, 1996 | \$150.00 |
| To pay Mark R. Virdell for refund of petroleum storage tank fee paid on September 27, 1991 | \$100.00 |
| To pay Stone Brothers for refund of petroleum storage tank fee paid on October 31, 1994 | \$50.00 |
| To pay Estate of Clarence W. Allen, DBA Allen Lube Shop, c/o Ruth Pflum, Independent Executrix, for refund of petroleum storage tank fees paid between September 30, 1987, and October 14, 1994 | \$350.00 |
| To pay Great West Investments & Consultants, LLC, DBA Fifth Wheel of Texas, for refund of petroleum storage tank fee paid on October 30, 1994 | \$50.00 |
| To pay Gas Pumps Exchange for refund of petroleum storage tank fees paid between November 8, 1992, and November 12, 1993 | \$800.00 |
| To pay Chrysler Realty Corporation for refund of petroleum storage tank fees paid between November 12, 1993, and November 5, 1995 | \$150.00 |
| To pay Gates Oil Company, Inc., for refund of petroleum storage tank fees paid between October 30, 1987, and November 5, 1995 | \$400.00 |
| To pay Golden Spread Energy, Inc., for refund of petroleum storage tank fees paid between October 30, 1987, and October 30, 1994 | \$350.00 |
| To pay Sam Fambro for refund of petroleum storage tank fees paid between November 8, 1993, and September 27, 1996 | \$375.00 |
| To pay Louis Gentry for refund of petroleum storage tank fees paid between October 30, 1990, and November 5, 1995 | \$1,200.00 |
| To pay Freeport Super Market, Inc., for refund of petroleum storage tank fees paid between November 5, 1995, and October 30, 1996 | \$200.00 |
| To pay Four-D Grocery, Inc., for refund of petroleum storage tank fees paid between October 30, 1987, and November 5, 1995 | \$400.00 |
| To pay Galveston Fire Department for refund of petroleum storage tank fees paid between October 30, 1989, and October 9, 1996 | \$400.00 |
| To pay Freeport Welding & Fabricating for refund of petroleum storage tank fee paid on October 30, 1994 | \$50.00 |

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| To pay James Glaze for refund of petroleum storage tank fee paid on October 7, 1991 | \$100.00 |
| To pay County of Grayson for refund of petroleum storage tank fee paid on November 6, 1995 | \$50.00 |
| To pay Dalhart Butane & Equipment Company, Inc., (DB & E) for refund of petroleum storage tank fee paid on November 12, 1993 | \$200.00 |
| To pay Green Valley Store for refund of petroleum storage tank fees paid between November 5, 1995, and October 30, 1996 | \$150.00 |
| To pay G. Q. Salmon & Son, Inc., for refund of petroleum storage tank fees paid between November 5, 1995, and October 30, 1996 | \$300.00 |
| To pay Barbara Cain for refund of petroleum storage tank fees paid between September 30, 1987, and November 1, 1993 | \$600.00 |
| To pay Epsco, Inc., DBA Railroad Property, for refund of petroleum storage tank fee paid on March 31, 1997 | \$250.00 |
| To pay Friendly Chevrolet for refund of petroleum storage tank fees paid between September 1, 1986, and October 18, 1995 | \$900.00 |
| To pay Willie (Billie) E. Collom for refund of petroleum storage tank fee paid on September 23, 1996 | \$25.00 |
| To pay All Star Gas, Inc., of Texas, DBA Empiregas, Inc., of Paducah, for refund of petroleum storage tank fees paid between September 30, 1987, and November 13, 1995 | \$600.00 |
| To pay Elias Caballero for refund of petroleum storage tank fees paid between September 30, 1987, and October 26, 1995 | \$400.00 |
| To pay City of Colleyville for refund of petroleum storage tank fees paid between September 30, 1987, and October 1, 1996 | \$450.00 |
| To pay Auto Sense, Inc., for refund of petroleum storage tank fees paid between September 1, 1987, and November 13, 1995 | \$400.00 |
| To pay Collin County Community College District for refund of petroleum storage tank fees paid between September 1, 1989, and September 30, 1996 | \$400.00 |
| To pay Conaster Construction, Inc., for refund of petroleum storage tank fees paid between September 30, 1987, and November 8, 1996 | \$450.00 |
| To pay Chemical Reclamation Services for refund of petroleum storage tank fees paid between September 30, 1990, and November 7, 1996 | \$350.00 |
| To pay Bridgeport ISD for refund of petroleum storage tank fees paid between September 30, 1987, and October 3, 1996 | \$900.00 |
| To pay Thomas Durrant for refund of petroleum storage tank fees paid between September 30, 1987, and October 17, 1995 | \$1,000.00 |
| To pay Don Cilento Enterprises, Inc., DBA Jones Company, for refund of petroleum storage tank fees paid between September 30, 1991, and October 10, 1996 | \$750.00 |
| To pay C & P Electric, Inc., for refund of petroleum storage tank fees paid between September 30, 1987, and November 12, 1993 | \$300.00 |
| To pay Frank E. Smith, DBA Frank Smith Trucking, for refund of petroleum storage tank fees paid between September 30, 1990, and October 18, 1996 | \$350.00 |

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| To pay Browning Ferris, Inc., DBA BFI Water Systems of NA, Inc., for refund of petroleum storage tank fees paid between October 28, 1993, and October 21, 1996 | \$400.00 |
| To pay Chevron Products for refund of petroleum storage tank fees paid between September 30, 1990, and October 31, 1996 | \$1,050.00 |
| To pay Delta Industrial Construction for refund of petroleum storage tank fees paid between September 30, 1987, and October 15, 1996 | \$900.00 |
| To pay Calhoun County for refund of petroleum storage tank fees paid between September 30, 1991, and October 30, 1994 | \$200.00 |
| To pay LM Diagle Oil Company, Inc., for refund of petroleum storage tank fee paid on September 30, 1988 | \$100.00 |
| To pay Buz Post Pontiac/GMC, Inc., for refund of petroleum storage tank fees paid between September 30, 1991, and October 25, 1995 | \$250.00 |
| To pay County of Carson for refund of petroleum storage tank fees paid between September 30, 1991, and October 31, 1994 | \$400.00 |
| To pay Jordan Cameron for refund of petroleum storage tank fee paid on October 30, 1996 | \$100.00 |
| To pay Centroplex Marketing, Inc., for refund of petroleum storage tank fees paid between September 30, 1991, and October 30, 1996 | \$950.00 |
| To pay J.R. Viola for refund of petroleum storage tank fees paid between June 25, 1993, and October 30, 1996 | \$900.00 |
| To pay Chartwell Transportation Company for refund of petroleum storage tank fees paid between October 30, 1986, and November 9, 1995 | \$97.50 |
| To pay G.M. Properties for refund of petroleum storage tank fee due on October 30, 1996 | \$50.00 |
| To pay Scott Tractor & Equipment Company, Inc., for refund of petroleum storage tank fee due on November 30, 1996 | \$50.00 |
| To pay Federal Deposit Insurance Corporation for refund of petroleum storage tank fee due between October 30, 1993, and October 30, 1996 | \$950.00 |
| To pay Federal Deposit Insurance Corporation for refund of petroleum storage tank fee due on October 31, 1994 | \$600.00 |
| To pay Green Lacy Chevron for refund of petroleum storage tank fee due on October 30, 1993 | \$50.00 |
| To pay Montgomery Ward, LLC, for refund of petroleum storage tank fee due between September 1, 1990, and August 31, 1996 | \$600.00 |
| To pay Gulf Coast Limestone, Inc., for refund of petroleum storage tank fee due between September 1, 1990, and August 31, 1996 | \$725.00 |
| To pay Clifford W. Forrest, c/o Sharon Harris, for refund of petroleum storage tank fees due between September 1, 1990, and August 31, 1996 | \$500.00 |
| To pay Ismael Gonzalez for refund of petroleum storage tank fees paid between October 31, 1992, and October 31, 1996 | \$650.00 |
| To pay Atofina Petrochemicals, Inc., for refund of petroleum storage tank fees paid between October 31, 1991, and October 31, 1995 | \$450.00 |
| To pay Oil Well Development Company for refund of petroleum storage tank fees paid between October 31, 1993, and October 31, 1994 | \$400.00 |

To pay Luther J. Rich for refund of petroleum storage tank fees paid on October 31, 1997 \$100.00

To pay Hamilton Supply Co., D.C. Hamilton, for refund of petroleum storage tank fees paid between October 30, 1987, and October 30, 1998 \$600.00

To pay Jack Mewbourn for refund of petroleum storage tank fees paid between October 30, 1996, and October 30, 1997 \$750.00

To pay Cecil P. Maxwell, DBA Kildare Kozy Kitchen, for refund of petroleum storage tank fees paid between October 30, 1989, and October 30, 1997 \$450.00

To pay Fred Itz for refund of petroleum storage tank fees paid between October 30, 1991, and October 30, 1995 \$250.00

To pay Friendly Chevrolet Co., for refund of petroleum storage tank fees paid on October 30, 1997 \$100.00

To pay Wanda G. Lastly, DBA Lometa Gulf, for refund of petroleum storage tank fees paid between October 30, 1993, and October 30, 1994 \$150.00

To pay Island Grove Ranch, Ltd., for refund of petroleum storage tank fee paid on December 14, 1998 \$50.00

SECTION 22. The following sums of money are appropriated out of the Unemployment Compensation Clearance Account No. 0936 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Estate of Vallice White, c/o Danny K. Ireton, Trustee, for warrant issued on January 27, 1998 \$128.48

To pay Bo/Dan Sales, Inc., c/o Full Circle Services, Inc., for warrant issued on November 19, 1999 \$1,436.54

To pay PC Docs, Inc., for warrant issued on January 28, 2000 \$1,228.50

To pay US Franchise System, Inc., c/o Full Circle Services, Inc., for warrant issued on October 13, 1999 \$1,631.44

To pay OSS, Inc., c/o Full Circle Services, Inc., for warrant issued on November 27, 2000 \$2,795.94

To pay Accurate Bearing, Inc., for replacement of warrant issued June 14, 2000 \$152.09

To pay Northrop Grumman Corporation for replacement of warrant issued on August 9, 2001 \$144.00

SECTION 23. The following sums of money are appropriated out of the General Revenue - Asbestos Removal Licensure Fund Account No. 5017 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Xerox Corporation, c/o American Capital Recovery, for warrant issued on December 19, 1996 \$623.73

SECTION 24. The following sums of money are appropriated out of the Workforce Commission Federal Fund Account No. 5026 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay a confidential payee for claim number 93M10464 for warrant issued on October 22, 1996, for Job Opportunities & Basic Skills Program payment \$100.00

To pay E. Sam Jones Distributors, Inc., for lighting and maintenance supplies delivered between March 25, 1997, and August 27, 1998 \$1,687.13

To pay Alice M. Burnett for warrants issued between December 9, 1994, and February 7, 1995 \$789.00

To pay City of Houston, City Attorney's Office, for warrant issued on March 16, 2000, for certified quality child care services per Texas Workforce Commission contract \$82,442.76

To pay City of Austin, Health & Human Services Department, for care demonstration project (child care management) between August 1, 1997, and August 31, 1997 \$19,855.58

To pay SBC for telephone services between December 29, 1998, and April 20, 1999 \$97.91

To pay TIBH for janitorial services between June 28, 2001, and December 26, 2002 \$6,825.00

To pay El Paso County Sheriff's Office, Civil Process Section, for fees for service of subpoena on May 15, 2001 \$75.00

To pay SBC for telephone services rendered between September 1, 2001, and December 1, 2001 \$3,889.53

To pay SBC for invoices for number portability and Federal Universal Service Fund charges between September 1, 2001, and December 11, 2001 \$2,985.96

To pay Pedro Adame for replacement of payroll warrant issued on January 2, 2002 \$1,769.68

SECTION 25. (a) Before any claim or judgment may be paid from money appropriated by this Act, the claim or judgment must be verified and substantiated by the administrator of the special fund or account against which the claim or judgment is to be charged and be approved by the attorney general and the comptroller of public accounts. Any claim or judgment itemized in this Act that has not been verified and substantiated by the administrator of the special fund or account and approved by the attorney general and the comptroller by August 31, 2008, may not be paid from money appropriated by this Act.

(b) Each claim or judgment paid from money appropriated by this Act must contain such information as the comptroller of public accounts requires but at a minimum must contain the specific reason for the claim or judgment. If the claim is for a void warrant, the claim must include a specific identification of the goods, services, refunds, or other items for which the warrant was originally issued. In addition, it must include a certification by the original payee or the original payee's successors, heirs, or assigns that the debt is still outstanding. If the claim or judgment is for unpaid goods or services, it must be accompanied by an invoice or other acceptable documentation of the unpaid account and any other information that may be required by the comptroller.

SECTION 26. Subject to the conditions and restrictions in this Act and provisions stated in the judgments, the comptroller of public accounts is authorized and directed to issue one or more warrants on the state treasury, as soon as possible following the effective date of this Act, in favor of each of the individuals, firms, or corporations named or claim numbers identified in this Act, in an amount not to exceed the amount set opposite their respective names or claim numbers and shall mail or deliver to each of the individuals, firms, or corporations associated with each claim one or more warrants in payment of all claims included in this Act.

SECTION 27. This Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 1719** (House committee printing) in Section 3 of the bill (page 86, between lines 18 and 19) by inserting:

To pay the City of Austin for claim paid on behalf of Capital Area Metropolitan Planning Organization (CAMPO) in calendar year 2000 to Parson Brinckerhoff for CAMPO modeling work under Texas Department of Transportation Contract No. 9XXF0002

\$95,567.08

To pay the City of Austin for claim paid on behalf of Capital Area Metropolitan Planning Organization (CAMPO) in calendar year 1999 to Parson Brinckerhoff for CAMPO Travel Survey Study work under Texas Department of Transportation Contract No. 50-8X1F0008

\$237,120.00

To pay the City of Austin for claim paid on behalf of Capital Area Metropolitan Planning Organization (CAMPO) in calendar year 2003 to Alliance Texas for CAMPO modeling work under Texas Department of Transportation Contract

\$21,472.87

Floor Amendment No. 3

Amend **CSSB 1719** by adding the following Sections to read as follows and renumbering the subsequent Sections appropriately:

SECTION _____. Section 103.051, Civil Practice and Remedies Code, is amended by amending Subsection (a) and adding Subsection (b-1) to read as follows:

(a) to apply for compensation under this subchapter, the claimant must file with the comptroller's judiciary section:

(1) an application for compensation provided for that purpose by the comptroller;

(2) a verified copy of the pardon or court order justifying the application for compensation; and

(3) a statement provided by the Texas Department of Criminal Justice verifying the length of incarceration[~~—and~~

~~[(4) a certification of the claimant's actual innocence of the crime for which the claimant was sentenced that is signed by the attorney representing the state in the prosecution of felonies in the county in which the sentence was rendered].~~

(b-1) In determining the eligibility of a claimant, the comptroller shall consider only the verified copy of the pardon or court order filed by the claimant under Subsection (a). If the pardon or court order does not clearly indicate on its face that the pardon or the court order was granted or rendered on the basis of the claimant's actual innocence of the crime for which the claimant was sentenced, the comptroller shall deny the claim. The comptroller's duty to determine the eligibility of a claimant under this section is purely ministerial.

SECTION _____. The change in law made by this Act applies only to an application for compensation under Section 103.051, Civil Practice and Remedies Code, that is filed on or after the effective date of this Act. An application filed before the effective date of this Act is governed by the law as it existed on the date of filing, and that law is continued in effect for that purpose.

The amendments were read.

Senator Ogden moved to concur in the House amendments to **SB 1719**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1724 WITH HOUSE AMENDMENT

Senator Ogden called **SB 1724** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1724** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to abolishing the Texas Military Facilities Commission and transferring its functions to the adjutant general.

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

SECTION 1. Section 431.018, Government Code, is amended to read as follows:

Sec. 431.018. **MILITARY FACILITIES PROJECTS: MATCHING FEDERAL FUNDS.** If the governor, after consulting with the adjutant general [~~and the executive director of the Texas Military Facilities Commission~~], finds that the state is eligible for federal matching funds for projects at military facilities in this state, the governor may direct that money appropriated for the purpose be used to obtain the federal matching funds.

SECTION 2. Section 431.021, Government Code, is amended to read as follows:

Sec. 431.021. **DEFINITIONS** [~~DEFINITION~~]. In this subchapter:

(1) "Bond" includes a debenture or other evidence of indebtedness.

(2) "Department" [~~,"department"~~] means the adjutant general's department.

SECTION 3. Section 431.023, Government Code, is amended to read as follows:

Sec. 431.023. **SUNSET PROVISION.** The adjutant general's department is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and this subchapter expires September 1, 2015 [~~2009~~].

SECTION 4. Section 431.030, Government Code, is amended to read as follows:

Sec. 431.030. **REPORT OF MILITARY USE OF PROPERTY.** (a) [~~Except as provided by Subsection (b), the adjutant general, for and on behalf of the state, may lease from the Texas Military Facilities Commission a building, its site, and the equipment in it, as provided by Section 435.023, for use as an armory or for another proper purpose. The adjutant general may renew the lease.~~

~~[(b) If adequate facilities for armory purposes are available for rental from the Texas Military Facilities Commission in or about a municipality, the adjutant general may not lease property in or about the municipality for those purposes from a person other than the commission.]~~

~~[(c) If all or part of a state owned Texas National Guard camp and the land, improvements, buildings, facilities, installations, and personal property connected with the camp are designated by the adjutant general as surplus or are in excess of the needs of the Texas National Guard or its successors or components, the adjutant general, for and on behalf of the state, may transfer the property to the Texas Military Facilities Commission for administration, sale, or other proper disposal. Before declaring property as surplus and transferring it to the commission, the adjutant general may remove, sever, dismantle, or exchange all or part of the property for the use and benefit of the Texas National Guard or its successors.]~~

~~[(d) For the purposes of this section, "lease" includes "sublease."]~~

~~[(e) If the adjutant general receives notice from the asset management division of the General Land Office as provided by Section 31.156, Natural Resources Code, the adjutant general shall produce a report evaluating the military use of any real property under the management and control of the department [or the Texas National Guard Armory Board]. The adjutant general shall evaluate the use of the property as required by this subsection according to military criteria for use of real property.]~~

~~[(f) Not later than August 1 of the year in which the Commissioner of the General Land Office submits a report as provided by Section 31.157, Natural Resources Code, the adjutant general shall submit a preliminary report of the report required under Subsection (a) [(e)] to the Commissioner of the General Land Office identifying the real property used for military purposes. Not later than September 1 of the year in which the Commissioner of the General Land Office submits a report as provided by Section 31.157, Natural Resources Code, the adjutant general shall submit the report as required by Subsection (a) [(e)]:~~

- ~~(1) the governor;~~
- ~~(2) the presiding officer of each house of the legislature;~~
- ~~(3) the Legislative Budget Board; and~~
- ~~(4) the governor's budget office.~~

SECTION 5. Section 431.045(c), Government Code, is amended to read as follows:

(c) The governing body of a county or municipality, on behalf of the county or municipality, may donate to the adjutant general [~~Texas Military Facilities Commission~~], or to a unit for transfer to the adjutant general [~~that commission~~], land for use as a state military forces facility [~~site for an armory or other building suitable for use by a unit~~]. The donation may be in fee simple or otherwise.

SECTION 6. Sections 435.013, 435.014, 435.021, 435.022, 435.023, 435.024, 435.025, 435.026, and 435.027, Government Code, are transferred to Subchapter B, Chapter 431, Government Code, redesignated respectively as Sections 431.0291, 431.0293, 431.0301, 431.0302, 431.0303, 431.0304, 431.0305, 431.0306, and 431.0361, Government Code, and amended to read as follows:

Sec. 431.0291 [~~435.013~~]. GENERAL POWERS. (a) The adjutant general [~~commission~~] is the exclusive authority for the construction, repair, and maintenance of state military forces [~~National Guard~~] armories, facilities, and improvements owned by the state located on department [~~commission~~] property. The adjutant general in this capacity [~~commission~~] is a public authority and a body politic and corporate and has all powers necessary for the acquisition, construction, rental, control, maintenance, operation, and disposition of state military forces [~~Texas National Guard or Texas State Guard~~] facilities and real property, including all property and equipment necessary or useful in connection with the facilities.

(b) The adjutant general in this capacity [~~commission~~] may:

- (1) sue and be sued;
- (2) enter into contracts in connection with any matter within the adjutant general's [~~its~~] purposes or duties in this capacity; and
- (3) have and use a corporate seal.

Sec. 431.0293 [~~435.014~~]. PUBLIC COMMENT [~~HEARINGS~~]. The adjutant general [~~commission~~] shall develop and implement policies that provide the public with a reasonable opportunity to appear before the department [~~commission~~] and to speak on any issue related to the construction, repair, and maintenance of state military forces armories, facilities, and improvements under the jurisdiction of the adjutant general [~~commission~~].

Sec. 431.0301 [~~435.021~~]. ACQUISITION; MANAGEMENT; PLEDGE OF RENTS, ISSUES, AND PROFITS. (a) The adjutant general [~~commission~~] by gift, lease, or purchase may acquire real and personal property, including leasehold estates in real property, for use for any purpose the adjutant general [~~commission~~] considers necessary in connection with the state military forces [~~Texas National Guard~~] or for the use of units of the state military forces [~~Texas National Guard~~].

(b) The adjutant general [~~commission~~] by gift, purchase, or construction may acquire furniture and equipment suitable for facility purposes.

(c) The adjutant general [~~commission~~] may hold, manage, maintain, lease, or sell the [~~its~~] property and may pledge all or part of the rents, issues, and profits of the property.

Sec. 431.0302 [~~435.022~~]. CONSTRUCTION; FURNISHING AND EQUIPMENT. (a) The adjutant general [~~commission~~] may construct buildings on department [~~its~~] real property, whether held in fee simple or otherwise. The adjutant general [~~commission~~] may furnish and equip the buildings.

(b) The adjutant general [~~commission~~] may construct a building on land comprising a state camp only on a site selected and described by a board of officers. The adjutant general shall select the officers from time to time for that purpose. The officers shall select and describe the site promptly after request by the [~~commission to the~~] adjutant general. [~~The site may not exceed 200,000 square feet.~~] The officers shall certify the description [~~to the commission~~] and furnish a copy of it to the adjutant general, who shall preserve it in the adjutant general's office. If the adjutant general [~~commission~~] constructs a building on the site selected and described, the site becomes the property of the adjutant general [~~commission~~] for all purposes of this chapter as if the site had been acquired by gift to or purchase by the adjutant general [~~commission~~].

(c) If the construction is going to be financed by the issuance of revenue bonds, the adjutant general shall request the Texas Public Finance Authority to issue revenue bonds to pay for the construction.

~~Sec. 431.0303 [435.023]. LEASE OF PROPERTY. (a) [The commission may execute and deliver a lease that leases to the state a building, its site, and the equipment in it. The adjutant general shall execute the lease for the state as provided by Section 431.030. The commission shall determine a lawful term of the lease and may renew the lease from time to time.~~

~~[(b) The commission may make the annual rent charged the state under the lease payable in installments. The amount of the rent must be sufficient to:~~

~~[(1) provide for the operation and maintenance of the property;~~

~~[(2) pay the interest on, provide for the retirement of, and pay the expenses related to the issuance of, any bonds issued to acquire, construct, or equip the property; and~~

~~[(3) pay the commission's necessary expenses not otherwise provided for.~~

~~[(e) The adjutant general [commission] may lease [the] property to any person under terms the adjutant general [commission] determines [if the state fails or refuses to:~~

~~[(1) lease the property;~~

~~[(2) renew an existing lease at the rent provided to be paid; or~~

~~[(3) pay the rent required in the lease].~~

~~(b) [(d)] The law requiring notice and competitive bids does not apply to a lease under this section.~~

~~(c) [(e)] For the purposes of this section the term "lease" includes "sublease."~~

Sec. 431.0304 [435.024]. TRANSFER TO STATE. When property that the Texas Public Finance Authority ~~[commission]~~ owns in accordance with Section 431.0307 is fully paid for and free of liens, and all obligations incurred in connection with the acquisition and construction of the property have been fully paid, the Texas Public Finance Authority ~~[commission]~~ may donate and transfer the property to the state by appropriate instruments of transfer. The instruments of transfer shall be kept in the custody of the adjutant general's department.

Sec. 431.0305 [435.025]. DISPOSAL OF CERTAIN SURPLUS [COMMISSION] PROPERTY. (a) When property that the adjutant general ~~[commission]~~ owns or that is transferred to the state under Section 431.0304 is fully paid for and free of liens, and all obligations incurred in connection with the acquisition and construction of the property have been fully paid, the adjutant general ~~[commission]~~ may properly dispose of the property if:

(1) the property is designated by ~~[the commission and]~~ the adjutant general as surplus; and

(2) the disposal is in the best interests of the adjutant general ~~[commission]~~ and the state military forces ~~[Texas National Guard]~~ and its components or successors.

~~(b) [The commission may receive from the adjutant general a state owned national guard camp and all the land, improvements, and personal property connected with it. The commission may:~~

~~[(1) administer the property with its other property; or~~

~~[(2) properly dispose of the property if:~~

~~[(A) the property is designated by the commission and adjutant general as surplus; and~~

~~[(B) the disposal is in the best interests of the Texas National Guard and its components or successors.~~

~~[(e)] To accomplish the purposes of Subsection (a) [Subsections (a) and (b)], the adjutant general [commission] may remove, dismantle, or sever any of the property or authorize its removal, dismantling, or severance.~~

~~(c) [(d)] If property under this section is designated for sale, the adjutant general [commission] shall sell it to the highest bidder for cash. The adjutant general [commission] may reject any or all bids.~~

~~(d) [(e)] If property under this section is designated for exchange, the adjutant general [commission] may exchange the property for one or more parcels of land equal to or exceeding the value of the [commission-owned] property to be exchanged by the adjutant general.~~

~~(e) A [(f) Except as provided by Subsection (g)(1), a] sale, deed, or exchange made under this section must reserve to the state a one-sixteenth mineral interest free of cost of production.~~

~~(f) [(g)] The adjutant general [commission] may:~~

~~(1) reconvey to the original grantor or donor all rights, title, and interests, including mineral interests, to all or part of the land conveyed by that person; and~~

~~(2) convey to the original grantor or donor, on a negotiated basis at fair market value, improvements constructed on the land reconveyed.~~

~~(g) [(h)] The adjutant general [commission] shall deposit proceeds of sales under this section in the state treasury to the credit of the adjutant general [commission] for the use and benefit of the state military forces [Texas National Guard or its components or successors].~~

Sec. 431.0306 [435.026]. TAX STATUS OF PROPERTY. Property held by the adjutant general [commission] and rents, issues, and profits of the property are exempt from taxation by the state, a municipality, a county or other political subdivision, or a taxing district of the state.

Sec. 431.0361 [435.027]. GRONER A. PITTS NATIONAL GUARD ARMORY. The Texas National Guard armory located in Brownwood, Texas, is named the Groner A. Pitts National Guard Armory in honor of Groner A. Pitts.

SECTION 7. Section 435.041, Government Code, is transferred to Subchapter B, Chapter 431, Government Code, redesignated as Section 431.0292, Government Code, and amended to read as follows:

Sec. 431.0292 [435.041]. BORROWING MONEY; ISSUING AND SELLING BONDS. (a) The department [commission] from time to time may borrow money under circumstances allowed by the Texas Constitution and may request the Texas Public Finance Authority, on behalf of the department [commission], to issue and sell fully negotiable bonds to acquire one or more building sites or buildings or to construct, remodel, repair, or equip one or more buildings.

(b) The Texas Public Finance Authority may sell the bonds in any manner it determines to be in the best interest of the department [commission], except that it may not sell a bond that has not been approved by the attorney general and registered with the comptroller. ~~[The Texas Public Finance Authority is subject to all rights,~~

~~duties, and conditions set forth in this subchapter with respect to the issuance of bonds by the commission, including the issuance of refunding bonds under Section 435.048.]~~

SECTION 8. Subchapter B, Chapter 431, Government Code, is amended by adding Section 431.0294 to read as follows:

Sec. 431.0294. REAL PROPERTY ADVISORY COMMITTEE. (a) The real property advisory committee is composed of the following seven members:

(1) two assistant adjutants general; and

(2) five public members who are not actively serving in the Texas National Guard and who have experience in architecture, construction management, engineering, property management, real estate services, or real property law.

(b) Members of the advisory committee are appointed by and serve at the will of the adjutant general.

(c) The adjutant general shall designate one of the public members of the advisory committee as the presiding officer of the advisory committee to serve in that capacity at the pleasure of the adjutant general.

(d) The committee shall meet at least two times each fiscal year to advise the adjutant general on:

(1) the facility master plan;

(2) the future year defense plan;

(3) the long range construction plan;

(4) the selection of architecture and engineering firms;

(5) requests for bonding authority for state military facilities;

(6) the disposal or sale of department property;

(7) surface leases of department property;

(8) natural resources management plans; and

(9) environmental studies and agreements.

(e) Each public member of the advisory committee is entitled to a per diem as provided by the General Appropriations Act for each day that the member engages in the business of the committee.

(f) Each member of the advisory committee is entitled to reimbursement for meals, lodging, transportation, and incidental expenses:

(1) under the rules for reimbursement that apply to the member's office or employment, if the member is a state officer or employee; or

(2) as provided by the General Appropriations Act if the member is not a state officer or employee.

(g) The advisory committee is not subject to Chapter 2110.

SECTION 9. Subchapter B, Chapter 431, Government Code, is amended by adding Section 431.0307 to read as follows:

Sec. 431.0307. PROPERTY FINANCED BY REVENUE BONDS. Notwithstanding any other provision of this chapter, property used by the state for military purposes that was acquired, constructed, remodeled, or repaired using money from revenue bonds and that has not yet been transferred under Section 431.0304, is owned by the Texas Public Finance Authority and a reference to the adjutant general in this chapter in relation to that ownership means the Texas Public Finance Authority until the property is transferred.

SECTION 10. Sections 109.47(a) and (c), Education Code, are amended to read as follows:

(a) The board may select and lease a portion of the campus to the Texas National Guard for the purpose of erecting an armory and other buildings suitable for use by the Texas National Guard. The board may enter into a lease contract with the adjutant general [~~Texas Military Facilities Commission~~] on terms which are suitable and satisfactory to the board for a term of not more than 99 years.

(c) The board may permit the adjutant general [~~Texas National Guard Armory Board~~] and the Texas National Guard and any of its subdivisions ingress upon and egress from the campus for the purpose of going to and from the armory and other buildings and the drill ground.

SECTION 11. Section 31.156(e), Natural Resources Code, is amended to read as follows:

(e) In any year that the division will evaluate real property under the management and control of the adjutant general's department [~~or the Texas Military Facilities Commission~~], the division shall notify the department [~~and the commission~~] before the division begins the evaluation.

SECTION 12. Section 31.157(d), Natural Resources Code, is amended to read as follows:

(d) If under the adjutant general's report submitted as provided by Section 431.030, Government Code, the adjutant general determines that real property under the management and control of the adjutant general's department [~~or the Texas Military Facilities Commission~~] is used for military purposes, the commissioner may not recommend a real estate transaction involving that real property in the final report submitted as provided by Subsection (e).

SECTION 13. Section 1232.101, Government Code, is amended to read as follows:

Sec. 1232.101. ISSUANCE OF BONDS FOR CERTAIN STATE AGENCIES. With respect to all bonds authorized to be issued by or on behalf of the adjutant general's department [~~Texas Military Facilities Commission~~], Texas National Research Laboratory Commission, Parks and Wildlife Department, Texas Low-Level Radioactive Waste Disposal Authority, Stephen F. Austin State University, Midwestern State University, and Texas Southern University, the authority has the exclusive authority to act on behalf of those entities in issuing bonds on their behalf. In connection with those issuances and with the issuance of refunding bonds on behalf of those entities, the authority is subject to all rights, duties, and conditions surrounding issuance previously applicable to the issuing entity under the statute authorizing the issuance. A reference in an authorizing statute to the entity on whose behalf the bonds are being issued applies equally to the authority in its capacity as issuer on behalf of the entity.

SECTION 14. Subchapter C, Chapter 1232, Government Code, is amended by adding Section 1232.1025 to read as follows:

Sec. 1232.1025. ISSUANCE OF BONDS FOR MILITARY FACILITIES. (a) The board may issue and sell bonds in the name of the authority to finance the acquisition or construction of buildings to be used as state military forces facilities.

(b) After receiving a request under Section 431.0292 or 431.0302(c), the board shall promptly issue and sell bonds in the name of the authority to provide the requested financing.

(c) The adjutant general shall accomplish its statutory authority as if the property or building were financed by legislative appropriation. The board and the adjutant general shall adopt a memorandum of understanding that defines the division of authority between the board and adjutant general.

(d) On completion of the acquisition or construction, the adjutant general shall lease the building from the authority.

SECTION 15. Sections 435.001, 435.002, 435.003, 435.004, 435.0043, 435.0044, 435.0045, 435.005, 435.006, 435.007, 435.008, 435.009, 435.0095, 435.010, 435.011, 435.012, 435.015, 435.016, 435.017, 435.042, 435.043, 435.044, 435.045, 435.046, 435.047, and 435.048, Government Code, are repealed.

SECTION 16. The headings to Subchapters A, B, and C, Chapter 435, Government Code, are repealed.

SECTION 17. (a) The Texas Military Facilities Commission is abolished. Subject to Section 431.0307, Government Code, as added by this Act, all powers, duties, obligations, rights, contracts, bonds, appropriations, records, real or personal property, and personnel of the Texas Military Facilities Commission are transferred to the adjutant general.

(b) A rule, policy, procedure, or decision of the Texas Military Facilities Commission continues in effect as a rule, policy, procedure, or decision of the adjutant general until superseded by an act of the adjutant general.

(c) A reference in another law to the Texas Military Facilities Commission means the adjutant general.

(d) The adjutant general and the Texas Public Finance Authority shall if necessary adopt a memorandum of understanding under which an item or matter transferred under Subsection (a) of this section is transferred to the Texas Public Finance Authority.

SECTION 18. This Act takes effect September 1, 2007.

The amendment was read.

Senator Ogden moved to concur in the House amendment to **SB 1724**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

May 25, 2007

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

SCR 58, Designating Lewisville Lake as the Urban Bass Fishing Capital of Texas.

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 1044 (141 Yeas, 0 Nays, 1 Present, not voting)

HB 2004 (135 Yeas, 0 Nays, 2 Present, not voting)

HB 2261 (139 Yeas, 0 Nays, 1 Present, not voting)

SB 103 (137 Yeas, 0 Nays, 1 Present, not voting)

SB 1993 (141 Yeas, 0 Nays, 1 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

BILLS AND RESOLUTIONS SIGNED

The Presiding Officer, Senator Eltife in Chair, announced the signing of the following enrolled bills and resolutions in the presence of the Senate after the captions had been read:

SB 7, SB 29, SB 155, SB 161, SB 552, SB 606, SB 737, SB 747, SB 760, SB 772, SB 778, SB 827, SB 831, SB 992, SB 1007, SB 1032, SB 1050, SB 1053, SB 1161, SB 1169, SB 1180, SB 1237, SB 1238, SB 1255, SB 1274, SB 1288, SB 1310, SB 1404, SB 1446, SB 1456, SB 1504, SB 1510, SB 1524, SB 1526, SB 1531, SB 1723, SB 1743, SB 1829, SB 1877, SB 1954, SB 1974, SB 1986, SB 1997, SB 2000, SB 2002, SB 2014, SB 2037, SB 2054, SCR 1, SCR 9, SCR 60, SCR 84, SJR 29, HB 47, HB 89, HB 142, HB 177, HB 199, HB 261, HB 278, HB 309, HB 335, HB 343, HB 373, HB 412, HB 431, HB 432, HB 433, HB 455, HB 485, HB 487, HB 541, HB 567, HB 573, HB 621, HB 649, HB 755, HB 831, HB 888, HB 916, HB 959, HB 964, HB 1022, HB 1034, HB 1121, HB 1158, HB 1166, HB 1183, HB 1212, HB 1241, HB 1254, HB 1275, HB 1297, HB 1352, HB 1370, HB 1374, HB 1381, HB 1385, HB 1411, HB 1427, HB 1456, HB 1471, HB 1493, HB 1500, HB 1545, HB 1573, HB 1587, HB 1614, HB 1687, HB 1728, HB 1737, HB 1747, HB 1759, HB 1795, HB 1815, HB 1841, HB 1847, HB 1849, HB 1915, HB 1920, HB 1921, HB 1995, HB 2002, HB 2070, HB 2077, HB 2087, HB 2091, HB 2092, HB 2101, HB 2103, HB 2112, HB 2115, HB 2117, HB 2151, HB 2174, HB 2218, HB 2256, HB 2267, HB 2283, HB 2352, HB 2353, HB 2358, HB 2368, HB 2385, HB 2442, HB 2445, HB 2484, HB 2540, HB 2549, HB 2551, HB 2569, HB 2608, HB 2617, HB 2627, HB 2639, HB 2646, HB 2651, HB 2654, HB 2660, HB 2694, HB 2761, HB 2766, HB 2984, HB 2990, HB 2991, HB 3008, HB 3070, HB 3659, HB 3688, HB 3723, HB 3735, HB 3736, HB 3764, HB 3770, HB 3787, HB 3832, HB 3834, HB 3934, HB 3954, HB 3979, HB 3980, HB 3982, HB 3988, HB 3989, HB 3991, HB 3992, HB 3993, HB 3997, HB 3998, HB 4004, HB 4006, HB 4008, HB 4009, HB 4010, HB 4017, HB 4018, HB 4019, HB 4022, HB 4024,

HB 4085, HCR 208, HCR 209, HCR 218, HCR 221, HCR 228, HCR 231, HCR 232, HCR 234, HCR 242, HCR 244, HCR 245, HCR 250, HCR 251, HCR 262, HCR 264, HJR 30, HJR 40, HJR 54.

SENATE BILL 1640 WITH HOUSE AMENDMENTS

Senator Williams called **SB 1640** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 1640** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 52.17, Education Code, is amended by amending Subsections (a), (c), and (d) and adding Subsection (a-1) to read as follows:

(a) Each fiscal year a sufficient portion of the funds received by the board as repayment of student loans granted under this chapter, as interest on the loans, and as other available funds relating to the student loan program shall be deposited in the state treasury in the Texas college interest and sinking fund or a board interest and sinking fund to:

(1) pay the interest and principal coming due during the next ~~ensuing~~ fiscal year on ~~[and to establish and maintain a reserve in the interest and sinking fund equal to the average annual principal and interest requirements of]~~ all outstanding bonds issued under this chapter that are secured by ~~money [funds]~~ in, as applicable, the Texas college interest and sinking fund or a board interest and sinking fund; and

(2) establish and maintain any reserves required by the board resolution authorizing the issuance of the bonds.

(a-1) With respect to any bonds that remain outstanding under this chapter, the board may, subject to the terms of the applicable board resolution authorizing the issuance of those bonds:

(1) reduce, eliminate, or replace any reserve portion of the Texas college interest and sinking fund or a board interest and sinking fund; and

(2) apply any excess money in accordance with Subsection (b).

(c) ~~If [In the event that]~~ funds received by the board in any fiscal year as repayment of student loans and as interest on the loans are insufficient to pay the interest coming due and the principal maturing on the bonds during the next ~~ensuing~~ fiscal year as described by Subsection (a), the comptroller shall transfer into the Texas college interest and sinking fund and each board interest and sinking fund out of the first money coming into the treasury ~~that[, which]~~ is not otherwise appropriated by the constitution~~[,]~~ an additional amount sufficient to pay ~~that [the]~~ interest ~~[coming due]~~ and ~~[the]~~ principal ~~[maturing on the bonds during the ensuing fiscal year].~~

(d) The resolution authorizing the issuance of the bonds may provide for the deposit, from bond proceeds, of not more than ~~36 [24]~~ months' interest, and may provide for the use of bond proceeds as a reserve for the payment of principal of and interest on the bonds.

(b) Section 52.19, Education Code, is amended to read as follows:

Sec. 52.19. INVESTMENT OF FUNDS. All money in the Texas college interest and sinking fund and in each board interest and sinking fund, including any ~~the~~ reserve portion, and all money in the Texas Opportunity Plan Fund and in the student loan auxiliary fund in excess of the amount necessary for student loans, and all money in each board student loan fund shall be invested by the comptroller in the investments prescribed by board resolution. The board shall furnish to the comptroller a copy of the resolution prescribing authorized investments. The board may sell any instruments owned in the Texas college interest and sinking fund, a board interest and sinking fund, the Texas Opportunity Plan Fund, the student loan auxiliary fund, or a board student loan fund at the prevailing market price. Income from these investments may be deposited in any of those funds.

(c) Section 52.541(c), Education Code, is amended to read as follows:

(c) The board may transfer funds between the Texas Opportunity Plan Fund and the student loan auxiliary fund and among the separate accounts established under this section within those funds if:

(1) the transfer is approved by the board and is necessary to administer the Texas Opportunity Plan Fund or the student loan auxiliary fund; and

(2) the reason for the transfer is documented in the accounting of the funds.

(d) Section 52.82(c), Education Code, is amended to read as follows:

(c) The board may sell the bonds at a negotiated sale if the board determines that a negotiated sale is a more efficient and economical method of selling the bonds. If the board has determined that the bonds will be sold by competitive bid, the board by resolution shall prescribe the manner of giving notice of the sale.

(e) The following statutes are repealed:

(1) Sections 52.14 and 52.15, Education Code; and

(2) Section 52.32(d), Education Code.

(f) Notwithstanding any other provision of this Act, this section takes effect September 1, 2007.

Floor Amendment No. 2

Amend **SB 1640** by adding the following appropriately numbered SECTIONS to the bill and renumbering the remaining SECTIONS of the bill accordingly:

SECTION _____. Section 54.203, Education Code, is amended by amending Subsection (e) and adding Subsection (e-1) to read as follows:

(e) The exemption from fees provided for in Subsection (a) ~~[of this section]~~ does not apply to a person who ~~[if]~~ at the time of ~~[his]~~ registration ~~[he]~~ is entitled to receive ~~[eligible for]~~ educational benefits under federal legislation ~~[in effect at the time of his registration]~~ if the value of those benefits received in a semester or other term is equal to or exceeds the value of the exemption ~~for the same semester or other term.~~ If the value of federal benefits received in a semester or other term does not equal or exceed the value of the exemption for the same semester or other term, ~~[except that]~~ the person ~~[must first utilize the federal benefit for which he]~~ is entitled to receive both the federal benefit and the exemption in the same semester or other term. The ~~[eligible and the]~~ combined amount of the federal benefit plus the amount of the exemption received in a semester or other term may ~~[this waiver shall]~~ not exceed the cost of tuition and fees for that semester or other term ~~[maximum value of the waiver].~~ A person is covered by the exemption ~~[exemptions]~~ if the person's ~~[his]~~ right to benefits

under federal legislation is extinguished at the time of the person's [his] registration, except that a person may [is] not receive [eligible for] an exemption from fees under this section if the person's right to benefits under federal legislation is extinguished because the person is in default of repayment of a loan made to the person under a federal program to provide or guarantee loans for educational purposes.

(e-1) A person may [is] not receive an [eligible for the] exemption under this section if the person is in default on a loan made or guaranteed for educational purposes by the State of Texas.

SECTION _____. Section 54.203(e), as amended by this Act, and Section 54.203(e-1), as added by this Act, apply beginning with tuition and fees for the 2007 fall semester. Tuition and fees for a term or semester before the 2007 fall semester are covered by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

The amendments were read.

Senator Williams moved to concur in the House amendments to **SB 1640**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 282 WITH HOUSE AMENDMENT

Senator Van de Putte, on behalf of Senator Gallegos, called **SB 282** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Committee Amendment No. 1

Amend **SB 282** (engrossed version) as follows:

(1) After SECTION 1 of the bill, adding Section 28.010, Education Code (page 1, between lines 18 and 19), insert the following SECTION, appropriately numbered:

SECTION _____. Section 33.007(b), Education Code, is amended to read as follows:

(b) During the first school year a student is enrolled in a high school or at the high school level in an open-enrollment charter school, and again during a student's senior year, a counselor shall provide information about higher education to the student and the student's parent or guardian. The information must include information regarding:

- (1) the importance of higher education;
- (2) the advantages of completing the recommended or advanced high school program adopted under Section 28.025(a);
- (3) the disadvantages of taking courses to prepare for a high school equivalency examination relative to the benefits of taking courses leading to a high school diploma;
- (4) financial aid eligibility;
- (5) instruction on how to apply for federal financial aid;
- (6) the center for financial aid information established under Section

61.0776;

(7) the automatic admission of certain students to general academic teaching institutions as provided by Section 51.803; ~~and~~

(8) the eligibility and academic performance requirements for the TEXAS Grant as provided by Subchapter M, Chapter 56; and

(9) the availability of programs in the district under which a student may earn college credit, including advanced placement programs, dual credit programs, joint high school and college credit programs, and international baccalaureate programs [~~as added by Chapter 1590, Acts of the 76th Legislature, Regular Session, 1999~~].

(2) Renumber the SECTIONS of the bill accordingly.

The amendment was read.

Senator Van de Putte, on behalf of Senator Gallegos, moved to concur in the House amendment to **SB 282**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 131 WITH HOUSE AMENDMENT

Senator Ellis, on behalf of Senator West, called **SB 131** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 131** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the creation of nursing home family councils.

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

SECTION 1. Section 242.044(b), Health and Safety Code, is amended to read as follows:

(b) For at least two unannounced inspections each licensing period of an institution other than one that provides maternity care, the department shall invite at least one person as a citizen advocate from:

- (1) the American Association of Retired Persons;
- (2) the Texas Senior Citizen Association;
- (3) the Texas Retired Federal Employees;
- (4) the department's [~~Texas Department on Aging~~] Certified Long Term Care Ombudsman; ~~[or]~~

(5) another statewide organization for the elderly.

SECTION 2. Section 242.0445, Health and Safety Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Not later than the fifth working day after the date the facility receives the final statement of violations under this section, the facility shall provide a copy of the statement to a representative of the facility's family council.

SECTION 3. Chapter 242, Health and Safety Code, is amended by adding Subchapter S to read as follows:

SUBCHAPTER S. FAMILY COUNCIL

Sec. 242.901. DEFINITIONS. In this subchapter:

(1) "Department" means the Department of Aging and Disability Services.

(2) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(3) "Family council" means a group of family members, friends, or legal guardians of residents, who organize and meet privately or openly.

Sec. 242.902. FAMILY COUNCIL. A family council may:

(1) make recommendations to the institution proposing policy and operational decisions affecting resident care and quality of life; and

(2) promote educational programs and projects that will promote the health and happiness of residents.

Sec. 242.903. DUTIES OF INSTITUTION. (a) An institution shall consider the views and recommendations of the family council and make a reasonable effort to resolve the council's grievances.

(b) An institution may not:

(1) prohibit the formation of a family council;

(2) terminate an existing family council;

(3) deny a family council the opportunity to accept help from an outside person;

(4) limit the rights of a resident, family member, or family council member to meet with an outside person, including:

(A) an employee of the institution during nonworking hours if the employee agrees; and

(B) a member of a nonprofit or government organization;

(5) prevent or interfere with the family council receiving outside correspondence addressed to the council;

(6) open family council mail; or

(7) wilfully interfere with the formation, maintenance, or operation of a family council, including interfering by:

(A) discriminating or retaliating against a family council participant; and

(B) wilfully scheduling events in conflict with previously scheduled family council meetings if the institution has other scheduling options.

(c) On admission of a resident, an institution shall inform the resident's family members in writing of:

(1) the family members' right to form a family council; or

(2) if a family council already exists, the council's:

(A) meeting time, date, and location; and

(B) contact person.

(d) An institution shall:

(1) include notice of a family council in a mailing that occurs at least semiannually;

(2) permit a representative of a family council to discuss concerns with an individual conducting an inspection or survey of the facility;

(3) provide a family council with adequate space on a prominent bulletin board to post notices and other information;

(4) provide a designated staff person to act as liaison for a family council;
and

(5) respond in writing to a written request by a family council within five working days.

Sec. 242.904. MEETINGS. (a) On written request, an institution shall allow a family council to meet in a common meeting room of the institution at least once a month during hours mutually agreed upon by the family council and the institution.

(b) Institution employees or visitors may attend a family council meeting only at the council's invitation.

Sec. 242.905. VISITING. A family council member may authorize in writing another member to visit and observe a resident represented by the authorizing member unless the resident objects.

Sec. 242.906. ADMINISTRATION; RULES. (a) The department shall administer this subchapter.

(b) The executive commissioner shall adopt rules necessary to implement this section.

SECTION 4. Not later than December 1, 2007, the executive commissioner of the Health and Human Services Commission shall adopt rules as required by Section 242.906, Health and Safety Code, as added by this Act.

SECTION 5. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2007.

(b) Sections 1, 2, and 3 of this Act take effect September 1, 2008.

The amendment was read.

Senator Ellis, on behalf of Senator West, moved to concur in the House amendment to **SB 131**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 968 WITH HOUSE AMENDMENT

Senator Ellis, on behalf of Senator West, called **SB 968** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 968** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to financing tools for certain obligations for public improvements.

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

SECTION 1. Section 1371.001, Government Code, is amended by amending Subdivisions (1), (2), (4), (5), (7), and (8) and adding Subdivision (3-a) to read as follows:

(1) "Credit agreement" means a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase obligations [~~an obligation~~], purchase or sale agreement, interest rate management [~~swap~~] agreement, or other commitment or [~~other~~] agreement authorized by a governing body in anticipation of, related to, or in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing, or redemption of some or all of an issuer's obligations or interest on obligations [~~an obligation, interest on an obligation~~], or both, or as otherwise authorized by this chapter.

(2) "Eligible project" means:

(A) the acquisition or construction of or an improvement, addition, or extension to a public works, including a capital asset or facility incident and related to the operation, maintenance, or administration of the public works, and:

(i) with respect to a property or a facility for the generation of electric power and energy, fuel acquisition or the development or transportation of power, energy, or fuel;

(ii) with respect to a property or a facility for a public transportation system:

(a) a building, terminal, garage, shop, or other structure, rolling stock, equipment, or another facility for mass public transportation; or

(b) a vehicle parking area or a facility necessary or convenient for the beneficial use and access of persons and vehicles to a station, terminal, yard, car, or bus, or for the protection or environmental enhancement of a facility for mass public transportation; and

(iii) with respect to a property or a facility for a port facility, a wharf or dock, a warehouse, grain elevator, or other storage facility, a bunkering facility, port-related railroad or bridge, floating plant or facility, lightering facility, cargo handling facility, towing facility, or any other facility or aid incident to or useful in the operation of a port facility;

(B) a causeway, bridge, tunnel, turnpike, highway, or combination of those facilities, including:

(i) a necessary overpass, underpass, interchange, entrance plaza, tollhouse, service station, approach, fixture, accessory, or item of equipment, or a storage, administration, or other necessary building; and

(ii) a property right or other interest acquired in connection with those facilities;

(C) a public improvement owned by a county that serves the purpose of attracting visitors and tourists to the county, including a civic center, auditorium, exhibition hall, coliseum, stadium, or parking area;

(D) a project for which there exists authorized but unissued obligations approved by a majority of the voters of the issuer or for which the issuer is authorized to issue other indebtedness [~~, including obligations~~] payable from ad valorem taxes;

(E) a project for which an issuer is authorized to issue revenue bonds secured, in whole or in part, by revenue derived from or related to student loans; or

(F) an approved venue project under Chapter 334 or 335, Local Government Code.

(3-a) "Interest rate management agreement" means an agreement that provides for an interest rate transaction, including a swap, basis, forward, option, cap, collar, floor, lock, or hedge transaction, a similar transaction, or any combination of those types of transactions. The term includes:

(A) a master agreement that provides standard terms for transactions;

(B) an agreement to transfer collateral as security for transactions; or

(C) a confirmation of transactions.

(4) "Issuer" means:

(A) a home-rule municipality that:

(i) adopted its charter under Section 5, Article XI, Texas Constitution;

(ii) has a population of 50,000 or more; and

(iii) has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation;

(B) a conservation and reclamation district created and organized as a river authority under Section 52, Article III, or Section 59, Article XVI, Texas Constitution;

(C) a joint powers agency organized and operating under Chapter 163, Utilities Code;

(D) a metropolitan rapid transit authority or regional transportation authority created, organized, and operating under Chapter 451 or 452, Transportation Code;

(E) a conservation and reclamation district organized or operating as a navigation district under Section 52, Article III, or Section 59, Article XVI, Texas Constitution;

(F) a district organized or operating under Section 59, Article XVI, Texas Constitution, that has all or part of two or more municipalities within its boundaries;

(G) a state agency, including a state institution of higher education;

(H) a hospital authority created or operating under Chapter 262 or 264, Health and Safety Code, in a county that:

(i) has a population of more than 3.3 million; or

(ii) is included, in whole or in part, in a standard metropolitan statistical area of this state that includes a county with a population of more than 2.2 million;

(I) a hospital district in a county that has a population of more than two million;

(J) a nonprofit corporation organized to exercise the powers of a higher education loan authority under Section 53B.47(e), Education Code;

(K) a county:

(i) that has a population of 3.3 million or more; or

(ii) that, on the date of issuance of obligations under this chapter, has authorized, outstanding, or any combination of authorized and outstanding, indebtedness of at least \$100 million secured by and payable from the county's ad

valorem taxes and the authorized long-term indebtedness of which is rated by a nationally recognized rating agency of securities issued by local governments in one of the four highest rating categories for a long-term obligation;

(L) an independent school district that has an average daily attendance of 50,000 or more as determined under Section 42.005, Education Code;

(M) a municipality or county operating under Chapter 334, Local Government Code;

(N) a district created under Chapter 335, Local Government Code; ~~or~~

(O) a junior college district that has a total headcount enrollment of 40,000 or more based on enrollment in the most recent regular semester; or

(P) an issuer, as defined by Section 1201.002, that has:

(i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or in a combination of outstanding or proposed long-term indebtedness; and

(ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation.

(5) "Obligation" means a public security as defined by Section 1201.002 or other ~~special~~ obligation that may ~~authorized to~~ be issued by an issuer and that is expected to be rated, and before delivery[.] is rated, by a nationally recognized rating agency for municipal securities in one of the three highest rating categories for a short-term debt instrument or one of the four highest rating categories for a long-term debt instrument. The term does not include an obligation payable wholly or partly from ad valorem taxes unless:

(A) issuance of the obligation or an obligation refunded by the obligation has been approved by the voters of the issuer in an election held for that purpose; or

(B) the issuer:

(i) is authorized by law to issue public securities payable wholly or partly from ad valorem taxes for the purpose for which the obligation is to be issued; and

(ii) has complied with any conditions imposed by law before its pledge of ad valorem taxes to pay the principal of or interest on the obligation ~~except as specifically permitted by this chapter~~.

(7) "Project cost" means a cost or expense incurred in relation to an eligible project. The term includes:

(A) design, planning, engineering, and legal cost;

(B) acquisition cost of land or an interest in land;

(C) construction cost;

(D) cost of machinery, equipment, and other capital assets incident and related to the operation, maintenance, and administration of an eligible project; and

(E) financing cost, including:

(i) interest on obligations and payments on credit agreements during and after construction;

- (ii) underwriter's discount or fee; and
 - (iii) cost of legal, financial, and other professional services.
- (8) "Public works" means property or a facility for:
- (A) the conservation, storage, supply, treatment, or transmission of water;
 - (B) the treatment, collection, or disposal of water-carried wastes or solid wastes;
 - (C) the generation, transmission, or distribution of electric power and energy;
 - (D) the acquisition, distribution, or storage of gas;
 - (E) a transit authority system, as defined by Section 451.001, Transportation Code, or a public transportation system, as defined by Section 452.001 [Chapter 452], Transportation Code;
 - (F) an airport as defined by Section 22.001, Transportation Code;
 - (G) a port facility, including a facility for the operation or development of a port or waterway or in aid of navigation or navigation-related commerce in a port or on a waterway;
 - (H) a project as defined by Section 284.001, Transportation Code; or
 - (I) the carrying out of a purpose or function for which an issuer may issue public securities.

SECTION 2. Section 1371.003(a), Government Code, is amended to read as follows:

(a) This chapter is wholly sufficient authority within itself for the issuance of obligations, the execution of a credit agreement, and the performance of the other acts and procedures authorized by this chapter or under any agreement, without reference to any other laws or any restrictions or limitations contained in those laws. Any restrictions or limitations contained in other laws do not apply to the procedures prescribed by this chapter or to the issuance of obligations, the execution of credit agreements, or the performance of other acts authorized by this chapter.

SECTION 3. Section 1371.051, Government Code, is amended to read as follows:

Sec. 1371.051. AUTHORITY TO ISSUE OBLIGATION. As authorized and approved by the governing body of an issuer, the governing body may issue, sell, and deliver an obligation to:

- (1) finance a project cost;
- (2) refund an obligation issued in connection with an eligible project; or
- (3) finance all or part of a payment owed or to be owed on:
 - (A) the establishment of a [~~an interest rate lock, interest rate hedging agreement, or other~~] credit agreement; or
 - (B) the settlement or termination, at maturity or otherwise, of a [~~an interest rate lock, interest rate hedging agreement, or other~~] credit agreement, whether the settlement or termination occurs:
 - (i) at the option of the issuer or the other party to the credit agreement; or
 - (ii) by operation of the terms of the credit agreement.

SECTION 4. Section 1371.056, Government Code, is amended to read as follows:

Sec. 1371.056. AUTHORITY TO ENTER INTO AND EXECUTE CREDIT AGREEMENTS. (a) An issuer [A governing body] may execute and deliver any number of credit agreements in anticipation of, related to, or [authorize the execution and delivery of a credit agreement] in connection with [or related to] the authorization, issuance, security, purchase, payment, sale, resale, redemption, remarketing, or exchange of some or all of the issuer's obligations or interest on obligations, or both, [an obligation] at any time, without regard to whether the:

(1) obligations have been authorized or issued; or

(2) [a] credit agreement was contemplated, authorized, or executed in relation to the initial issuance, sale, or delivery of the obligations [obligation].

(b) Except as provided by this section, a [A] credit agreement must substantially contain the terms and be for the period the governing body approves. A credit agreement may provide that it:

(1) may be terminated with or without cause; or

(2) becomes effective at the option of another party to the credit agreement, if the governing body first finds that the option serves best the interests of the issuer.

(c) The governing body may delegate to any number of officers or employees of the issuer the authority to approve specific terms of, to execute and deliver, or to terminate or amend in accordance with its terms, a credit agreement or transactions under a credit agreement on the behalf of the issuer, subject to any condition the governing body specifies. The delegation must include limits on:

(1) the principal amount or the notional amount;

(2) the term;

(3) the rate;

(4) the source of payment;

(5) the security;

(6) the identity or credit rating of an authorized counterparty;

(7) the duration of the authorization; and

(8) for an interest rate management agreement, the:

(A) fixed or floating rates;

(B) economic consequences;

(C) early termination provisions;

(D) type;

(E) provider; and

(F) costs of credit enhancement.

(d) The cost to the issuer of a credit agreement or payments owed by an issuer under a credit agreement may be paid from and secured by any source, including:

(1) the proceeds from the sale of the obligation to which the credit agreement relates;

(2) any revenue and money of the issuer that is available to pay the obligation;

(3) any interest on the obligation or that may otherwise be legally used; or

(4) ad valorem taxes if the credit agreement is authorized in anticipation of, in relation to, or in connection with an obligation that is wholly or partly payable from or is to be wholly or partly payable from ad valorem taxes [to the extent permitted by this chapter].

(e) ~~(d)~~ A credit agreement is an agreement for professional services but is not a contract subject to Subchapter I, Chapter 271, Local Government Code.

(f) If a credit agreement is authorized and is executed in anticipation of the issuance of an obligation described by Section 1371.001(5)(B) because the issuer is authorized by Subchapter C, Chapter 271, Local Government Code, to issue certificates of obligation:

(1) notice required by Section 271.049, Local Government Code, in addition to the other requirements for the notice, must describe the time and place tentatively set for the adoption of the order or ordinance authorizing the credit agreement, the maximum amount and term of the obligations and credit agreement, and the manner in which the certificates of obligation and credit agreement will be paid; and

(2) the issuer may enter into the credit agreement and issue the certificates of obligation only if:

(A) the municipal secretary or clerk or person with similar authority does not receive a petition signed by at least five percent of the registered voters of the issuer that protests the issuance of the certificates of obligation or the execution of the credit agreement before the later of the date tentatively set for the adoption of the order or ordinance to authorize the credit agreement or the date the order or ordinance is adopted;

(B) the issuance and execution are approved at an election held for that purpose conducted as provided for a bond election under Chapter 1251; or

(C) notice is not required by Section 271.049, Local Government Code, before the certificates of obligation are authorized.

(g) Payments received by an issuer under a credit agreement or on termination of all or part of a credit agreement may be used to:

(1) pay the obligations in anticipation of which, in relation to which, or in connection with which the credit agreement was entered into or pay the costs to be financed by the obligations in anticipation of which, in relation to which, or in connection with which the credit agreement was entered into;

(2) pay other liabilities or expenses that are secured on parity with or senior to the obligations in anticipation of which, in relation to which, or in connection with which the credit agreement was entered into; or

(3) after the satisfaction of the obligations or costs described by Subdivision (1) and of the liabilities and expenses described by Subdivision (2) that are due, make payments for any other purpose for which the issuer may issue obligations under this subchapter or that is otherwise authorized by law, unless the credit agreement is paid primarily from ad valorem taxes.

(h) An issuer may agree to pay or receive a payment on early termination of an interest rate management agreement due to a breach or for another reason as provided by the interest rate management agreement. The agreement may specify the payment by a specific amount, by a formula, or by a process or algorithm.

(i) A credit agreement secured in the manner described by Subsection (d)(4) may be executed without an election or the imposition of an ad valorem tax for the credit agreement unless required by the Texas Constitution. If the Texas Constitution requires an election for the credit agreement, the election must be held substantially in the manner provided for an election under Chapter 1251.

(j) An issuer may enter into an interest rate management agreement transaction only:

(1) if the issuer has either entered into at least three interest rate management transactions before November 1, 2006, or has entered into one or more interest rate management transactions with notional amounts totaling at least \$400 million before that date; or

(2) as provided by Subsection (k).

(k) An issuer may enter into an interest rate management transaction if:

(1) the governing body has adopted, amended, or ratified during the preceding two years a risk management policy governing entering into and managing interest rate management agreements and transactions that addresses:

(A) conditions, if any, under which the issuer may enter into an interest rate management agreement transaction without independent advice from a financial advisor or swap advisor who has experience in interest rate management transactions; and

(B) authorized purposes, permitted types and creditworthiness of counterparties, credit risks and other risks, liquidity, methods of selection of counterparties, and limits concerning awarding a transaction, monitoring, and exposure;

(2) the issuer has received from the counterparty:

(A) if the transaction was not awarded through a competitive bidding process:

(i) a statement that, in the counterparty's judgment, the difference in basis points between the rate of the transaction and the mid-market rate for a comparable transaction falls within the commonly occurring range for comparable transactions;

(ii) a statement of the amount of the difference as determined by the counterparty; or

(iii) if the counterparty does not know of a comparable transaction or mid-market rate, a statement of another suitable measure of pricing acceptable to the counterparty; and

(B) the counterparty's disclosure of any payments the counterparty made to another person to procure the transaction; and

(3) the governing body or an authorized officer or employee of the issuer has determined that the transaction will conform to the issuer's interest rate management agreement policy after reviewing a report of the chief financial officer of the issuer that identifies with respect to the transaction:

(A) its purpose;

(B) the anticipated economic benefit and the method used to determine the anticipated benefit;

(C) the use of the receipts of the transaction;

(D) the notional amount, amortization, and average life compared to the related obligation;

(E) any floating indices;

(F) its effective date and duration;

(G) the identity and credit rating of the counterparties;

(H) the cost and anticipated benefit of transaction insurance;

(I) the financial advisors and the legal advisors and their fees;

(J) any security for scheduled and early termination payments;

(K) any associated risks and risk mitigation features; and

(L) early termination provisions.

(l) While an interest rate management agreement transaction is outstanding, the governing body of the issuer shall review and ratify or modify its related risk management policy at least biennially ~~[(e) Notwithstanding Subsection (b), the governing body may delegate to an officer or employee the authority, under the terms and for the period approved by the governing body, to:~~

~~[(1) enter into a credit agreement and transactions under a credit agreement; and~~

~~[(2) execute any instruments in connection with those transactions].~~

SECTION 5. Section 1371.057, Government Code, is amended to read as follows:

Sec. 1371.057. REVIEW AND APPROVAL OF OBLIGATION, CREDIT AGREEMENT, AND CONTRACT BY ATTORNEY GENERAL. (a) Before an obligation may be issued or a credit agreement executed, a record of the proceedings of the issuer authorizing the issuance, execution, and delivery of the obligation or ~~the~~ credit agreement~~;~~ and any contract providing revenue or security to pay the obligation or ~~the~~ credit agreement must be submitted to the attorney general for review.

(b) If the attorney general finds that the ~~credit agreement, contract, and other authorizing~~ proceedings authorizing an obligation or credit agreement conform to the requirements of the Texas Constitution and this chapter, the attorney general shall approve them and deliver to the comptroller a copy of the attorney general's legal opinion stating that approval and the record of proceedings. After approval, the obligation or ~~and~~ credit agreement may be executed and delivered, exchanged, or refinanced from time to time in accordance with those authorizing proceedings.

(c) If the ~~obligation~~ authorization of an obligation or of a credit agreement provides that the issuer intends to refinance ~~the~~ obligation or a payment ~~loan~~ under ~~the~~ ~~a~~ credit agreement with refunding bonds issued under Chapter 1207, then the obligation or ~~payment~~ ~~loan~~ shall be treated, for purposes of attorney general review and approval, as having the intended term and payment schedule of the refunding bonds.

SECTION 6. Section 1371.059, Government Code, is amended to read as follows:

Sec. 1371.059. VALIDITY AND INCONTESTABILITY. (a) If proceedings to authorize an obligation or credit agreement are approved ~~[On approval]~~ by the attorney general and registered ~~[, registration]~~ by the comptroller, each obligation or ~~[and initial delivery of the obligation, a]~~ credit agreement, as applicable, or ~~;~~ a

contract providing revenue or security included in or executed and delivered according to [~~an initial obligation, and any obligation subsequently issued under~~] the authorizing proceedings is [~~are~~] incontestable in a court or other forum and is [~~are~~] valid, [~~and~~] binding, and [~~obligations~~] enforceable according to its [~~their~~] terms.

(b) Notwithstanding Subsection (a) and Section 1371.003, and except as provided by this subsection, an obligation authorized by this chapter is not valid, binding, or enforceable unless the obligation is approved by the attorney general and registered by the comptroller in accordance with Chapter 1202. The attorney general's approval and registration by the comptroller is not required for an obligation:

(1) to which Chapter 1202 does not apply or that is exempt from approval and registration as provided by Section 1202.007(a)(1), (2), (3), (4), (6), or (7); or

(2) that matures within one year after the issuer receives payment for the obligation, regardless of whether the obligation is evidenced by an instrument with a nominal term of longer than one year.

(c) An issuer in the proceedings to authorize obligations or a credit agreement, or in a credit agreement, may agree to waive sovereign immunity from suit or liability for the purpose of adjudicating a claim to enforce the credit agreement or obligation or for damages for breach of the credit agreement or obligation. This subsection does not apply to an issuer that is:

(1) a state agency, including a state institution of higher education; or

(2) a county with a population of 900,000 or more.

SECTION 7. Subchapter B, Chapter 1371, Government Code, is amended by adding Section 1371.061 to read as follows:

Sec. 1371.061. MANAGEMENT REPORTS. (a) If a governing body authorizes an interest rate management agreement transaction, the governing body shall designate an officer of the issuer to monitor and report on the transaction. At least annually, the designated officer shall present to the governing body a written report, signed by the designated officer, on all outstanding interest rate management agreement transactions conducted for the issuer. The report must:

(1) describe the terms of the transactions;

(2) contain a statement:

(A) of the fair value of each transaction;

(B) of the value of any collateral posted to or by the issuer under the transactions with each counterparty at the year's end; and

(C) reviewing the transactions' cash flows;

(3) identify with respect to each transaction the counterparty, any guarantor of the counterparty's obligations under the transaction, and the credit ratings of the counterparty and the guarantor; and

(4) state whether the continuation of the transactions under the agreement would comply with the issuer's interest rate management agreement policy.

(b) This section does not apply to an issuer that has entered into:

(1) at least three interest rate management agreement transactions before November 1, 2006; or

(2) one or more interest rate management agreement transactions with notional amounts totaling at least \$400 million before November 1, 2006.

SECTION 8. Subchapter C, Chapter 65, Education Code, is amended by adding Section 65.461 to read as follows:

Sec. 65.461. BOND ENHANCEMENT AGREEMENTS. (a) In this section:

(1) "Bond" or "note" means a bond or note that the board is authorized to issue according to law, including Section 18, Article VII, Texas Constitution, Chapter 55 or 66 of this code, or other applicable law.

(2) "Bond enhancement agreement" means an interest rate swap agreement, a currency swap agreement, a forward payment conversion agreement, an agreement providing for payments based on levels of or changes in interest rates or currency exchange rates, an agreement to exchange cash flows or a series of payments, or other agreement, including an option, put, or call, to hedge or modify payment, currency, rate, spread, or other exposure.

(b) The board may at any time and from time to time enter into one or more bond enhancement agreements that the board determines to be necessary or appropriate to place the obligation of the board, as represented by the bonds or notes issued or to be issued, in whole or in part, on the interest rate, currency, cash flow, or other basis desired by the board. A bond enhancement agreement is an agreement for professional services and shall contain the terms and conditions and be for the period that the board authorizes. The fees and expenses of the board in connection with a bond enhancement agreement, including any payments due from the board under a bond enhancement agreement, may be paid from and secured by a lien on and pledge of all or any part of any of the revenue funds of the board and its institutions, proceeds of the sale of bonds or notes to which the bond enhancement agreement relates, or from any other source that is legally available for the purpose of paying the bonds or notes and the interest on the bonds or notes or that may otherwise be legally available to make those payments. Payments due from the board under a bond enhancement agreement relating to bonds or notes issued pursuant to Section 18, Article VII, Texas Constitution, are deemed to be for the support and maintenance of The University of Texas System administration and may be paid from the available university fund.

(c) The resolution of the board authorizing a bond enhancement agreement may authorize one or more designated officers or employees of the board to act on behalf of the board in entering into and delivering the bond enhancement agreement and in determining or setting the counterparty and terms of the bond enhancement agreement specified in the resolution.

(d) The resolution of the board authorizing a financing program pursuant to Section 65.46 may include authorization of one or more bond enhancement agreements.

(e) Unless the board or its designee elects otherwise in its authorization or approval of a bond enhancement agreement, the bond enhancement agreement is not a credit agreement for purposes of Chapter 1371, Government Code, or Section 65.46 of this chapter, or any successor to such laws, regardless of whether the bonds or notes relating to the bond enhancement agreement were issued in part under either such law.

(f) This section shall be construed liberally to effect the legislative intent and purposes of this section, and all powers granted by this section shall be broadly interpreted to effect that intent and those purposes and not as a limitation of powers.

SECTION 9. The changes in law made by this Act apply only to proceedings related to authorizing the issuance of obligations or the execution of credit agreements or interest rate management agreements that are adopted on or after the effective date of this Act and to transactions related to the obligations or agreements. Proceedings related to authorizing the issuance of obligations or the execution of credit agreements or interest rate management agreements that are adopted before the effective date of this Act, and transactions related to the obligations or agreements, are governed by the law in effect on the date the proceedings were initiated and the former law is continued in effect for that purpose.

SECTION 10. An agreement described by this section is ratified in all respects, without regard to whether the agreement to waive sovereign immunity is limited to the extent permitted by law, if the agreement:

(1) is entered into before the effective date of this Act by an issuer as defined by Section 1371.001(4), Government Code, that has authority by statute or under its charter to sue and be sued or to plead and be impleaded; and

(2) waives sovereign immunity from suit or liability for breach of an obligation or of a credit agreement authorized by Chapter 1371, Government Code.

SECTION 11. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

The amendment was read.

Senator Ellis, on behalf of Senator West, moved to concur in the House amendment to **SB 968**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1601 WITH HOUSE AMENDMENT

Senator Ellis, on behalf of Senator West, called **SB 1601** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Committee Amendment No. 1

Amend **SB 1601** (Senate engrossment) as follows:

(1) In SECTION 1 of the bill, in amended Subsection (b), Section 51.824, Education Code (page 3, lines 8-12), strike "the council shall select students for admission to the program to achieve the purpose of this subchapter, with no more than 30 percent of the program openings allocated to students from private or independent institutions of higher education." and substitute "as appropriate to achieve the purpose of this subchapter the council shall select for admission to the program eligible sophomore-level students who are enrolled in the participating institutions, with not more than 15 percent of the total program openings for any year to be allocated to eligible sophomore-level students who are enrolled at private or independent institutions of higher education."

(2) In SECTION 2 of the bill, in amended Subdivision (5), Subsection (a), Section 51.826, Education Code (page 4, line 6), strike "the date designated by the council" and substitute "a date, as designated by the council, that occurs".

(3) In SECTION 3 of the bill, in amended Subsection (b), Section 51.8265, Education Code (page 5, line 4), strike "(b) An identified student" and substitute "(b) If the student is enrolled at a general academic teaching institution or a private or independent institution of higher education, an [Am] identified student".

The amendment was read.

Senator Ellis, on behalf of Senator West, moved to concur in the House amendment to **SB 1601**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

ACKNOWLEDGMENT

The Presiding Officer, Senator Eltife in Chair, acknowledged the presence of Speaker of the House of Representatives Tom Craddick.

The Senate welcomed its guest.

SENATE BILL 530 WITH HOUSE AMENDMENTS

Senator Nelson called **SB 530** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 530** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to physical activity requirements and physical fitness assessment for certain public school students.

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

SECTION 1. Sections 28.002(l) and (l-1), Education Code, are amended to read as follows:

(l) A school district shall [The State Board of Education, after consulting with educators, parents, and medical professionals, by rule may] require a student enrolled in kindergarten or a grade level below grade six [nine] to participate in moderate or vigorous daily physical activity for at least 30 minutes throughout the school year as part of the [a school] district's physical education curriculum or through structured activity during a school campus's daily recess[, except that the board may not require more than 30 minutes of daily physical activity]. A school district shall require students enrolled in grade levels six, seven, and eight to participate in moderate or vigorous daily physical activity for at least 30 minutes for at least four semesters during those grade levels as part of the district's physical education curriculum. If a school district determines, for any particular grade level below grade six, that requiring moderate or vigorous daily physical activity is impractical due to scheduling concerns or other factors, the district may as an alternative require a student in that

grade level to participate in moderate or vigorous physical activity for at least 135 minutes during each school week ~~[the board adopts rules under this subsection, the board must ensure by rule that students enrolled in middle and junior high school settings are allowed to meet the physical activity requirement by participating in physical activity twice each week throughout the school year or the option to schedule at least two semesters overall]~~. Additionally, a school district may as an alternative require a student enrolled in a grade level for which the district uses block scheduling to participate in moderate or vigorous physical activity for at least 225 minutes during each period of two school weeks. A school district ~~[if the board adopts rules under this subsection, the board]~~ must provide for an exemption for:

(1) any student who is unable to participate in the required ~~[daily]~~ physical activity because of illness or disability; and

(2) a middle school or junior high school student who participates in an extracurricular activity with a moderate or vigorous physical activity component that is considered a structured activity under rules adopted by the commissioner ~~[State Board of Education]~~.

(l-1) In adopting rules relating to an activity described by Subsection (l)(2), the commissioner ~~[State Board of Education]~~ may permit an exemption for a student who participates in a school-related activity or an activity sponsored by a private league or club only if the student provides proof of participation in the activity.

SECTION 2. Section 28.004, Education Code, is amended by amending Subsection (k) and adding Subsection (l) to read as follows:

(k) A school district shall publish in the student handbook and post on the district's Internet website, if the district has an Internet website:

(1) a statement of the policies adopted to ensure that elementary school, middle school, and junior high school students engage in at least the amount and level ~~[30 minutes per school day or 135 minutes per school week]~~ of physical activity required by Section 28.002(l); and

(2) a statement of:

(A) the number of times during the preceding year the district's school health advisory council has met;

(B) whether the district has adopted and enforces policies to ensure that district campuses comply with agency vending machine and food service guidelines for restricting student access to vending machines; and

(C) whether the district has adopted and enforces policies and procedures that prescribe penalties for the use of tobacco products by students and others on school campuses or at school-sponsored or school-related activities.

(l) The local school health advisory council shall consider and make policy recommendations to the district concerning the importance of daily recess for elementary school students. The council must consider research regarding unstructured and undirected play, academic and social development, and the health benefits of daily recess in making the recommendations. The council shall ensure that local community values are reflected in any policy recommendation made to the district under this subsection.

SECTION 3. Chapter 38, Education Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. PHYSICAL FITNESS ASSESSMENT

Sec. 38.101. ASSESSMENT REQUIRED. (a) Except as provided by Subsection (b), a school district annually shall assess the physical fitness of students enrolled in grades three through eight.

(b) A school district is not required to assess a student for whom, as a result of disability or other condition identified by commissioner rule, the assessment instrument adopted under Section 38.103 is inappropriate.

Sec. 38.102. PARENTAL NOTIFICATION. A school district shall provide the results of a student's physical fitness assessment under this subchapter to the student's parent or guardian, accompanied by an explanation of the results.

Sec. 38.103. ADOPTION OF ASSESSMENT INSTRUMENT. (a) The commissioner by rule shall adopt an assessment instrument to be used by a school district in assessing student physical fitness under this subchapter.

(b) The assessment instrument must:

(1) be based on factors related to student health, including the following factors that have been identified as essential to overall health and function:

(A) aerobic capacity;

(B) body composition; and

(C) muscular strength, endurance, and flexibility; and

(2) include criterion-referenced standards specific to a student's age and gender and based on the physical fitness level required for good health.

Sec. 38.104. REPORTING OF SUMMARY RESULTS. (a) A school district shall compile the results of the physical fitness assessment required by this subchapter and provide summary results, aggregated by grade level and any other appropriate category identified by commissioner rule, to the agency. The summary results may not contain the names of individual students or teachers.

(b) The results of individual student performance on the physical fitness assessment instrument are confidential and may be released only in accordance with state and federal law.

Sec. 38.105. ANALYSIS OF RESULTS. (a) The agency shall analyze the results received by the agency under this subchapter and identify, for each school district, any correlation between the results and the following:

(1) student academic achievement levels;

(2) student attendance levels;

(3) student obesity;

(4) student disciplinary problems; and

(5) school meal programs.

(b) The agency may contract with a public or private entity for that entity to conduct all or part of the analysis required by Subsection (a).

(c) Not later than September 1 of each year, the agency shall report the findings of the analysis under this section of the results obtained during the preceding school year to the School Health Advisory Committee established under Section 1001.0711, Health and Safety Code, for use by the committee in:

(1) assessing the effectiveness of coordinated health programs provided by school districts in accordance with Section 38.014; and

(2) developing recommendations for modifications to coordinated health program requirements or related curriculum.

Sec. 38.106. DONATIONS. The agency and each school district may accept donations made to facilitate implementation of this subchapter.

Sec. 38.107. RULES. The commissioner shall adopt rules necessary to implement this subchapter.

SECTION 4. Not later than September 1, 2008, the Texas Education Agency, in consultation with the School Health Advisory Committee established under Section 1001.0711, Health and Safety Code, shall provide a report to the legislature that details options and recommendations for providing moderate or vigorous daily physical activity for students for at least 30 minutes outside the seven-hour instructional day. The options and recommendations must be developed with consideration for the needs of students who are enrolled in multiple enrichment curriculum courses.

SECTION 5. The commissioner of education shall adopt the physical fitness assessment instrument required under Subchapter C, Chapter 38, Education Code, as added by this Act, and rules necessary to implement that subchapter not later than the date that enables the instrument to be used by school districts during the 2007-2008 school year.

SECTION 6. Notwithstanding Section 11, Chapter 784, Acts of the 79th Legislature, Regular Session, 2005, Section 38.014, Education Code, as amended by that Act, applies beginning with the 2007-2008 school year.

SECTION 7. Section 28.002(I), Education Code, as amended by this Act, applies to students enrolled in kindergarten or a grade level below grade six beginning with the 2007-2008 school year and to students enrolled in grade levels six, seven, and eight beginning with the 2008-2009 school year.

SECTION 8. Except as otherwise provided by this Act, this Act applies beginning with the 2007-2008 school year. This Act shall apply to junior high or middle schools only upon adoption of a coordinated school health program for these grades by the Texas Education Agency.

SECTION 9. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 530** in SECTION 3 of the bill, in added Section 38.101(a), Education Code (House committee printing, page 4, line 11), by striking "eight" and substituting "12".

Floor Amendment No. 1 on Third Reading

Amend **CSSB 530** on third reading by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS accordingly:

SECTION ____ . Subchapter A, Chapter 38, Education Code, is amended by adding Section 38.021 to read as follows:

Sec. 38.021. PARENTAL NOTIFICATION CONCERNING SCHOOL NURSES. (a) In order to promote the health and physical fitness of public school students by providing relevant information to parents, a public school that does not have a full-time school nurse assigned to the campus for more than 30 consecutive instructional days during the same school year shall provide written notice of the absence of a nurse to the parent of or other person standing in parental relation to each student enrolled in the school.

(b) The principal of the school shall provide the notice required by Subsection (a) not later than the 30th instructional day after the first day the school does not have a full-time school nurse assigned to the campus.

(c) The school shall:

(1) make a good faith effort to ensure that the notice required by this section is provided in a bilingual form to any parent or other person standing in parental relation whose primary language is not English; and

(2) retain a copy of any notice provided under this section.

The amendments were read.

Senator Nelson moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 530** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Shapiro, Van de Putte, Janek, and Watson.

SENATE BILL 1566 WITH HOUSE AMENDMENT

Senator Patrick called **SB 1566** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1566** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the creation of the Texas Bleeding Disorders Advisory Council.

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

SECTION 1. (a) In this section:

(1) "Council" means the Texas Bleeding Disorders Advisory Council.

(2) "Commissioner" means the commissioner of state health services.

(3) "Department" means the Department of State Health Services.

(4) "Hemophilia" has the meaning assigned by Section 41.001, Health and Safety Code.

(b) The Texas Bleeding Disorders Advisory Council is established. The council is composed of the commissioner and the commissioner of insurance, or their designees, serving as nonvoting members and nine members serving as voting members appointed jointly by the commissioner and the commissioner of insurance as follows:

(1) a physician licensed to practice medicine in this state under Subtitle B, Title 3, Occupations Code, who treats individuals with hemophilia or other bleeding or clotting disorders at the time of appointment;

(2) a nurse licensed under Chapter 301, Occupations Code, who treats individuals with hemophilia or other bleeding or clotting disorders at the time of appointment;

(3) a social worker licensed under Chapter 505, Occupations Code, who treats individuals with hemophilia or other bleeding or clotting disorders at the time of appointment;

(4) two representatives of hemophilia treatment centers in this state, at least one of which is federally funded;

(5) a representative of a health insurer or other health benefit plan issuer that holds a certificate of authority issued by the Texas Department of Insurance;

(6) a representative of a volunteer or nonprofit health organization that serves the population of this state with hemophilia and other bleeding or clotting disorders;

(7) a person who has hemophilia or a caregiver of a person who has hemophilia;

(8) a person who has a bleeding disorder other than hemophilia or a caregiver of a person who has a bleeding disorder other than hemophilia; and

(9) a person who has a clotting disorder or a caregiver of a person with a clotting disorder.

(c) In addition to council members appointed under Subsection (b) of this section, the commissioner and the commissioner of insurance jointly may appoint up to five nonvoting members, including:

(1) persons with hemophilia or other bleeding or clotting disorders or caregivers of persons with hemophilia or other bleeding or clotting disorders; and

(2) persons experienced in the diagnosis, treatment, care, and support of persons with hemophilia or other bleeding or clotting disorders.

(d) Council members shall elect from among the voting council members a presiding officer. The presiding officer retains all voting rights.

(e) If a vacancy occurs on the council, the commissioner and the commissioner of insurance jointly shall appoint a person to serve for the remainder of the unexpired term.

(f) A member of the council may not receive compensation for service on the council, but may be reimbursed for actual and necessary expenses incurred while performing council business.

(g) The department shall provide reasonably necessary administrative support for council activities.

(h) The council shall meet at least quarterly and at the call of the commissioner or presiding officer.

(i) The council may not receive any funds that are appropriated by the legislature and designated for the purpose of treatment of hemophilia and other bleeding or clotting disorders.

(j) The council shall study and advise the department, the Health and Human Services Commission, and the Texas Department of Insurance on issues that affect the health and wellness of persons living with hemophilia and other bleeding or clotting disorders, including:

(1) legislative or administrative changes to policies and programs that affect the health and wellness of persons with hemophilia and other bleeding or clotting disorders, including access to appropriate health insurance or similar health coverage;

(2) legislative or administrative changes to policies and programs that affect product-specific reimbursement to providers, including new payment for anti-hemophilia factor including various reimbursement methodologies for anti-hemophilic factors in the Medicaid program that provide access to appropriate treatment;

(3) best practices in standards of care and treatment for persons with hemophilia and other bleeding or clotting disorders;

(4) the establishment of community-based initiatives to disseminate information on services and related activities for persons living with hemophilia and other bleeding or clotting disorders to the medical and health care community, the academic community, primary caregivers, advocacy associations, and the public; and

(5) the coordination of public and private support networking systems for persons living with hemophilia and other bleeding or clotting disorders and primary caregivers.

(k) Not later than December 1, 2008, the council shall report on its findings and recommendations to the governor, the lieutenant governor, and the speaker of the house of representatives. The report shall be made public and is subject to public review and comment before it may be adopted by the council.

(l) Not later than six months after the report is issued and annually thereafter, the commissioner shall report on efforts to implement the recommendations in the report. The report shall be made available to the public.

(m) The commissioner shall include any state or national activities in which the council participates in any report issued under Subsection (l) of this section.

(n) This section expires and the council is abolished September 1, 2009.

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, 2007.

The amendment was read.

Senator Patrick moved to concur in the House amendment to **SB 1566**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE ON HOUSE BILL 2823

Senator Patrick called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 2823** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 2823** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Patrick, Chair; Brimer, Jackson, Carona, and Uresti.

SENATE BILL 758 WITH HOUSE AMENDMENTS

Senator Nelson called **SB 758** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 758** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to child protective services.

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

SECTION 1. Section 102.004(a), Family Code, is amended to read as follows:

(a) In addition to the general standing to file suit provided by Section 102.003, a grandparent, or another relative of the child related within the third degree by consanguinity, may file an original suit requesting managing conservatorship if there is satisfactory proof to the court that:

(1) the order requested is necessary because the child's present circumstances would significantly impair the child's physical health or emotional development; or

(2) both parents, the surviving parent, or the managing conservator or custodian either filed the petition or consented to the suit.

SECTION 2. (a) Section 162.304, Family Code, is amended by adding Subsections (g) and (h) to read as follows:

(g) The executive commissioner of the Health and Human Services Commission by rule shall provide that the maximum amount of the subsidy under Subsection (b) that may be paid to an adoptive parent of a child under an adoption assistance agreement is an amount that is equal to the amount that would have been paid to the foster parent of the child, based on the child's foster care service level on the date the department and the adoptive parent enter into the adoption assistance agreement. This subsection applies only to a child who, based on factors specified in rules of the department, the department determines would otherwise have been expected to remain in foster care until the child's 18th birthday and for whom this state would have made

foster care payments for that care. Factors the department may consider in determining whether a child is eligible for the amount of the subsidy authorized by this subsection include the following:

(1) the child's mental or physical disability, age, and membership in a sibling group; and

(2) the number of prior placement disruptions the child has experienced.

(h) In determining the amount that would have been paid to a foster parent for purposes of Subsection (g), the department:

(1) shall use the minimum amount required to be paid to a foster parent for a child assigned the same service level as the child who is the subject of the adoption assistance agreement; and

(2) may not include any amount that a child-placing agency is entitled to retain under the foster care rate structure in effect on the date the department and the adoptive parent enter into the agreement.

(b) Sections 162.304(g) and (h), Family Code, as added by this section, apply only to an adoption assistance agreement that is entered into on or after the effective date of this Act. An adoption assistance agreement that was entered into before the effective date of this Act is governed by the law in effect on the date the agreement was entered into, and the former law is continued in effect for that purpose.

SECTION 3. Section 201.007(a), Family Code, is amended to read as follows:

(a) Except as limited by an order of referral, an associate judge may:

(1) conduct a hearing;

(2) hear evidence;

(3) compel production of relevant evidence;

(4) rule on the admissibility of evidence;

(5) issue a summons for:

(A) the appearance of witnesses; and

(B) the appearance of a parent who has failed to appear before an agency authorized to conduct an investigation of an allegation of abuse or neglect of a child after receiving proper notice;

(6) examine a witness;

(7) swear a witness for a hearing;

(8) make findings of fact on evidence;

(9) formulate conclusions of law;

(10) recommend an order to be rendered in a case;

(11) regulate all proceedings in a hearing before the associate judge;

(12) order the attachment of a witness or party who fails to obey a subpoena;

(13) order the detention of a witness or party found guilty of contempt, pending approval by the referring court as provided by Section 201.013;

(14) render and sign:

(A) a final order agreed to in writing as to both form and substance by all parties;

(B) a final default order; or

(C) a temporary order; and

(15) take action as necessary and proper for the efficient performance of the associate judge's duties.

SECTION 4. Section 261.303, Family Code, is amended by amending Subsection (d) and adding Subsection (e) to read as follows:

(d) A person, including a medical facility, that makes a report under Subchapter B shall release to the department or designated agency, as part of the required report under Section 261.103, records that directly relate to the suspected abuse or neglect without requiring parental consent or a court order. If a child is transferred from a reporting medical facility to another medical facility to treat the injury or condition that formed the basis for the original report, the transferee medical facility shall, at the department's request, release to the department records relating to the injury or condition without requiring parental consent or a court order.

(e) A person, including a utility company, that has confidential locating or identifying information regarding a family that is the subject of an investigation under this chapter shall release that information to the department on request. The release of information to the department as required by this subsection by a person, including a utility company, is not subject to Section 552.352, Government Code, or any other law providing liability for the release of confidential information.

SECTION 5. Section 261.3031, Family Code, is amended to read as follows:

Sec. 261.3031. FAILURE TO COOPERATE WITH INVESTIGATION; DEPARTMENT RESPONSE. (a) If a parent or other person refuses to cooperate with the department's investigation of the alleged abuse or neglect of a child and the refusal poses a risk to the child's safety, the department shall seek assistance from the appropriate county attorney or district attorney or criminal district attorney with responsibility for representing the department as provided by Section 264.009 to obtain a court order as described by Section 261.303.

(b) A person's failure to report to an agency authorized to investigate abuse or neglect of a child within a reasonable time after receiving proper notice constitutes a refusal by the person to cooperate with the department's investigation. A summons may be issued to locate the person.

SECTION 6. Section 263.102, Family Code, is amended by adding Subsections (f) and (g) to read as follows:

(f) The department shall consult with relevant professionals to determine the skills or knowledge that the parents of a child under two years of age should learn or acquire to provide a safe placement for the child. The department shall incorporate those skills and abilities into the department's service plans, as appropriate.

(g) To the extent that funding is available, the service plan for a child under two years of age may require therapeutic visits between the child and the child's parents supervised by a licensed psychologist or another relevant professional to promote family reunification and to educate the parents about issues relating to the removal of the child.

SECTION 7. Section 264.012, Family Code, is amended by adding Subsection (a-1) and amending Subsection (b) to read as follows:

(a-1) The department shall spend money appropriated for the child protective services program to pay reasonable and necessary burial expenses for a person for whom the department is paying for foster care under Section 264.101(a-1)(2) and who dies while in foster care unless there is money in the person's estate or other money available to pay the person's burial expenses.

(b) The department may accept donations, gifts, or in-kind contributions to cover the costs of any burial expenses paid by the department under this section ~~for children for whom the department has been appointed managing conservator~~.

SECTION 8. Subchapter A, Chapter 264, Family Code, is amended by adding Section 264.014 to read as follows:

Sec. 264.014. PROVISION OF COPIES OF CERTAIN RECORDS. If, at the time a child is discharged from foster care, the child is at least 18 years of age or has had the disabilities of minority removed, the department shall provide to the child, not later than the 30th day after the date the child is discharged from foster care, a copy of:

- (1) the child's birth certificate;
- (2) the child's immunization records; and
- (3) the information contained in the child's health passport.

SECTION 9. The heading to Section 264.106, Family Code, is amended to read as follows:

Sec. 264.106. ~~[REQUIRED]~~ CONTRACTS FOR SUBSTITUTE CARE AND CASE MANAGEMENT SERVICES.

SECTION 10. (a) Sections 264.106(a), (b), (c), (e), and (g), Family Code, are amended to read as follows:

(a) In this section:

(1) "Case management services" means the provision of ~~[case management] services, other than conservatorship services,~~ to a child for whom the department has been appointed temporary or permanent managing conservator and the child's family, including:

(A) developing and revising [caseworker child visits, family visits, the convening of family group conferences, the development and revision of] the child and family case plan, using family group decision-making in appropriate cases; and

(B) coordinating [the coordination] and monitoring permanency [of] services needed by the child and family to ensure [; and the assumption of court related duties, including preparing court reports, attending judicial hearings and permanency hearings, and ensuring] that the child is progressing toward permanency within state and federal mandates.

(2) "Conservatorship services" means services provided directly by the department that the department considers necessary to ensure federal financial participation and compliance with state law requirements, including:

(A) initial placement of a child and approval of all subsequent placements of a child;

(B) approval of the child and family case plan; and

(C) any other action the department considers necessary to ensure the safety and well-being of a child ~~["Independent administrator" means an independent agency selected through a competitive procurement process to:~~

~~[(A) secure, coordinate, and manage substitute care services and case management services in a geographically designated area of the state; and~~

~~[(B) ensure continuity of care for a child referred to the administrator by the department and the child's family from the day a child enters the child protective services system until the child leaves the system].~~

(3) "Permanency services" means services~~[, other than family based safety services,]~~ provided to secure a child's safety, permanency, and well-being, including:

(A) substitute care services;

(B) medical, dental, mental health, and educational services;

(C) [;] family reunification services;

(D) [;] adoption and postadoption services and[;] preparation for adult living services;

(E) convening family group conferences;

(F) child and family visits;

(G) relative placement services; and

(H) post-placement supervision~~[, and case management]~~ services.

(4) "Substitute care provider" means:

(A) a child-care institution, a general residential operation, or a child-placing agency, as defined by Section 42.002, Human Resources Code; or

(B) a provider of residential child-care that is licensed or certified by another state agency.

(5) "Substitute care services" means services provided by a substitute care provider to or for a child in the temporary or permanent managing conservatorship of the department or for the child's placement ~~[children in substitute care and their families]~~, including the recruitment, training, and management of foster and adoptive homes by a child-placing agency ~~[foster parents, the recruitment of adoptive families, and the facilitation of the adoption process, family preservation, independent living, emergency shelter, residential group care, foster care, therapeutic foster care, and post placement supervision, including relative placement]~~. The term does not include the regulation of facilities under Subchapter C, Chapter 42, Human Resources Code.

(b) The department shall, in accordance with Chapter 45 ~~[Section 45.004]~~, Human Resources Code:

(1) assess the need for substitute care ~~[and case management]~~ services throughout the state;

(2) ~~[either]~~ contract ~~[directly]~~ with substitute care providers ~~[private agencies as part of regional community centered networks]~~ for the provision of all necessary substitute care ~~[and case management]~~ services when the department determines that entering into a contract will improve services to children and families ~~[or use an independent administrator to contract for those services];~~

(3) ~~[contract with an independent administrator, if cost beneficial, to coordinate and manage all services needed for children in the temporary or permanent managing conservatorship of the department in a designated geographic area;~~

~~[(4)]~~ monitor the quality of services for which the department contracts ~~[and each independent administrator contract]~~ under this section; and

(4) ~~(5)~~ ensure that the services are provided in accordance with federal law and the laws of this state, including department rules and rules of the Department of State Health Services and the Texas Commission on Environmental Quality.

(c) The department shall develop a pilot program for the competitive procurement of case management services in one or more geographic areas of the state. The department shall contract with one or more substitute care providers to provide case management services under the pilot program. The department shall have a goal of privatizing case management services in at least 10 percent of the cases in which the department has been appointed temporary or permanent managing conservator of a child ~~[An independent administrator may not:~~

~~(1) directly provide substitute care services; or~~

~~(2) be governed by a board that has a member who has a financial interest in a substitute care or case management provider with whom the independent administrator subcontracts].~~

(e) In addition to the requirements of Section 40.058(b), Human Resources Code, a contract authorized under this section ~~[with an independent administrator]~~ must include provisions that:

(1) enable the department to monitor the effectiveness of the services;

(2) specify performance outcomes;

(3) authorize the department to terminate the contract or impose sanctions for a violation of a provision of the contract that specifies performance criteria;

(4) ensure that a private agency that is providing substitute care or case management services for a child shall provide to the child's attorney ad litem and guardian ad litem access to the agency's information and records relating to the child; ~~[ensure that an independent administrator may not refuse to accept a client who is referred for services or reject a client who is receiving services unless the department has reviewed the independent administrator's decision and approved the decision in writing;]~~

(5) authorize the department, an agent of the department, and the state auditor to inspect all books, records, and files maintained by a contractor ~~[an independent administrator]~~ relating to the contract; and

(6) the department determines are necessary to ensure accountability for the delivery of services and for the expenditure of public funds.

(g) In determining whether to contract with a substitute care provider ~~[or an independent administrator]~~, the department shall consider the provider's ~~[or administrator's]~~ performance under any previous contract between the department and the provider ~~[or administrator]~~.

(b) The Department of Family and Protective Services shall enter into one or more contracts for case management services under the pilot program described by Section 264.106, Family Code, as amended by this section, on or before September 1, 2008, with a goal of contracting for case management services in at least 10 percent of the cases in the state in which the department has been appointed temporary or permanent managing conservator of a child. Notwithstanding this deadline, the department must continue to provide case management services in any area covered by the pilot program if:

(1) the department is unable to enter into a contract with a person to provide case management services; or

(2) after entering into a contract, either the contractor or the department terminates the contract.

(c) The executive commissioner of the Health and Human Services Commission shall adopt rules describing the circumstances in which the Department of Family and Protective Services may continue to provide case management services on an emergency basis during the pilot program described in Section 264.106, Family Code, as amended by this section.

SECTION 11. Section 264.1063, Family Code, is amended to read as follows:

Sec. 264.1063. MONITORING PERFORMANCE OF SUBSTITUTE CARE AND CASE MANAGEMENT PROVIDERS. (a) The department, in consultation with substitute care providers ~~[private entities]~~ under contract with ~~[either an independent administrator or]~~ the department to provide substitute care or case management services, shall establish a quality assurance program that uses comprehensive, multitiered assurance and improvement systems ~~[based, subject to the availability of funds, on real-time data]~~ to evaluate performance.

(b) The contract performance outcomes specified in a contract under Section 264.106 must be ~~[consistent with the fiscal goals of privatizing substitute care and case management services and must be]~~ within the contractor's authority to deliver. The contract must clearly define the manner in which the substitute care or case management provider's performance will be measured and identify the information sources the department ~~[and, if applicable, the independent administrator]~~ will use to evaluate the performance.

SECTION 12. Section 264.107, Family Code, is amended by amending Subsections (c) through (f) and adding Subsection (g) to read as follows:

(c) The department shall institute ~~[contract between the department and an independent administrator or other authorized entity must require, not later than September 1, 2009,]~~ the use of real-time technology in the department's ~~[independent administrator's or other authorized entity's]~~ placement system to screen possible placement options for a child and match the child's needs with the most qualified providers with vacancies.

(d) The department shall ~~[institute a quality assurance system in monitoring the independent administrators or other authorized entities to]~~ ensure that placement decisions are reliable and are made in a consistent manner.

(e) In making placement decisions, the department ~~[an independent administrator or other authorized entity]~~ shall:

(1) consult with the child's caseworker and the child's attorney ad litem, guardian ad litem, or court-appointed volunteer advocate when possible; and

(2) use clinical protocols to match a child to the most appropriate placement resource.

(f) The department may create a regional advisory council in a region to assist the department ~~[and independent administrator or other authorized entity]~~ in:

(1) assessing the need for resources in the region; and

(2) locating substitute care services in the region for hard-to-place children.

(g) If the department is unable to find an appropriate placement for a child, an employee of the department who has on file a background and criminal history check may provide temporary emergency care for the child. An employee may not provide emergency care under this subsection in the employee's residence. The department shall provide notice to the court for a child placed in temporary care under this subsection not later than the next business day after the date the child is placed in temporary care.

SECTION 13. Subchapter B, Chapter 264, Family Code, is amended by adding Section 264.1071 to read as follows:

Sec. 264.1071. PLACEMENT FOR CHILDREN UNDER AGE TWO. In making a placement decision for a child under two years of age, the department shall:

(1) ensure that the child is placed with a person who will provide a safe and emotionally stable environment for the child; and

(2) give priority to a person who will be able to provide care for the child without disruption until the child is returned to the child's parents or the department makes a permanent placement for the child.

SECTION 14. Section 264.113, Family Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) The department shall work with OneStar Foundation to expand the program described by Subsection (b) to increase the number of foster families available for the department and its private providers. In cooperation with the department, OneStar Foundation may provide training and technical assistance to establish networks and services in faith-based organizations based on best practices for supporting prospective and current foster families.

(d) The department shall work with the Department of Assistive and Rehabilitative Services to recruit foster parents and adoptive parents who have skills, training, or experience suitable to care for children with hearing impairments.

SECTION 15. Section 264.121, Family Code, is amended by adding Subsection (c) to read as follows:

(c) At the time a child enters the Preparation for Adult Living Program, the department shall provide an information booklet to the child and the foster parent describing the program and the benefits available to the child, including extended Medicaid coverage until age 21, priority status with the Texas Workforce Commission, and the exemption from the payment of tuition and fees at institutions of higher education as defined by Section 61.003, Education Code.

SECTION 16. Subchapter C, Chapter 264, Family Code, is amended by adding Section 264.2011 to read as follows:

Sec. 264.2011. ENHANCED IN-HOME SUPPORT PROGRAM. (a) To the extent that funding is available, the department shall develop a program to strengthen families through enhanced in-home support. The program shall assist certain low-income families and children in child neglect cases in which poverty is believed to be a significant underlying cause of the neglect and in which the enhancement of in-home support appears likely to prevent removal of the child from the home or to speed reunification of the child with the family.

(b) A family that meets eligibility criteria for inclusion in the program is eligible to receive limited funding from a flexible fund account to cover nonrecurring expenses that are designed to help the family accomplish the objectives included in the family's service plan.

(c) The executive commissioner shall adopt rules establishing:

(1) specific eligibility criteria for the program described in this section;

(2) the maximum amount of money that may be made available to a family through the flexible fund account; and

(3) the purposes for which money made available under the program may be spent.

(d) The department shall evaluate the results of the program to determine whether the program is successful in safely keeping families together. If the department determines that the program is successful, the department shall continue the program to the extent that funding is available.

SECTION 17. Section 264.203(a), Family Code, is amended to read as follows:

(a) Except as provided by Subsection (d), the court on request of the department may order the parent, managing conservator, guardian, or other member of the subject ~~abused or neglected~~ child's household to:

(1) participate in the services the department provides or purchases for:

(A) alleviating the effects of the abuse or neglect that has occurred; or

(B) reducing the reasonable likelihood that the child may be abused or neglected in the immediate or foreseeable future; and

(2) ~~to~~ permit the child and any siblings of the child to receive the services.

SECTION 18. Chapter 266, Family Code, as added by Chapter 268, Acts of the 79th Legislature, Regular Session, 2005, is amended by adding Section 266.0031 to read as follows:

Sec. 266.0031. COMMITTEE ON PEDIATRIC CENTERS OF EXCELLENCE RELATING TO ABUSE AND NEGLECT. (a) The committee on pediatric centers of excellence relating to abuse and neglect is composed of nine members appointed by the executive commissioner. The members must include:

(1) a representative of the attorney general's office;

(2) a representative of the Department of State Health Services;

(3) a representative of the Department of Family and Protective Services;

(4) a representative of the Health and Human Services Commission;

(5) a representative of a child advocacy center;

(6) three pediatricians who specialize in treating victims of child abuse; and

(7) a representative from a children's hospital.

(b) The executive commissioner shall designate a member representing the Department of State Health Services as the presiding officer of the committee.

(c) If there is a medical director for the department, the executive commissioner shall appoint the medical director to be the department's representative on the committee.

(d) The committee shall:

(1) develop guidelines for designating regional pediatric centers of excellence that:

(A) provide medical expertise to children who are suspected victims of abuse and neglect; and

(B) assist the department in evaluating and interpreting the medical findings for children who are suspected victims of abuse and neglect;

(2) develop recommended procedures and protocols for physicians, nurses, hospitals, and other health care providers to follow in evaluating suspected cases of child abuse and neglect; and

(3) recommend methods to finance the centers of excellence and services described by this section.

(e) The committee shall report its findings and recommendations to the department and the legislature not later than December 1, 2008.

(f) This section expires January 1, 2010.

SECTION 19. Section 2155.1442(a), Government Code, is amended to read as follows:

(a) Subject to Subsection (e), the state auditor shall conduct a management review of the residential contract management employees of the Health and Human Services Commission and the Department of Family and Protective Services and make recommendations regarding the organization of, and skills and educational requirements for, those employees. The state auditor shall also make recommendations regarding the implementation of financial accountability provisions and processes to ensure effective and efficient expenditure of state and other contract funds. ~~[The state auditor shall report annually to the governor, the lieutenant governor, the speaker of the house of representatives, and the comptroller on the auditor's recommendations and the commission's and department's implementation of each recommendation.]~~

SECTION 20. Subchapter A, Chapter 191, Health and Safety Code, is amended by adding Section 191.0047 to read as follows:

Sec. 191.0047. BIRTH INFORMATION FOR DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES. (a) The Department of State Health Services shall implement an efficient and effective method to verify birth information or provide a certified copy of a birth record necessary to provide services for the benefit of a minor being served by the Department of Family and Protective Services.

(b) The Department of State Health Services shall enter into a memorandum of understanding with the Department of Family and Protective Services to implement this section. The terms of the memorandum of understanding must include methods for reimbursing the Department of State Health Services in an amount that is not more than the actual costs the department incurs in verifying the birth information or providing the birth record to the Department of Family and Protective Services.

SECTION 21. Subchapter B, Chapter 40, Human Resources Code, is amended by adding Section 40.0325 to read as follows:

Sec. 40.0325. STUDY OF CASEWORKER EDUCATION REIMBURSEMENT. (a) The department shall study the effect that providing reimbursement for certain educational expenses would have on recruiting and retaining qualified child protective services caseworkers. The study must include a

comparative analysis of the cost of training new caseworkers and the benefits of having an experienced caseworker staff with the cost of providing reimbursement for educational expenses.

(b) In determining the cost of reimbursing caseworkers for educational expenses, the department shall consider reimbursing caseworkers for tuition, academic fees, and other academic expenses the caseworker paid to an institution of higher education or a private or independent institution of higher education, as those terms are defined by Section 61.003, Education Code, while the caseworker was enrolled in a bachelor's degree or advanced degree program in an academic program that the department determines provides necessary training for child protective services caseworkers.

(c) Not later than December 1, 2008, the department shall report its findings and recommendations to the governor, lieutenant governor, and speaker of the house of representatives.

SECTION 22. Section 40.0528, Human Resources Code, is amended by adding Subsection (c) to read as follows:

(c) This section does not prevent the department from contracting for special investigator services as needed.

SECTION 23. Section 40.071, Human Resources Code, is amended to read as follows:

Sec. 40.071. DRUG-ENDANGERED CHILD INITIATIVE. The department shall establish a drug-endangered child initiative aimed at protecting children who are exposed to heroin, cocaine or any of its forms, or methamphetamine or to chemicals and other hazardous materials used in the illicit manufacture of methamphetamine.

SECTION 24. Sections 42.021(a) and (b), Human Resources Code, are amended to read as follows:

(a) The department may designate a division within the department to carry out responsibilities the department may delegate or assign under this chapter. The department shall ensure the independence of the division from the child protective services division.

(b) The commissioner shall appoint as director of a division designated under Subsection (a) a person who meets the qualifications set by the executive commissioner. The commissioner shall ensure the director's independence from the child protective services division and may not terminate the director without the approval of the executive commissioner.

SECTION 25. (a) Subchapter B, Chapter 42, Human Resources Code, is amended by adding Section 42.0211 to read as follows:

Sec. 42.0211. SAFETY SPECIALISTS, RISK ANALYSTS, AND PERFORMANCE MANAGEMENT. (a) The division shall employ at least one specially trained investigation safety specialist, whose duties include the duty to:

(1) review and evaluate the intake of reports that include allegations associated with a higher risk of harm to the child; and

(2) consult with the assigned investigator to provide specialized guidance and resources to assist the investigation.

(b) The division shall employ at least one risk analyst, whose duties include the duty to:

(1) identify facilities, including child-placing agencies, whose compliance histories indicate the potential for a higher risk of harm to children in the care of the facility;

(2) review the monitoring and inspection reports for any facilities described by Subdivision (1) to assess the quality of the investigation or monitoring; and

(3) identify any additional monitoring or enforcement action that may be appropriate to ensure the safety of a child in the care of the facility.

(c) The division must include a performance management unit with duties that include:

(1) conducting quality assurance reviews of randomly selected monitoring and investigative reports to ensure compliance with all relevant laws, rules, and agency policies; and

(2) making recommendations to improve the quality and consistency of monitoring and investigations.

(b) The Department of Family and Protective Services shall implement the change in law made by the enactment of Section 42.0211, Human Resources Code, by this Act only to the extent that funding is available.

SECTION 26. Subchapter B, Chapter 42, Human Resources Code, is amended by adding Section 42.0221 to read as follows:

Sec. 42.0221. COMMITTEE ON LICENSING STANDARDS. (a) The committee on licensing standards is composed of seven members appointed by the governor as follows:

(1) one member who operates a residential child-care facility licensed by the department;

(2) one member who operates a child-placing agency licensed by the department;

(3) one member who operates a licensed child-care facility that provides care for children for less than 24 hours a day;

(4) one member who is a parent, guardian, or custodian of a child who uses a facility licensed by the department;

(5) one member who is an expert in the field of child care and child development; and

(6) two members employed by the department who work with facilities licensed by the department.

(b) Members of the committee serve two-year terms, with the terms of three or four members, as appropriate, expiring February 1 of each year.

(c) The governor shall designate a member of the committee to serve as the presiding officer.

(d) The committee shall meet twice a year at the call of the presiding officer.

(e) The committee shall review and analyze the information provided by the department and committee members and shall make recommendations for policy and statutory changes relating to licensing standards and facility inspections. The review and analysis by the committee shall include the analysis of:

(1) the deaths of children who are in substitute care;

(2) the types of licensing violations for each weighted risk and region;

(3) the details of administrative reviews and appeals; and

(4) the type of technical assistance provided and the qualifications of those providing technical assistance.

(f) The committee shall report its findings and recommendations to the department and the legislature not later than December 1 of each year.

SECTION 27. Section 42.042, Human Resources Code, is amended by adding Subsection (r) to read as follows:

(r) A residential child-care facility that provides emergency services may temporarily exceed the facility's capacity for not more than 48 hours to provide temporary care for a child in an emergency. The facility shall notify the department within 24 hours of the placement that the facility temporarily exceeded the facility's capacity.

SECTION 28. (a) Section 42.044, Human Resources Code, is amended by adding Subsection (b-1) and amending Subsection (e) to read as follows:

(b-1) At least one of the unannounced, annual inspections of a residential child-care facility must be conducted by a team of at least two residential child-care monitoring staff, and, if feasible, members of the inspection team must be from different residential child-care monitoring units.

(e) In addition to the department's responsibility to investigate an agency foster home or agency foster group home under Subsection (c), the [The] department shall:

(1) periodically conduct inspections of a random sample of agency foster homes and agency foster group homes;

(2) investigate any report of a serious incident in an agency foster home or agency foster group home that pertains to a child under the age of six;

(3) investigate any alleged violation of a minimum standard by an agency foster home or agency foster group home that poses a high degree of risk to a child in the care of the home who is under the age of six; and

(4) conduct at least one annual enforcement team conference for each child-placing agency to thoroughly review the investigations or inspections of the child-placing agency and all of its agency homes[~~—The department shall use the inspections~~] to monitor and enforce compliance by a child-placing agency with rules and standards established under Section 42.042.

(b) The executive commissioner of the Health and Human Services Commission shall adopt rules specifying the types of alleged minimum standards violations that are considered to pose a high degree of risk to a child in the care of an agency foster home or agency foster group home under the age of six and must be investigated by the Department of Family and Protective Services under Section 42.044(e)(3), Human Resources Code, as added by this Act.

(c) The Department of Family and Protective Services shall implement the change in law made by this Act to Section 42.044, Human Resources Code, only to the extent that funding is available. If funding is not available, the executive commissioner of the Health and Human Services Commission is not required to adopt rules as directed by Subsection (b) of this section.

SECTION 29. Section 42.0535, Human Resources Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) The department, by rule, shall develop a process by which a child-placing agency shall report to the department:

(1) the name of any verified foster home or foster group home that has been closed for any reason, including a voluntary closure;

(2) information regarding the reasons for the closure of the foster home or foster group home; and

(3) the name and other contact information of a person who may be contacted by another child-placing agency to obtain the records relating to the closed foster home or foster group home that are required to be maintained and made available under this section.

(f) Information gathered under Subsection (e) must be made available to child-placing agencies through a searchable database maintained by the department.

SECTION 30. Subchapter C, Chapter 42, Human Resources Code, is amended by adding Section 42.0536 to read as follows:

Sec. 42.0536. TRANSFER OF AGENCY FOSTER HOME. (a) An agency foster home that is verified by a child-placing agency may transfer to another child-placing agency only if, before the date of the transfer, the agency foster home notifies the child-placing agency to which the agency foster home is transferring of each licensing violation for which the agency foster home has been cited by the department during the preceding three years.

(b) The child-placing agency to which the agency foster home is transferring shall submit a written request for transfer to the child-placing agency that verified the agency foster home.

(c) Not later than the 10th day after the date the child-placing agency receives a request for transfer under Subsection (b), the child-placing agency shall provide the child-placing agency that submitted the request a copy of any of the following documents regarding the agency foster home:

(1) a corrective action plan;

(2) an annual development plan; or

(3) a description of any imposed or potential service limitation.

(d) The department caseworker for each child placed in the agency foster home may conduct a review meeting to determine whether the transfer of the agency foster home is in the best interest of each child in the home on the request of:

(1) the child-placing agency to which the agency foster home is transferring;

(2) the child-placing agency that verified the agency foster home;

(3) the agency foster home; or

(4) the caseworker.

(e) After a review meeting, the caseworker shall determine whether each child placed in the agency foster home shall:

(1) stay in the agency foster home after the agency foster home is transferred to the new child-placing agency; or

(2) be removed from the agency foster home before the agency foster home is transferred to the new child-placing agency.

SECTION 31. The heading to Chapter 45, Human Resources Code, is amended to read as follows:

CHAPTER 45. ~~CONTRACTS FOR [PRIVATIZATION OF]~~ SUBSTITUTE CARE
AND CASE MANAGEMENT SERVICES

SECTION 32. Sections 45.001(1), (12), and (13), Human Resources Code, are amended to read as follows:

(1) "Case management services" has the meaning assigned by Section 264.106, Family Code ~~[means the provision of case management services to a child for whom the department has been appointed temporary or permanent managing conservator, including caseworker child visits, family visits, the convening of family group conferences, the development and revision of the case plan, the coordination and monitoring of services needed by the child and family, and the assumption of court-related duties, including preparing court reports, attending judicial hearings and permanency hearings, and ensuring that the child is progressing toward permanency within state and federal mandates].~~

(12) "Substitute care provider" has the meaning assigned by Section 264.106, Family Code ~~[means a child care institution or a child placing agency, as defined by Section 42.002].~~

(13) "Substitute care services" has the meaning assigned by Section 264.106, Family Code ~~[means services provided to or for children in substitute care and their families, including the recruitment, training, and management of foster parents, the recruitment of adoptive families, and the facilitation of the adoption process, family reunification, independent living, emergency shelter, residential group care, foster care, therapeutic foster care, and post placement supervision, including relative placement. The term does not include the regulation of facilities under Subchapter C, Chapter 42].~~

SECTION 33. The heading to Section 45.002, Human Resources Code, is amended to read as follows:

Sec. 45.002. ~~CONTRACTS FOR [PRIVATIZING SUBSTITUTE CARE AND]~~ CASE MANAGEMENT SERVICES; DEPARTMENT DUTIES.

SECTION 34. Sections 45.002(a) and (c), Human Resources Code, are amended to read as follows:

(a) Not later than September 1, 2008 ~~[2011]~~, the department shall contract with one or more providers of ~~[complete the statewide privatization of the provision of substitute care and]~~ case management services in one or more geographic areas of the state as provided by Section 264.106, Family Code, with a goal of contracting for those services in at least 10 percent of the cases in this state.

(c) The ~~[On and after September 1, 2011, the]~~ department shall:

(1) monitor the quality of services for which the department contracts ~~[and each independent administrator contract]~~ under this chapter; ~~[and]~~

(2) ensure that the services are provided in accordance with federal law and the laws of this state, including department rules and rules of the Department of State Health Services and the Texas Commission on Environmental Quality; and

(3) ensure that all substitute care and case management service providers, to the extent possible, honor the cultural and religious affiliations of a child placed in the service provider's care, regardless of the religious affiliation of the service provider.

SECTION 35. Section 45.004, Human Resources Code, is amended to read as follows:

Sec. 45.004. ~~[INDEPENDENT ADMINISTRATORS;]~~ DEPARTMENT DATA SYSTEM DUTIES. ~~[(a) The department shall research and develop a comprehensive strategy for contracting for management support services from independent administrators on a regional basis. If the department determines that an independent administrator could manage and procure substitute care and case management services contracts with private agencies and conduct placement assessments in a more cost beneficial manner, the department shall implement a transition plan to transfer the procurement, management, and oversight of substitute care and case management services from the department to an independent administrator, as well as responsibility for placement assessments. If the department determines that contracting for management support from an independent administrator is not cost beneficial, the privatization of substitute care and case management services will occur as provided by Section 45.002(b).~~

~~[(b) The comprehensive strategy, at a minimum, must:~~

~~[(1) use competitively procured independent administrators to procure and manage substitute care and case management providers in a geographic region designated by the department;~~

~~[(2) require independent administrators to contract with private agencies that will:~~

~~[(A) increase local foster and adoptive placement options for all children, especially teenagers, sibling groups, children whose race or ethnicity is disproportionately represented in foster care, children with severe or multiple disabilities, and other children who are difficult to place; and~~

~~[(B) expand efforts to recruit foster families, adoptive families, and alternative care providers through faith based and other targeted recruitment programs; and~~

~~[(3) allow permanency services providers to enter client, service, and outcome information into the department's client data system.~~

~~[(e)] Subject to the appropriation of funds, the department shall:~~

~~(1) enhance existing data systems to include contract performance information; and~~

~~(2) implement a contracting data system developed or procured by the department, to track quality assurance and other contracting tools to effectively manage, monitor, and evaluate performance-based contracting functions.~~

SECTION 36. The heading to Section 45.054, Human Resources Code, is amended to read as follows:

Sec. 45.054. EVALUATION OF CASE MANAGEMENT SERVICES [REGIONAL IMPLEMENTATION].

SECTION 37. Sections 45.054(c) and (d), Human Resources Code, are amended to read as follows:

(c) Not later than the second ~~[first]~~ anniversary of the date the department enters into the first contract for ~~[substitute care and]~~ case management services under a pilot program described by this chapter and Section 264.106, Family Code [section], the department shall contract with a qualified, independent third party to evaluate the pilot program [each phase of the privatization of substitute care and case management services]. Each evaluation must:

(1) assess the performance of [~~substitute care and~~] case management services based on compliance with defined quality outcomes for children;

(2) assess the achievement of performance measures;

(3) compare for quality the performance of [~~substitute care and~~] case management services provided by contractors to [~~substitute care and~~] case management services provided by the department [~~in similar regions~~];

(4) determine if contracted services are cost beneficial; and

(5) assess the contractor's [~~private sector's~~] ability to meet the performance measures [~~, including service capacity, for the remaining regions~~].

(d) The independent third party with whom the department contracts under Subsection (c) shall submit its reports and recommendations to the House Human Services Committee, or its successor, and the Senate Health and Human Services Committee, or its successor, not later than September 1, 2010.

SECTION 38. Section 45.101, Human Resources Code, is amended to read as follows:

Sec. 45.101. GOALS FOR CONTRACTING [PRIVATIZATION]. In contracting for substitute care and case management services, the department's goals shall be:

(1) [~~The transition plan adopted under Section 45.053 must provide for a new structural model for the community centered delivery of substitute care and case management services that is based on a goal of~~] improving protective services;

(2) [~~]~~ achieving timely permanency for children in substitute care, including family reunification, placement with a relative, or adoption; [~~]~~ and

(3) improving the overall well-being of children in substitute care consistent with federal and state mandates.

SECTION 39. (a) The Department of Family and Protective Services shall develop a child protective services improvement plan that is designed to build on the child protective services reform elements added by Chapter 268, Acts of the 79th Legislature, Regular Session, 2005. In developing the plan, the department shall seek to expand on or modify initiatives that have resulted in demonstrable improvements and that serve the primary goals of:

(1) keeping families together while ensuring child safety in the home;

(2) reducing the length of time children remain in state care; and

(3) improving the quality and accountability of foster care.

(b) The improvement plan must include:

(1) expanding the use of family group decision-making;

(2) reducing caseloads for caseworkers providing family-based safety services and ongoing substitute care services;

(3) implementing an enhanced in-home support program, as enacted by Section 264.2011, Family Code, as added by this Act, to provide enhanced in-home supports to certain families;

(4) providing additional purchased client services designed to keep families together and to reunite families more quickly while ensuring child safety;

(5) enhancing support of kinship placements by hiring or contracting to provide additional kinship workers to provide additional support and education to relative placements and purchasing additional support services for relative placements;

(6) enhancing services needed to support court services and preparation of records for adoptive placement;

(7) improving the quality and accountability of child-care licensing monitoring and investigations by assigning those functions to separate staff, providing specialized training to staff who perform each function, performing additional investigations of certain reports involving young children, and providing additional support and oversight to both functions;

(8) expanding substitute and adoptive placement quality and capacity in local communities through the procurement of a statewide needs assessment and through implementation of recommendations for expanding and improving provider capabilities;

(9) streamlining criminal history background checks to increase the efficiency and effectiveness of those checks;

(10) improving the quality of services delivered by the Department of Family and Protective Services through expanded use of mobile technology and enhancements to the department's CLASS and IMPACT database systems and operations;

(11) expanding implementation of the remediation plan required under Section 1.54, Chapter 268, Acts of the 79th Legislature, Regular Session, 2005, to address racial or ethnic disparities in foster care; and

(12) implementing a statewide pilot program for a time-limited, posthospitalization "step-down" rate, approved by the executive commissioner of the Health and Human Services Commission, to support the successful transition of children who have experienced or are likely to experience multiple inpatient admissions in a psychiatric hospital to an appropriate level of care.

(c) The recommendations for expanding and improving provider capabilities under Subsection (b)(8) of this section must include provisions for start-up funding for providers to build necessary capacity in the state, partnerships with community leaders to identify local resources to support building capacity, and the development of pilot projects to procure regional capacity development. Beginning September 1, 2007, at the end of each fiscal year, the Department of Family and Protective Services shall prepare a progress report that details the department's activities in implementing the recommendations described in Subsection (b)(8) of this section. The progress report must include regional data regarding the number of children in state conservatorship who are placed in their home region separated into classifications based on levels of care. The Department of Family and Protective Services shall submit the periodic progress reports required by this subsection to:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the speaker of the house of representatives;
- (4) appropriate oversight committees of the legislature;
- (5) the Legislative Budget Board; and

(6) the state auditor.

(d) The Department of Family and Protective Services shall implement the improvement plan described by this section only to the extent that funds are available for that purpose. If funds are available to support some, but not all, elements of the plan, the department shall implement only those parts of the plan for which funding is available. To the extent feasible, the department shall contract for services needed to implement elements of the improvement plan, including the services needed to expand family group decision-making, family-based safety services, kinship support services, and purchased client services.

SECTION 40. (a) Not later than December 31, 2007, the Department of Family and Protective Services shall prepare and submit a detailed plan for:

(1) the implementation of each element of the child protective services improvement plan required by Section 30 of this Act for which funding has been obtained; and

(2) the continued implementation of all child protective services reform activities required by Chapter 268, Acts of the 79th Legislature, Regular Session, 2005, as modified by this Act.

(b) At the end of each fiscal year beginning August 31, 2008, the Department of Family and Protective Services shall prepare and submit a progress report that details the department's activities in implementing the plan described by Subsection (a)(1) of this section. The progress report must include the department's calculation of cost savings from reduced stays in foster care and any other cost savings that can be attributed to the implementation of the improvement plan and continued child protective services reforms.

(c) The Department of Family and Protective Services shall submit the implementation plan and periodic progress reports required by this section to:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the speaker of the house of representatives;
- (4) appropriate oversight committees of the legislature;
- (5) the Legislative Budget Board; and
- (6) the state auditor.

(d) This section expires September 1, 2010.

SECTION 41. The Department of Family and Protective Services shall actively pursue a waiver or other authorization from an appropriate federal agency to use any available federal funds, including funds available under Title IV-E, Social Security Act (42 U.S.C. Section 670 et seq.), to provide monthly monetary assistance under a caregiver assistance agreement in accordance with Section 264.755, Family Code.

SECTION 42. The following sections are repealed:

- (1) Sections 264.106(d), (f), (i), (j), and (k), Family Code;
- (2) Section 264.1062, Family Code;
- (3) Section 42.022, Human Resources Code;
- (4) Sections 45.001(5), (6), (8), (9), (10), and (11), Human Resources Code;
- (5) Sections 45.002(b), (d), and (e), Human Resources Code;
- (6) Sections 45.052 and 45.053, Human Resources Code;

(7) Sections 45.054(a), (b), (e), (f), (g), and (h), Human Resources Code; and

(8) Section 45.102, Human Resources Code.

SECTION 43. The change in law made by this Act to Section 102.004, Family Code, applies only to an original suit affecting the parent-child relationship filed on or after the effective date of this Act. An original suit affecting the parent-child relationship filed before the effective date of this Act is governed by the law in effect on the date that the suit was filed, and the former law is continued in effect for that purpose.

SECTION 44. This Act takes effect September 1, 2007.

Floor Amendment No. 1

Amend **CSSB 758** (House committee printing) in SECTION 26 of the bill, in added Subdivision (1), Subsection (e), Section 42.0221, Human Resources Code (page 24, line 25), between "care" and the semicolon, insert ", including reports and findings of child fatality review teams under Subchapter F, Chapter 264, Family Code".

Floor Amendment No. 2

Amend **CSSB 758** (House committee printing) as follows:

(1) In SECTION 18 of the bill, in added Subsection (a), Section 266.0031, Family Code (page 18, line 7), strike "nine" and substitute "10".

(2) In SECTION 18 of the bill, in added Subsection (a), Section 266.0031, Family Code (page 18, line 18), strike "and".

(3) In SECTION 18 of the bill, in added Subdivision (7), Subsection (a), Section 266.0031, Family Code (page 18, line 19), between "hospital" and the period, insert the following:

; and

(8) a representative of a medical school, as defined by Section 61.501, Education Code, with expertise in forensic consultation

Floor Amendment No. 3

Amend **CSSB 758** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION _____. Subchapter B, Chapter 40, Human Resources Code, is amended by adding Section 40.0325 to read as follows:

Sec. 40.0325. RECRUITMENT OF CASEWORKERS. When recruiting child protective services caseworkers, the department shall target its recruitment efforts toward individuals who hold a bachelor's degree or advanced degree in at least one of the following academic areas:

(1) social work;

(2) counseling;

(3) early childhood education;

(4) psychology;

(5) criminal justice;

(6) elementary or secondary education;

(7) sociology; or

(8) human services.

Floor Amendment No. 4

Amend **CSSB 758** (House committee printing), in SECTION 37 of the bill, in amended Subsection (c), Section 45.054, Human Resources Code (page 33, line 2), by striking "second [~~first~~]" and substituting "first".

Floor Amendment No. 5

Amend **CSSB 758** as follows:

(1) In Subdivision (1), Subsection (a), SECTION 40 of the bill (page 37, line 27), strike "Section 30" and substitute "Section 39".

(2) In SECTION 42 of the bill (page 39, between lines 10 and 11), insert the following appropriately numbered subdivision and renumber existing subdivisions of that section as appropriate:

() Section 42.0505, Human Resources Code;

(3) Add the following appropriately numbered SECTIONS to the bill and renumber subsequent sections, and any references to those sections, accordingly:

SECTION _____. Section 42.001, Human Resources Code, is amended to read as follows:

Sec. 42.001. PURPOSE. The purpose of this chapter is to protect the health, safety, and well-being of the children of the state who reside in child-care facilities by establishing statewide minimum standards for their safety and protection and by regulating the facilities through a licensing program [~~or by requiring child-care facilities to be regulated by alternative accreditation bodies~~]. It is the policy of the state to ensure the protection of all children under care in child-care facilities and to encourage and assist in the improvement of child-care programs. It is also the intent of the legislature that freedom of religion of all citizens is inviolate. With respect to a school or child-care facility sponsored by a religious organization, nothing in this chapter gives a governmental agency authority to regulate, control, supervise, or in any way be involved in the:

(1) form, manner, or content of religious instruction, ministry, teaching, or the curriculum offered by the school or facility;

(2) ability of the school or facility to select and supervise qualified personnel, and otherwise control the terms of employment, including the right to employ individuals who share the religious views of the school or facility;

(3) internal self-governance and autonomy of the school or facility; or

(4) religious environment of the school or facility, such as symbols, art, icons, and scripture.

SECTION _____. Subsection (a), Section 42.0445, Human Resources Code, is amended to read as follows:

(a) Before the department issues [~~or renews~~] a license, listing, registration, or certification under this subchapter, the department shall search the central registry of reported cases of child abuse or neglect established under Section 261.002, Family Code, to determine whether the applicant or the owner or an employee of the facility or family home is listed in the registry as a person who abused or neglected a child.

SECTION _____. Subsection (a), Section 42.0461, Human Resources Code, is amended to read as follows:

(a) Before the department may issue a license~~[, other than a renewal license,]~~ or certificate to operate under Subchapter E for the operation or the expansion of the capacity of a foster group home or foster family home that is located in a county with a population of less than 300,000 and that provides child care for 24 hours a day at a location other than the actual residence of a child's primary caretaker or of a child care institution, the applicant for the license, certificate, or expansion shall, at the applicant's expense:

(1) conduct a public hearing on the application in accordance with department rules after notifying the department of the date, time, and location of the hearing; and

(2) publish notice of the application in a newspaper of general circulation in the community in which the child-care services are proposed to be provided.

SECTION _____. Subsection (e), Section 42.048, Human Resources Code, is amended to read as follows:

(e) A license issued under this chapter is not transferable and applies only to the operator and facility location stated in the license application. Except as provided by this subsection, a [A] change in location or ownership automatically revokes a license. A change in location of a child-placing agency does not automatically revoke the license to operate the child-placing agency.

SECTION _____. Section 42.0705, Human Resources Code, is amended to read as follows:

Sec. 42.0705. RANGE OF PENALTIES. The department shall revoke or ~~[s]~~ suspend~~[, or refuse to renew]~~ a license or registration, place on probation a person whose license or registration has been suspended, or reprimand a license holder or registration holder for a violation of this chapter or a rule of the board. If a license or registration suspension is probated, the department may require the license holder or registration holder to:

(1) report regularly to the department on matters that are the basis of the probation;

(2) limit services to the areas prescribed by the department;

(3) continue or review professional education until the license holder or registration holder attains a degree of skill satisfactory to the department in those areas that are the basis of the probation; or

(4) take corrective action relating to the violation on which the probation is based.

SECTION _____. Subsection (a), Section 42.078, Human Resources Code, is amended to read as follows:

(a) The department may impose an administrative penalty against a facility or family home licensed or registered under this chapter that violates this chapter or a rule or order adopted under this chapter. In addition, the department may impose an administrative penalty against a residential child-care facility or a controlling person of a residential child-care facility if the facility or controlling person:

(1) violates a term of a license or registration issued under this chapter;

(2) makes a statement about a material fact that the facility or person knows or should know is false:

- (A) on an application for the issuance [~~or renewal~~] of a license or registration or an attachment to the application; or
- (B) in response to a matter under investigation;
- (3) refuses to allow a representative of the department to inspect:
- (A) a book, record, or file required to be maintained by the facility; or
- (B) any part of the premises of the facility;
- (4) purposefully interferes with the work of a representative of the department or the enforcement of this chapter; or
- (5) fails to pay a penalty assessed under this chapter on or before the date the penalty is due, as determined under this section.

Floor Amendment No. 6

Amend **CSSB 758** by adding the following appropriately numbered sections and renumber subsequent sections of the bill accordingly:

SECTION _____. Section 42.044, Human Resources Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Except as otherwise provided by this subsection, during an unannounced annual inspection of a day-care center, the department shall meet with the director designated by the day-care center as having daily, on-site responsibility for the operation of the day-care center to assess whether the director meets the qualifications of a director specified by this chapter and department rules. If the director is not present during the unannounced annual inspection, the department shall schedule a subsequent meeting with the director for that purpose and shall conduct that meeting at the day-care center.

SECTION _____. The heading to Section 42.056, Human Resources Code, is amended to read as follows:

Sec. 42.056. **REQUIRED BACKGROUND AND CRIMINAL HISTORY CHECKS; CRIMINAL PENALTIES.**

SECTION _____. Section 42.056, Human Resources Code, is amended by adding Subsections (a-2), (b-1), (g), (h), (i), (j), and (k) to read as follows:

(a-2) In accordance with rules adopted by the executive commissioner, the director, owner, or operator of a day-care center shall submit a complete set of fingerprints of each person whose name is submitted by the director, owner, or operator under Subsection (a). The rules adopted by the executive commissioner:

(1) must require that the fingerprints be submitted in a form and of a quality acceptable to the Department of Public Safety and the Federal Bureau of Investigation for conducting a criminal history check; and

(2) may require that the fingerprints be submitted electronically through an applicant fingerprinting service center.

(b-1) In addition to any other background or criminal history check conducted under Subsection (b), for each person whose name is submitted by the director, owner, or operator of a day-care center under Subsection (a), the department shall conduct a state and Federal Bureau of Investigation criminal history check by:

(1) submitting the person's fingerprints provided under Subsection (a-2), or causing the fingerprints to be submitted electronically as authorized by that subsection, to the Department of Public Safety for the purpose of conducting a state and federal criminal history check; and

(2) using the resulting information made available by that department under Section 411.114, Government Code, and by the Federal Bureau of Investigation and any other criminal justice agency under Section 411.087, Government Code.

(g) Except as otherwise provided by this subsection, a person whose name is submitted by the director, owner, or operator of a day-care center under Subsection (a) may not provide direct care or have direct access to a child in a day-care center before the person's background and criminal history checks under Subsections (b) and (b-1) are completed. A person may be employed at a day-care center and may provide direct care or have direct access to a child in the day-care center before the person's criminal history check under Subsection (b-1) is completed if:

(1) the state criminal history check and the background check using the department's records of reported abuse and neglect have been completed under Subsection (b), and the resulting information does not preclude the person from being present at the day-care center; and

(2) the day-care center is experiencing a staffing shortage that, if the day-care center were not allowed to employ the person until completion of the federal criminal history check, would result in a staff-to-child ratio that violates the department's minimum standards.

(h) If the results of a criminal history check under Subsection (b-1) for a person employed by a day-care center during a staffing shortage as authorized by Subsection (g) preclude the person from being present at the day-care center, the director, owner, or operator of the day-care center shall immediately terminate the person's employment.

(i) A director, owner, or operator of a day-care center commits an offense if the director, owner, or operator knowingly:

(1) fails to submit to the department information about a person as required by this section and department rules for use in conducting background and criminal history checks with respect to the person; and

(2) employs the person at the day-care center or otherwise allows the person to regularly or frequently stay or work at the day-care center while children are being provided care.

(j) A director, owner, or operator of a day-care center commits an offense if, after the date the director, owner, or operator receives notice from the department that, based on the results of a person's background or criminal history check, the person is precluded from being present at the day-care center, the director, owner, or operator knowingly:

(1) employs the person at the day-care center; or

(2) otherwise allows the person to regularly or frequently stay or work at the day-care center while children are being provided care.

(k) An offense under Subsection (i) or (j) is a Class B misdemeanor.

SECTION ____. Subchapter D, Chapter 42, Human Resources Code, is amended by adding Section 42.0761 to read as follows:

Sec. 42.0761. CRIMINAL PENALTY FOR OPERATING DAY-CARE CENTER WITHOUT QUALIFIED DIRECTOR. (a) An owner or operator of a day-care center commits an offense if the owner or operator knowingly operates the day-care center:

(1) without a director who meets the qualifications of a director prescribed by department rules; or

(2) without the routine presence during the day-care center's hours of operation of a director described by Subdivision (1).

(b) An offense under this section is a Class B misdemeanor.

SECTION _____. Sections 42.056(a-2), (b-1), (g), and (h), Human Resources Code, as added by this Act, apply to the conduct of background and criminal history checks of a person whose name is submitted to the Department of Family and Protective Services under Section 42.056(a), Human Resources Code, on or after the effective date of this Act.

Floor Amendment No. 7

Amend **CSSB 758** (House committee printing) by inserting the following new SECTIONS to the bill, appropriately numbered, and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 29.153(b), Education Code, is amended to read as follows:

(b) A child is eligible for enrollment in a prekindergarten class under this section if the child is at least three years of age and [~~is~~]:

(1) is unable to speak and comprehend the English language;

(2) is educationally disadvantaged;

(3) is a homeless child, as defined by 42 U.S.C. Section 11434a [~~11302~~], regardless of the residence of the child, of either parent of the child, or of the child's guardian or other person having lawful control of the child;

(4) is the child of an active duty member of the armed forces of the United States, including the state military forces or a reserve component of the armed forces, who is ordered to active duty by proper authority; [~~or~~]

(5) is the child of a member of the armed forces of the United States, including the state military forces or a reserve component of the armed forces, who was injured or killed while serving on active duty; or

(6) is or ever has been in the conservatorship of the Department of Family and Protective Services following an adversary hearing held as provided by Section 262.201, Family Code.

SECTION _____. This Act applies beginning with the 2007-2008 school year.

Floor Amendment No. 8

Amend **CSSB 758** (House committee printing) in SECTION 15 of the bill, in added Subsection (c), Section 264.121, Family Code (page 16, line 10), after the period by inserting "The information booklet provided to the child and the foster parent shall be provided in the primary language spoken by that individual."

Floor Amendment No. 9

Amend **CSSB 758** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 264, Family Code, is amended by adding Section 264.122 to read as follows:

Sec. 264.122. COURT APPROVAL REQUIRED FOR TRAVEL OUTSIDE UNITED STATES BY CHILD IN FOSTER CARE. (a) A child for whom the department has been appointed managing conservator and who has been placed in foster care may travel outside of the United States only if the person with whom the child has been placed has petitioned the court for, and the court has rendered an order granting approval for the child to travel outside of the United States.

(b) The court shall provide notice to the department and to any other person entitled to notice in the suit if the court renders an order granting approval for the child to travel outside of the United States under this section.

Floor Amendment No. 14

Amend **CSSB 758** (House committee printing) as follows:

(1) In Subsection (a), SECTION 10 of the bill, amended Subsection (c), Section 264.106, Family Code (page 10, line 23), strike "at least".

(2) In Subsection (b), SECTION 10 of the bill (page 12, line 11), strike "at least".

(3) In SECTION 34 of the bill, in amended Subsection (a), Section 45.002, Human Resources Code (page 30, line 17), strike "at least".

Floor Amendment No. 15

Amend **CSSB 758** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Section 102.005, Family Code, is amended to read as follows:

Sec. 102.005. STANDING TO REQUEST TERMINATION AND ADOPTION. An original suit requesting only an adoption or for termination of the parent-child relationship joined with a petition for adoption may be filed by:

(1) a stepparent of the child;

(2) an adult who, as the result of a placement for adoption, has had actual possession and control of the child at any time during the 30-day period preceding the filing of the petition;

(3) an adult who has had actual possession and control of the child for not less than two months during the three-month period preceding the filing of the petition; ~~[or]~~

(4) an adult who has adopted, or is the foster parent of and has petitioned to adopt, a sibling of the child; or

(5) another adult whom the court determines to have had substantial past contact with the child sufficient to warrant standing to do so.

(b) The change in law made by this section applies only to a suit affecting the parent-child relationship filed on or after the effective date of this Act. A suit affecting the parent-child relationship filed before the effective date of this Act is governed by the law in effect on the date the suit was filed, and the former law is continued in effect for that purpose.

Floor Amendment No. 17

Amend **CSSB 758** (House committee printing) as follows:

(1) In the recital to SECTION 22 of the bill (page 21, line 19), strike "Subsection (c)" and substitute "Subsections (c) and (d)".

(2) In SECTION 22 of the bill (page 21, between lines 21 and 22), insert:

(d) In reporting information relating to caseloads of child protective services caseworkers, in addition to reporting caseload by each individual affected by the case, the department shall report the number of cases for each caseworker on the basis of family unit.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 758** on third reading as follows:

(1) In the section of the bill amending Section 264.106, Family Code, in amended Paragraph (A), Subdivision (1), Subsection (a) of that section, following the semicolon, strike "and".

(2) In the section of the bill amending Section 264.106, Family Code, in amended Paragraph (B), Subdivision (1), Subsection (a) of that section, between "mandates" and the period, insert the following:

; and

(C) assisting the department in a suit affecting the parent-child relationship commenced by the department

(3) In the section of the bill amending Subsection (c), Section 45.054, Human Resources Code, strike the first sentence of Subsection (c) of that section as amended by Amendment No. 4 by Rose, and substitute "Not later than the second [~~first~~] anniversary of the date the department enters into the first contract for [~~substitute care and~~] case management services under a pilot program described by this chapter and Section 264.106, Family Code [~~section~~], the department shall contract with a qualified, independent third party to evaluate the pilot program [~~each phase of the privatization of substitute care and case management services~~]."

The amendments were read.

Senator Nelson moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 758** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Nelson, Chair; Deuell, Uresti, Shapiro, and Nichols.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 792 ADOPTED

Senator Williams called from the President's table the Conference Committee Report on **SB 792**. The Conference Committee Report was filed with the Senate on Thursday, May 24, 2007.

On motion of Senator Williams, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Patrick.

Absent-excused: Gallegos.

STATEMENT OF LEGISLATIVE INTENT

Senator Wentworth submitted the following statement of legislative intent for **SB 792**:

Amendment No. 28, by Representative Joe Farias, to **SB 792** would have considered Loop 1604 and U.S. Highway 281 in Bexar County as a single project and, therefore, subject to a moratorium on comprehensive development agreements. This amendment was removed in conference committee.

Despite this language being removed from the bill, an exchange on this date between Representative Wayne Smith and Representative David Leibowitz incorrectly indicates that the Loop 1604 and U.S. 281 are one project and, therefore, subject to the moratorium.

The Conference Committee Report on **SB 792** amended Section 223.210 of the Transportation Code to provide that Loop 1604 and U.S. Highway 281 are separate projects and, as such, U.S. 281 is subject to the moratorium and Loop 1604 is not.

WENTWORTH

SENATE BILL 617 WITH HOUSE AMENDMENT

Senator Wentworth called **SB 617** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 617** (House committee printing) as follows:

(1) In SECTION 1 of the bill, in amended Subdivision (3), Subsection (a), Section 154.006, Family Code (page 1, line 14), strike "or" and substitute "[~~or~~]".

(2) In SECTION 1 of the bill, in Subdivision (4), Subsection (a), Section 154.006, Family Code (page 1, line 19), between "154.002(a)" and the period, insert the following:

; or

(5) if the child enlists in the armed forces of the United States, the date on which the child begins active service as defined by 10 U.S.C. Section 101

The amendment was read.

Senator Wentworth moved to concur in the House amendment to **SB 617**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 662 WITH HOUSE AMENDMENT

Senator Wentworth called **SB 662** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 662**:

On page 2, line 20, strike "September 1, 2008" and insert "January 1, 2009".

The amendment was read.

Senator Wentworth moved to concur in the House amendment to **SB 662**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1245 WITH HOUSE AMENDMENT

Senator Wentworth called **SB 1245** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Amendment

Amend **SB 1245** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the creation of Kendall County Water Control and Improvement District No. 2; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

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

SECTION 1. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9022 to read as follows:

CHAPTER 9022. KENDALL COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9022.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means Kendall County Water Control and Improvement

District No. 2.

Sec. 9022.002. NATURE OF DISTRICT. The district is a water control and improvement district in Kendall County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9022.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 9022.023 before September 1, 2011:

(1) the district is dissolved September 1, 2011, except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of debts shall be transferred to Kendall County; and

(C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2014.

Sec. 9022.004. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

(2) the right of the district to impose taxes;

(3) the validity of the district's bonds, notes, or indebtedness; or

(4) the legality or operation of the district or the board.

[Sections 9022.005-9022.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 9022.021. INITIAL DIRECTORS. (a) The initial board consists of:

(1) Steve Mack;

(2) Matthew Diana;

(3) Glen Boehm;

(4) Jamie D'Spain; and

(5) Phillip Bell.

(b) Notwithstanding Section 9022.051(b), the terms of the first three directors named in Subsection (a) expire on the uniform election date in November of the first even-numbered year after the year in which the creation of the district is confirmed at an election held under Section 9022.023, and the terms of the last two directors named in Subsection (a) expire on the uniform election date in November of the next even-numbered year.

Sec. 9022.022. CONSENT OF MUNICIPALITY REQUIRED. The initial directors may not hold an election under Section 9022.023 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has received a petition seeking municipal consent to the creation of the district and has adopted a resolution providing that consent.

Sec. 9022.023. CONFIRMATION ELECTION. The initial directors shall hold an election to confirm the creation of the district.

Sec. 9022.024. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2014.

[Sections 9022.025-9022.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9022.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 9022.052. ELECTION OF DIRECTORS. Notwithstanding Section 49.103(b), Water Code, on the uniform election date in November of each even-numbered year, the appropriate number of directors shall be elected.

[Sections 9022.053-9022.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9022.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Sec. 9022.102. ROAD PROJECTS. (a) To the extent authorized by Section 52, Article III, Texas Constitution, the district may:

(1) construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district; and

(2) improve or maintain roads, or improvements in aid of those roads, outside the district.

(b) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the county in which the district is located.

(c) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution.

Sec. 9022.103. DIVISION OF DISTRICT. (a) The district may divide into two new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) The division procedure is prescribed by Sections 53.030 through 53.041, Water Code. Sections 51.748 through 51.753, Water Code, do not apply to the district.

(c) Any new district created by the division of the district has all the powers and duties of the district.

(d) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

Sec. 9022.104. DISSOLUTION OF DISTRICT. (a) Notwithstanding Section 43.0751, Local Government Code, or any other general law, before December 31, 2017, the district may not be dissolved unless the dissolution is approved by:

(1) the board; and

(2) the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

(b) This section expires December 31, 2017.

Sec. 9022.105. LIMIT ON EMINENT DOMAIN POWER. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for belowground water, sewer, storm water, or drainage pipelines that serve the district.

[Sections 9022.106-9022.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9022.151. TAX TO REPAY BONDS. The district may impose a tax to pay the principal of and interest on bonds issued under Section 9022.201.

[Sections 9022.152-9022.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9022.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Section 9022.101 or 9022.102.

(b) The district may not issue bonds authorized by Section 9022.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Bonds or other obligations issued or incurred to finance projects authorized by Section 9022.102 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. Kendall County Water Control and Improvement District No. 2 initially includes all the territory contained in the following described area:

TRACT ONE:

BEING a 232.965 acre tract of land out of the Juan Ortiz Survey No. 190, Abstract No. 363, Kendall County, Texas, said 232.965 acre tract being comprised of a 232.674 acre tract out of a 232.965 acre tract (230.65 acre tract, record) recorded in Volume 663, Pages 590, Official Records (R1), and a 0.291 acre tract (0.2915 acre tract, record) recorded in Volume 950, Page 489, Official Records, Kendall County, Texas, said 232.965 acre tract being more particularly described by metes and as follows:

BEGINNING at a 1/2" rebar found for a southwest corner of the herein described tract, the southeast corner of the David E. & Dafana J. Ebner tract recorded in Volume 582, Page 201, Official Records, Kendall County, Texas (R2), located in the north right-of-way line of State Highway No. 46 (100' right-of-way), from which a found TxDOT concrete ROW marker bears North 89 degrees 35 minutes 23 seconds West for a distance of 27.86 feet (North 89 degrees 14 minutes 15 seconds West, 27.85 feet, R2) and from which another found TxDOT concrete ROW marker bears South 89 degrees 35 minutes 23 seconds East for a distance of 856.87 feet;

THENCE departing the north right-of-way line of State Highway No. 46, along the east boundary line of the said David E. & Dafana J. Ebner tract, along a west boundary line of the herein described tract with a fence for the following bearings and distances:

North 00 degrees 14 minutes 02 seconds West for a distance of 637.70 feet (North 01 degrees 20 minutes 00 seconds West, 637.70 feet, R1) to a 1/2" rebar with plastic cap "MDS SURVEY" set for an angle point;

North 00 degrees 18 minutes 23 seconds West for a distance of 626.72 feet (North 01 degrees 21 minutes 00 seconds West, 515.00 feet & North 01 degrees 14 minutes 00 seconds West, 112.80 feet, R1) to a 1/2" rebar with plastic cap "MDS SURVEY" set for an interior corner next to steel fence post, being the northeast corner of said David E. & Dafana J. Ebner tract;

THENCE along the north boundary line of said David E. & Dafana J. Ebner tract, a south boundary line of the herein described tract with a fence South 89 degrees 53 minutes 22 seconds West for a distance of 359.62 feet (South 89 degrees 42 minutes 39 seconds West, 359.69 feet, R2) to a 1/2" rebar found for an angle point at a fence tee, the northwest corner of said David E. & Dafana J. Ebner tract, the northeast corner of the Dennis & Laurie Owens tract recorded in Volume 867, Page 990, Official Records, Kendall County, Texas (R3);

THENCE continuing along a south boundary line of the herein described tract with a fence, along the north boundary line of said Dennis & Laurie Owens tract, North 89 degrees 56 minutes 56 seconds West for a distance of 200.01 feet (South 88 degrees 57 minutes West, 200.00 feet, R3) to a 1/2" rebar with plastic cap "MDS SURVEY" set for an angle point at a fence tee, the northwest corner of said Dennis & Laurie Owens tract, the northeast corner of the Jerome A. & Shirley A. Rittimann tract recorded in Volume 84, Page 31, Deed Records, Kendall County, Texas;

THENCE continuing along a south boundary line of the herein described tract with a fence, along the north boundary line of said Jerome A. & Shirley A. Rittimann tract, South 89 degrees 53 minutes 37 seconds West for a distance of 815.19 feet to a 1/2" rebar with plastic cap "MDS SURVEY" set for a southwest corner, the northwest corner of said Jerome A. & Shirley A. Rittimann tract, located on the east boundary line of the Janette L. Carpenter tract recorded in Volume 228, Page 403, Official Records, Kendall County, Texas;

THENCE along the east boundary line of said Janette L. Carpenter tract, a west boundary line of the herein described tract with a fence North 00 degrees 46 minutes 28 seconds East for a distance of 326.92 feet to a 1/2" rebar found for an angle point at a fence tee, the northeast corner of said Janette L. Carpenter tract, a southeast corner of the L. D. Christianson tract recorded in Volume 603, Page 310, Official Records, Kendall County, Texas;

THENCE continuing along a west boundary line of the herein described tract with a fence, an east boundary line of the L. D. Christianson tract North 00 degrees 26 minutes 30 seconds East for a distance of 1781.96 feet to a 1/2" rebar found for an angle point at a fence tee, the northeast corner of said L. D. Christianson tract, the southeast corner of the John T. & Kay E. Thornton tract recorded in Volume 351, Page 889, Official Records, Kendall County, Texas (R4);

THENCE continuing along a west boundary line of the herein described tract, the east boundary line of said John T. & Kay E. Thornton tract North 00 degrees 41 minutes 07 seconds East for a distance of 1391.18 feet (North 00 degrees 54 minutes East, 1388.15 feet, R4) to a 1/2" rebar with plastic cap "MDS SURVEY" set for an angle point at a fence tee, the northeast corner of said John T. & Kay E. Thornton tract, the southeast corner of the Boerne L. P. tract recorded in Volume 459, Page 754, Official Records, Kendall County, Texas;

THENCE continuing along a west boundary line of the herein described tract with a fence, the east boundary line of said Boerne L. P. tract North 00 degrees 43 minutes 31 seconds East for a distance of 426.30 feet to a 1/2" rebar with plastic cap "MDS SURVEY" set for a northwest corner, the southwest corner of the Weloka Ltd. tract recorded Volume 950, Page 485, Official Records, Kendall County, Texas (R5);

THENCE departing from a fence line, along the south boundary line of said Weloka Ltd. tract, a north boundary line of the herein described tract South 89 degrees 55 minutes 06 seconds East for a distance of 20.00 feet (South 89 degrees 35 minutes 43 seconds East, 20.00 feet, R5) to a 1/2" rebar with plastic cap "MDS SURVEY" set for an interior corner, the southeast corner of said Weloka Ltd. tract;

THENCE along the east boundary line of said Weloka Ltd. tract, a west boundary line of the herein described tract North 00 degrees 43 minutes 31 seconds East for a distance of 634.96 feet (North 00 degrees 01 minutes 00 seconds East, 634.96 feet, R5) to a 1/2" rebar with plastic cap "MDS SURVEY" set for an angle point, being the northeast corner of said Weloka Ltd tract, the southwest corner of a 0.291 acre tract recorded in Volume 950, Page 489, Official Records, Kendall County, Texas (R6), said 0.291 acre tract being a portion out of a 547.0 acre tract recorded in Volume 684, Page 614, Official Records, Kendall County, Texas;

THENCE along the west boundary line of said 0.291 acre tract, a west boundary line of the herein described tract North 01 degrees 14 minutes 33 seconds West for a distance of 8.04 feet (North 00 degrees 55 minutes 10 seconds West, 8.04 feet, R6) to a 1/2" rebar with plastic cap "MDS SURVEY" set for a northwest corner, being the northwest corner of said 0.291 acre tract;

THENCE along the north boundary line of said 0.291 acre tract, a north boundary line of the herein described tract South 89 degrees 57 minutes 07 seconds East for a distance of 1579.92 feet (South 89 degrees 37 minutes 44 seconds East, 1579.92 feet, R6) to a 1/2" rebar with plastic cap "MDS SURVEY" set for a northeast corner, being the northeast corner of said 0.291 acre tract;

THENCE along the east boundary line of said 0.291 acre tract, an east boundary line of the herein described tract South 00 degrees 02 minutes 53 seconds West for a distance of 8.04 feet (South 00 degrees 22 minutes 16 seconds West, 8.04 feet, R6) to a 1/2" rebar with plastic cap "MDS SURVEY" set for an interior corner, being the southeast corner of said 0.291 acre tract, from which a 1/2" rebar with no identification bears North 89 degrees 57 minutes 39 seconds West for a distance of 21.60 feet;

THENCE along the south boundary line of said 547.0 acre tract, a north boundary line of the herein described tract with a fence South 89 degrees 57 minutes 39 seconds East for a distance of 447.46 feet to a 1/2" rebar with plastic cap "MDS SURVEY" set for a northeast corner at a fence tee, the northwest corner of the Leroy & Lula Bell Rittimann et al recorded in Volume 63, Page 300, Deed Records, Kendall County, Texas;

THENCE along the west boundary line of said Rittimann tract, an east boundary line of the herein described tract with a fence South 00 degrees 42 minutes 55 seconds West for a distance of 5826.77 feet (South, 5786.40 feet, R1) to a 1/2" rebar with plastic cap "MDS SURVEY" set for the southeast corner, the southwest corner of said Rittimann tract, located in the north right-of-way line of State Highway No. 46;

THENCE along the north right-of-way line of State Highway No. 46, a south boundary line of the herein described tract with a fence North 89 degrees 35 minutes 23 seconds West for a distance of 641.95 feet to the POINT OF BEGINNING.

CONTAINING 232.965 acres, more or less.

TRACT TWO:

BEING a 210.136 acre tract of land out of the Juan Ortiz Survey No. 190, Abstract No. 363, Kendall County, Texas, said 210.136 acre tract being that certain 210.2 acre tract recorded in Volume 668, Page 63, Official Records (R1), Kendall County, Texas, said 210.136 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" rebar with plastic cap "PAPE DAWSON" found for the southwest corner of the herein described tract, the southeast corner of the J.A. Schmidt Testamentary Trust tract recorded in Volume 340, Page 178, Official Records, Kendall County, Texas, located on the northern ROW line of State Highway No. 46 (100' right-of-way), from which a TxDOT concrete ROW monument found for reference has a chord bearing of South 61 degrees 34 minutes 32 seconds West with a chord distance of 127.22 feet;

THENCE along a west boundary line of the herein described tract, the east boundary line of said J.A. Schmidt tract with a fence the following bearings and distances:

North 00 degrees 15 minutes 24 seconds East for a distance of 1178.31 feet (North 00 degrees 15 minutes 21 seconds East, 1178.50 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

North 00 degrees 05 minutes 29 seconds East for a distance of 2407.20 feet (North 00 degrees 05 minutes 26 seconds East, 2407.63 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

North 00 degrees 08 minutes 41 seconds East for a distance of 352.90 feet (North 00 degrees 08 minutes 37 seconds East, 352.56 feet, R1) to a 1/2" rebar with no identification found for an interior corner, the northeast corner of said J.A. Schmidt tract;

THENCE along a south boundary line of the herein described tract, the north boundary line of said J.A. Schmidt tract with a fence North 89 degrees 53 minutes 15 seconds West for a distance of 1495.54 feet (North 89 degrees 52 minutes 23 seconds West, 1495.87 feet, R1) to a 1/2" rebar with no identification found for angle, a northeast corner of the Cliff & Rhonda Wheeler recorded in Volume 625, Page 155, Official Records, Kendall County, Texas;

THENCE along a southwestern boundary line of the herein described tract, the northeastern boundary line of said Cliff & Rhonda Wheeler tract with a high game fence the following bearings and distances:

North 73 degrees 58 minutes 36 seconds West for a distance of 320.03 feet (North 73 degrees 58 minutes 40 seconds West, 320.00 feet, R1) to a 1/2" rebar with no identification found for a southwest corner;

North 00 degrees 05 minutes 56 seconds West for a distance of 1168.00 feet (North 00 degrees 06 minutes 03 seconds West, 1168.25 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for an interior corner;

North 86 degrees 44 minutes 51 seconds West for a distance of 1053.11 feet (North 86 degrees 44 minutes 58 seconds West, 1053.23 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for a southwest corner, the southeast corner of the Weloka Ltd. tract recorded in Volume 668, Page 94, Official Records, Kendall County, Texas;

THENCE along a west boundary line of the herein described tract, the east boundary line of said Weloka Ltd. tract with a fence the following bearings and distances:

North 18 degrees 08 minutes 55 seconds West for a distance of 642.04 feet (North 18 degrees 08 minutes 11 seconds West, 642.19 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

North 00 degrees 26 minutes 21 seconds East for a distance of 2204.34 feet (North 00 degrees 26 minutes 12 seconds East, 2204.56 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for the northwest corner, the northeast corner of said Weloka Ltd. tract, located on the south boundary line of the Theodore C. Jr., & Doris Eloise Lemm Estate recorded in Volume 76, Page 249, Deed Records, Kendall County, Texas;

THENCE along a north boundary line of the herein described tract, the south boundary line of said Lemm Estate tract, a south boundary line of the Harvey Duennenberg Ranches, Ltd. tract recorded in Volume 179, Page 611 and Volume 173, Page 47, Deed Records, Kendall County, Texas, with a fence the following bearings and distances:

South 89 degrees 19 minutes 35 seconds East for a distance of 844.89 feet (South 89 degrees 20 minutes 08 seconds East, 844.99 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

South 89 degrees 29 minutes 58 seconds East for a distance of 469.33 feet (South 89 degrees 30 minutes 15 seconds East, 469.51 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for a northeast corner, an interior corner of said Harvey Duennenberg Ranches, Ltd. tract;

THENCE along the eastern boundary line of the herein described tract, a western boundary line of said Harvey Duennenberg Ranches, Ltd. tract with a fence the following bearings and distances:

South 00 degrees 19 minutes 48 seconds East for a distance of 787.36 feet (South 00 degrees 19 minutes 38 seconds East, 787.52 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

South 00 degrees 38 minutes 29 seconds East for a distance of 485.86 feet (South 00 degrees 38 minutes 34 seconds East, 485.15 feet, R1) to a 1/2" rebar with no identification found for an interior corner; a southwest corner of said Harvey Duennenberg Ranches, Ltd. tract;

North 87 degrees 31 minutes 13 seconds East for a distance of 666.88 feet (North 87 degrees 29 minutes 41 seconds East, 666.97 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

North 87 degrees 36 minutes 02 seconds East for a distance of 1105.74 feet (North 87 degrees 33 minutes 14 seconds East, 1103.00 feet, R1) to a 1/2" rebar with no identification found for a northeast corner, an interior corner of said Harvey Duennenberg Ranches, Ltd. tract;

South 00 degrees 01 minute 13 seconds West for a distance of 1502.01 feet (South 00 degrees 05 minutes 37 seconds East, 1503.14 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

South 00 degrees 07 minutes 05 seconds East for a distance of 990.97 feet (South 00 degrees 06 minutes 50 seconds East, 991.12 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

South 00 degrees 09 minutes 39 seconds East for a distance of 780.53 feet (South 00 degrees 09 minutes 25 seconds East, 780.75 feet, R1) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle;

South 00 degrees 04 minutes 57 seconds West for a distance of 2407.19 feet (South 00 degrees 05 minutes 08 seconds West, 2407.58 feet, R1) to a 1/2" rebar with plastic cap "SCHWARZ" found for angle;

South 00 degrees 16 minutes 14 seconds West for a distance of 1149.03 feet (South 00 degrees 15 minutes 57 seconds West, 1149.16 feet, R1) to a 1/2" rebar with plastic cap "SCHWARZ" found for the southeast corner, the southwest corner of said Harvey Duennenberg Ranches, Ltd. tract, located on the northern ROW line of State Highway No. 46;

THENCE along a south boundary line of the herein described tract, the northern ROW line of said State Highway No. 46 southwesterly along a curve to the left (radius = 2914.80 feet, delta = 1°19'27", chord bearing = South 63 degrees 31 minutes 58 seconds West, chord = 67.36 feet) for a distance of 67.36 feet (67.24, R1) to the POINT OF BEGINNING.

CONTAINING 210.136 acres, more or less.

TRACT THREE:

BEING a 800.258 acre tract (801.071 acres, record) of land out of the Juan Ortiz Survey No. 190, Abstract No. 363, Kendall County, Texas, said 800.258 acre tract being comprised of the following tracts:

Tract 1 - 199.63 acre tract recorded in Volume 282, Page 149, Official Records (R3);

Tract 2 - 3.37 acre tract recorded in Volume 632, Page 676, Official Records;

Tract 3 - 547.0 acre tract recorded in Volume 684, Page 614, Official Records (R1);

Tract 4 - 0.291 acre tract recorded in Volume 950, Page 485, Official Records (R2);

Tract 5 - 50.48 acre tract recorded in Volume 668, Page 94, Official Records (R4);

all tracts located in Kendall County, Texas, said 800.258 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a TxDOT concrete ROW monument on the northern ROW line of State Highway No. 46 (100' right-of-way), found for a southwest corner of the herein described tract, the southeast corner of the Leroy & Lula Bell Rittimann et al tract recorded in Volume 347, Page 746, Official Records, and described in Volume 63, Page 300, Deed Records, from which a TxDOT concrete ROW monument found for reference bears North 75 degrees 28 minutes 23 seconds East for a distance of 137.14 feet (North 75 degrees 50 minutes 23 seconds East, 137.32 feet, R1);

THENCE along a west boundary line of the herein described tract, the east boundary line of said Rittimann tract with a fence North 00 degrees 34 minutes 51 seconds East for a distance of 5289.20 feet (North 00 degrees 50 minutes 52 seconds East, 1393.92 feet; North 00 degrees 55 minutes 44 seconds East, 3380.40 feet; North 00 degrees 44 minutes 16 seconds East, 516.29 feet, R1) to a 1/2" rebar found for an interior corner of the herein described tract, the northeast corner of said Rittimann tract;

THENCE along a south boundary line of the herein described tract, the north boundary line of said Rittimann tract with a fence North 89 degrees 59 minutes 36 seconds West for a distance of 1750.01 feet to a 1/2" rebar with plastic cap "MDS SURVEY" found for angle, the northwest corner of said Rittimann tract and the northeast corner of the Elgin G. Schwarz & Jason Curt Schwarz tract recorded in Volume 663, Page 590, Official Records;

THENCE continuing along a southern boundary line of the herein described tract, the north and west boundary lines of said Schwarz tract the following bearings and distances:

North 89 degrees 57 minutes 39 seconds West for a distance of 447.46 feet with a fence to a 1/2" rebar with plastic cap "MDS SURVEY" found for corner;

North 00 degrees 02 minutes 53 seconds East for a distance of 8.04 feet (North 00 degrees 22 minutes 16 seconds East, 8.04 feet as recorded in Volume 950, Page 489, Official Records, R6) to a 1/2" rebar with plastic cap "MDS SURVEY" found for corner;

North 89 degrees 57 minutes 07 seconds West for a distance of 1579.92 feet (North 89 degrees 37 minutes 44 seconds West, 1579.92 feet, R6) to a 1/2" rebar with plastic cap "MDS SURVEY" found for corner;

South 01 degrees 14 minutes 33 seconds East for a distance of 8.04 feet (South 00 degrees 55 minutes 10 seconds East, 8.04 feet, R6) to a 1/2" rebar with plastic cap "MDS SURVEY" found for angle, the northeast corner of said Tract 4;

South 00 degrees 43 minutes 31 seconds West for a distance of 634.96 feet (South 00 degrees 01 minutes 00 seconds West, 634.96 feet, R2) to a 1/2" rebar with plastic cap "MDS SURVEY" found for corner; the southeast corner of said Tract 4;

North 89 degrees 55 minutes 06 seconds West for a distance of 20.00 feet (North 89 degrees 35 minutes 43 seconds West, 20.00 feet, R2) to a 1/2" rebar with plastic cap "MDS SURVEY" found for corner, located on the east boundary line of the Boerne L.P. tract recorded in Volume 459, Page 754, Official Records;

THENCE along a west boundary line of the herein described tract, the east boundary line of said Boerne L.P. tract with a fence North 00 degrees 43 minutes 31 seconds East for a distance of 634.95 feet (North 00 degrees 01 minutes 00 seconds East, 634.94 feet, R2) to a 1/2" rebar found for angle, a southwest corner of said Tract 3;

THENCE continuing along a west boundary line of the herein described tract, the east boundary line of said Boerne L.P. tract, the east boundary line of the James L. Drought tract recorded in Volume 129, Page 785, Deed Records, and the east boundary line of the Carolyn Drought Evans tract recorded in Volume 129, Page 785, Deed Records with a fence North 00 degrees 35 minutes 51 seconds East for a distance of 1759.02 feet (North 00 degrees 55 minutes 10 seconds East, 1760.32 feet, R1) to a 1/2" rebar found for corner, a northwest corner of said Tract 3, the southwest corner of the Spring Creek Estates Subdivision (southwest corner of Lot 22) recorded in Volume 4, Page 59, Plat Records (R7);

THENCE along northern and western boundary lines of the herein described tract, southern and eastern boundary lines of said Spring Creek Estates Subdivision with a fence the following bearings and distances:

South 87 degrees 41 minutes 53 seconds East for a distance of 1002.01 feet (South 87 degrees 40 minutes 07 seconds East, 1002.92 feet, R7) to a 1/2" rebar found for corner;

North 00 degrees 27 minutes 04 seconds East for a distance of 916.09 feet (North 00 degrees 23 minutes 29 seconds East, 916.76 feet, R7) to a 1/2" rebar found for corner;

North 89 degrees 44 minutes 12 seconds East for a distance of 814.56 feet (North 89 degrees 47 minutes 14 seconds East, 815.24 feet, R7) to a 1/2" rebar found for corner;

North 13 degrees 52 minutes 33 seconds East for a distance of 1098.98 feet (North 14 degrees 12 minutes 54 seconds East, 1097.38 feet, R1) to a 1/2" rebar with plastic cap "MDS SURVEY" found for angle;

North 14 degrees 07 minutes 58 seconds East for a distance of 1155.79 feet (North 14 degrees 28 minutes 03 seconds East, 1155.74 feet, R1) to a 1/2" rebar with plastic cap "MDS SURVEY" found for angle;

North 14 degrees 14 minutes 51 seconds East for a distance of 1085.72 feet (North 14 degrees 38 minutes 21 seconds East, 1087.79 feet, R1) to a MAG nail set for a northwest corner, located on the south boundary line of the Betty J. Asher tract recorded in Volume 286, Page 734, Official Records;

THENCE along a north boundary line of the herein described tract, the south boundary line of said Betty J. Asher tract with a fence South 89 degrees 38 minutes 28 seconds East for a distance of 620.28 feet (South 89 degrees 21 minutes 26 seconds East, 388.82 feet, and South 88 degrees 59 minutes 21 seconds East, 229.97 feet, R1) to a 1/2" rebar with plastic cap "SCHWARZ 4760" found for angle, a northeast corner of said Tract 3, the northwest corner of said Tract 1;

THENCE continuing along a north boundary line of the herein described tract, the south boundary line of said Betty J. Asher tract and the south boundary line of the Theodore C, Jr. & Doris Eloise Lemm Estate tract recorded in Volume 76, Page 249, Deed Records, with a fence South 89 degrees 21 minutes 42 seconds East for a distance of 2029.17 feet to a 1/2" rebar with plastic cap "MDS SURVEY" set for angle, the northeast corner of said Tract 1, the northwest corner of said Tract 5;

THENCE continuing along a north boundary line of the herein described tract, the south boundary line of said Lemm Estate tract with a fence South 89 degrees 27 minutes 16 seconds East for a distance of 751.17 feet (South 89 degrees 26 minutes 26 seconds East, 749.24 feet, R4) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for the northeast corner of the herein described tract, the northwest corner of the Esperanza Properties LP tract recorded in Volume 668, Page 63, Official Records;

THENCE along an east boundary line of the herein described tract, a west boundary line of said Esperanza Properties LP tract South 00 degrees 26 minutes 21 seconds West for a distance of 2204.34 feet (South 00 degrees 27 minutes 24 seconds West, 2204.56 feet, R4) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for angle at a fence "T";

THENCE continuing along an east boundary line of the herein described tract, a west boundary line of said Esperanza Properties LP tract with a fence South 18 degrees 08 minutes 55 seconds East for a distance of 642.04 feet (South 18 degrees 06 minutes 59 seconds East, 642.19 feet, R4) to a 1/2" rebar with plastic cap "PAPE DAWSON" found for a southeast corner, located on a north line of the Cliff & Rhonda Wheeler tract recorded in Volume 625, Page 155, Official Records (R5);

THENCE along a south boundary line of the herein described tract, a north boundary line of said Wheeler tract with a fence North 86 degrees 44 minutes 40 seconds West for a distance of 991.48 feet (North 86 degrees 43 minutes 46 seconds West, 991.62 feet, R4) to a 1/2" rebar with plastic cap "SCHWARZ 4760" found for an interior corner, the northwest corner of said Wheeler tract;

THENCE along an east boundary line of the herein described tract, the west boundary line of said Wheeler tract with a fence South 01 degrees 16 minutes 18 seconds West for a distance of 435.03 feet (South 01 degrees 32 minutes 42 seconds West, 453.03 feet, R5) to a 1/2" rebar with plastic cap "MDS SURVEY" set for an angle;

THENCE continuing along an east boundary line of the herein described tract, the west boundary line of said Wheeler tract with a fence South 10 degrees 32 minutes 50 seconds East for a distance of 4710.56 feet (South 10 degrees 16 minutes 26 seconds East, 4712.92 feet, R5) to a 1/2" rebar found for an angle;

THENCE continuing along an east boundary line of the herein described tract, the west boundary line of said Wheeler tract with a fence South 32 degrees 09 minutes 15 seconds East for a distance of 1695.14 feet (South 31 degrees 57 minutes 19 seconds East, 1695.40 feet, R1) to a 1/2" rebar with plastic cap "MDS SURVEY" set for a southeast corner, located on the northern ROW line of State Highway No. 46, from which a found TxDOT concrete ROW monument bears North 60 degrees 11 minutes 14 seconds East for a distance of 3.17 feet;

THENCE along a south boundary line of the herein described tract, along the northern ROW line of State Highway No. 46 South 60 degrees 13 minutes 33 seconds West for a distance of 197.86 feet (South 60 degrees 34 minutes 00 seconds West, 200.00 feet, R1) to a 1/2" rebar found for a southwest corner, the southeast corner of the Pauline R. Mutchler (Trustee) tract recorded in Volume 691, Page 526, Official Records;

THENCE departing from the northern ROW line of State Highway No. 46, along a western, southern, and eastern boundary line of the herein described tract, the east, north, and west boundary line of said Mutchler tract with a fence the following bearings and distances:

North 32 degrees 17 minutes 25 seconds West for a distance of 1285.59 feet (North 31 degrees 57 minutes 58 seconds West, 777.22 feet; North 31 degrees 19 minutes 32 seconds West, 118.94 feet; North 32 degrees 07 minutes 34 seconds West, 389.84 feet, R1) to a 1/2" rebar found for corner;

North 89 degrees 30 minutes 12 seconds West for a distance of 1127.02 feet (North 89 degrees 10 minutes 00 seconds West, 1128.12 feet, R1) to a 1/2" rebar found for corner;

South 12 degrees 53 minutes 22 seconds East for a distance of 1991.10 feet (South 12 degrees 32 minutes 46 seconds East, 1088.61 feet; South 12 degrees 37 minutes 08 seconds East, 903.93 feet, R1) to a 1/2" rebar with plastic cap "MDS SURVEY" set for corner, a southwest corner of said Mutchler tract, located on the northern ROW line of State Highway No. 46;

THENCE along a south boundary line of the herein described tract, along the northern ROW line of State Highway No. 46 the following bearings and distances:

South 53 degrees 09 minutes 03 seconds West for a distance of 638.48 feet (South 53 degrees 31 minutes 31 seconds West, 638.31 feet, R1) to a TxDOT concrete ROW monument found for angle;

Southwesterly along a curve to the right (radius = 2243.32 feet, delta = 11°31'04", chord bearing = South 59 degrees 53 minutes 04 seconds West, chord = 450.20 feet) for a distance of 450.96 feet (451.44, R1) to a TxDOT concrete ROW monument found for angle;

South 64 degrees 38 minutes 48 seconds West for a distance of 393.24 feet (South 64 degrees 59 minutes 15 seconds West, 393.10 feet, R1) to a TxDOT concrete ROW monument found for angle;

Southwesterly along a curve to the right (radius = 1860.33 feet, delta = 10°50'04", chord bearing = South 69 degrees 36 minutes 57 seconds West, chord = 351.26 feet) for a distance of 351.78 feet (351.75, R1) to a TxDOT concrete ROW monument found for angle;

South 75 degrees 28 minutes 23 seconds West for a distance of 137.14 feet (South 75 degrees 50 minutes 23 seconds West, 137.32 feet, R1) to the POINT OF BEGINNING.

CONTAINING 800.258 acres, more or less.

SECTION 3. (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) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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 are fulfilled and accomplished.

SECTION 4. This Act takes effect September 1, 2007.

The amendment was read.

Senator Wentworth moved to concur in the House amendment to **SB 1245**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1523 WITH HOUSE AMENDMENTS

Senator Wentworth called **SB 1523** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1523** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to facilitating and supporting efforts of certain municipalities and counties to promote economic development by hosting certain major sporting or athletic events.

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

SECTION 1. Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended by adding Section 5C to read as follows:

Sec. 5C. SPORTING EVENT TRUST FUND FOR CERTAIN MUNICIPALITIES AND COUNTIES. (a) In this section:

(1) "Endorsing county" means a county with a population of 800,000 or more that contains a site selected by a site selection organization for one or more events.

(2) "Endorsing municipality" means a municipality with a population of 500,000 or more that contains a site selected by a site selection organization for one or more events.

(3) "Event" means a National Collegiate Athletic Association regional tournament or playoff game, a Senior Olympic activity, including a training program or feeder program sanctioned by the National Senior Games Association, or a major sporting or athletic event or a related series of events sanctioned by a site selection organization. The term includes any activities related to or associated with the event.

(4) "Event support contract" means a joinder undertaking, a joinder agreement, or a similar contract executed by an endorsing municipality or endorsing county and a site selection organization.

(5) "Site selection organization" means the United States Olympic Committee (USOC), United States Youth Soccer Association (USYSA), United States Bowling Congress (USBC), Amateur Softball Association of America (ASA), National Senior Games Association (NSGA), American Youth Football and Cheer (AYF), United States Lacrosse (USL), National Collegiate Athletic Association (NCAA), United States Tennis Association (USTA), Special Olympics, National Association for Stock Car Auto Racing (NASCAR), Breeders' Cup, or another major nationally or internationally recognized sports organization.

(b) If a site selection organization, after considering through a highly competitive process one or more sites that are not located in this state, selects a site for an event in this state pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county, not later than three months before the date of the event, the comptroller shall determine for the 30-day period that ends at the end of the day after the date on which the event will be held or, if the event occurs on more than one day, after the last date on which the event will be held, in accordance with procedures developed by the comptroller:

(1) the incremental increase in the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, within the market areas designated under Subsection (c) of this section, that is directly attributable, as determined by the comptroller, to the preparation for and presentation of the event and related activities;

(2) the incremental increase in the receipts collected by this state on behalf of each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section 321.101(a), Tax Code, and the mixed

beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code, that is directly attributable, as determined by the comptroller, to the preparation for and presentation of the event and related activities;

(3) the incremental increase in the receipts collected by this state on behalf of each endorsing county in the market area from the sales and use tax imposed by each endorsing county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing county under Section 183.051(b), Tax Code, that is directly attributable, as determined by the comptroller, to the preparation for and presentation of the event and related activities;

(4) the incremental increase in the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code, that is directly attributable, as determined by the comptroller, to the preparation for and presentation of the event and related activities; and

(5) the incremental increase in the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code, that is directly attributable, as determined by the comptroller, to the preparation for and presentation of the event and related activities.

(c) For the purposes of Subsection (b)(1) of this section, the comptroller shall designate as a market area for the event each area in which the comptroller determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation for and presentation of the event and related activities, including areas likely to provide venues, accommodations, and services in connection with the event based on the proposal provided by the local organizing committee to the comptroller. The comptroller shall determine the geographic boundaries of each market area. An endorsing municipality or endorsing county that has been selected as the site for the event must be included in a market area for the event.

(d) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller and designated as the sporting events trust fund the amount of the municipality's or county's hotel occupancy tax revenue determined under Subsection (b)(4) or (5) of this section, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined under Subsection (b)(2) or (3) of this section from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, and deposit into the trust fund the tax revenues, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county. The comptroller shall begin retaining and depositing the local tax revenues with the first distribution of that tax revenue that occurs after the first day of the period described by Subsection (b) of this section and shall discontinue retaining the local tax revenues under this subsection when the amount of the applicable tax revenue determined under Subsection (b)(2) or (3) of this section has been retained. The sporting events trust fund is established outside the

state treasury and is held in trust by the comptroller for administration of this section. Money in the trust fund may be disbursed by the comptroller without appropriation only as provided by this section.

(e) In addition to the tax revenue deposited in the sporting events trust fund under Subsection (d) of this section, an endorsing municipality or endorsing county may guarantee its obligations under an event support contract and this section by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the event.

(f) The comptroller shall deposit into the sporting events trust fund a portion of the state tax revenue determined under Subsection (b)(1) of this section in an amount equal to 6.25 times the amount of the local sales and use tax revenue and mixed beverage tax revenue retained and the hotel occupancy tax revenue remitted by an endorsing municipality or endorsing county under Subsection (d) of this section.

(g) To meet its obligations under an event support contract to improve, construct, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes. An endorsing municipality or endorsing county may provide that the notes be paid from and secured by amounts on deposit or amounts to be deposited into the sporting events trust fund or surcharges from user fees, including parking or ticket fees, charged in connection with the event. Any note issued must mature not later than seven years from its date of issuance.

(h) The money in the sporting events trust fund may be used to pay the principal of and interest on notes issued by an endorsing municipality or endorsing county under Subsection (g) of this section and to fulfill obligations of this state or an endorsing municipality or endorsing county to a site selection organization under an event support contract, which obligations may include the payment of costs relating to the preparations necessary or desirable for the conduct of the event and the payment of costs of conducting the event, including improvements or renovations to existing facilities or other facilities and costs of acquisition or construction of new facilities or other facilities.

(i) A local organizing committee, endorsing municipality, or endorsing county shall provide information required by the comptroller to enable the comptroller to fulfill the comptroller's duties under this section, including annual audited statements of any financial records required by a site selection organization and data obtained by the local organizing committee, an endorsing municipality, or an endorsing county relating to attendance at the event and to the economic impact of the event. A local organizing committee, endorsing municipality, or endorsing county must provide an annual audited financial statement required by the comptroller, if any, not later than the end of the fourth month after the date the period covered by the financial statement ends.

(j) The comptroller shall provide an estimate not later than three months before the date of an event of the total amount of tax revenue that would be deposited in the sporting events trust fund under this section in connection with that event, if the event were to be held in this state at a site selected pursuant to an application by a local organizing committee, endorsing municipality, or endorsing county. The comptroller shall provide the estimate on request to a local organizing committee, endorsing

municipality, or endorsing county. A local organizing committee, endorsing municipality, or endorsing county may submit the comptroller's estimate to a site selection organization.

(k) The comptroller may make a disbursement from the sporting events trust fund on the prior approval of each contributing endorsing municipality or endorsing county for a purpose for which an endorsing municipality or endorsing county or this state is obligated under an event support contract. A disbursement may not be made from the trust fund that the comptroller determines would be used for the purpose of soliciting the relocation of a professional sports franchise located in this state.

(l) If a disbursement is made from the sporting events trust fund under Subsection (k) of this section, the obligation shall be satisfied proportionately from the state and local revenue in the trust fund.

(m) On payment of all state, municipal, or county obligations under an event support contract related to the location of any particular event in this state, the comptroller shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the sporting events trust fund.

(n) This section may not be construed as creating or requiring a state guarantee of obligations imposed on this state or an endorsing municipality or endorsing county under an event support contract or other agreement relating to hosting one or more events in this state.

(o) The comptroller may not undertake any of the responsibilities or duties set forth in this section unless a request is submitted by the municipality or the county in which the event will be located. The request must be accompanied by documentation from a site selection organization selecting the site for the event.

SECTION 2. Subsection (a), Section 7, Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) The department shall review requests from a local organizing committee, endorsing municipality, or endorsing county that the department, on behalf of the state, enter into a games support contract that is required by a site selection organization in connection with the committee's, municipality's, or county's bid to host any of the games. This section does not affect or apply to an event support contract under Section 5A, ~~or Section~~ 5B, or 5C of this Act to which the department is not a party.

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, 2007.

Floor Amendment No. 1

Amend **CSSB 1523** (House committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subdivision (4), Subsection (a), Section 5B, Chapter 1507, Acts of the 76th Legislature, Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil Statutes), is amended to read as follows:

(4) "Motor sports racing event" means a specific automobile racing event sanctioned by the Automobile Competition Committee for the United States (ACCUS) and held at a temporary event venue ~~[for a particular year referred to as the United States Grand Prix, or a specific automobile racing event that is part of the Champ Car World Series or the American Le Mans Series]~~. The term includes any events and activities held, sponsored, or endorsed by the site selection organization in conjunction with the racing event.

Floor Amendment No. 1 on Third Reading

Amend **CSSB 1523** on third reading by adding new sections as follows:

SECTION __. Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended by adding Subsection (e-2) to read as follows:

(e-2) At an election called and held under Subsection (d) of this section, the eligible city may also allow the voters to vote on a ballot proposition that limits the length of time that a sales and use tax may be imposed. An eligible city that imposes a tax for a limited time under this subsection may later extend the period of the tax's imposition or reimpose the tax only if the extension or reimposition is authorized by a majority of the qualified voters of the city voting in an election called and held for that purpose in the same manner as an election held under Section 4A(n) of this Act. Additionally, at an election held under Subsection (d) of this section, the city may also allow the voters to vote on a ballot proposition that limits the use of the sales and use tax to a specific project. A corporation that has been created to perform a specific project as provided by this subsection may retain its corporate existence and perform other projects as may be approved by the voters of the city under an election called and held for that purpose in the same manner as Section 4A(r) of this Act provides for an election held under Section 4A(d) of this Act. Before expending funds to undertake a project, a corporation shall hold a public hearing as otherwise provided by this section.

SECTION ____. Section 4B(n), Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to read as follows:

(n) Before expending funds to undertake a project, a corporation under this section shall hold at least one public hearing on the proposed project. A corporation the creation of which was authorized by an eligible city with a population of less than 20,000 is not required to hold a public hearing under this subsection if the proposed project is defined by Section 2 of this Act.

The amendments were read.

Senator Wentworth moved to concur in the House amendments to **SB 1523**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

MESSAGE FROM THE HOUSE**HOUSE CHAMBER**

Austin, Texas

May 25, 2007

The Honorable President of the Senate

Senate Chamber

Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS CONCURRED IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 1066 (139 Yeas, 4 Nays, 1 Present, not voting)

HB 1637 (138 Yeas, 0 Nays, 2 Present, not voting)

HB 2783 (133 Yeas, 0 Nays, 2 Present, not voting)

HB 3232 (135 Yeas, 0 Nays, 2 Present, not voting)

HB 3575 (136 Yeas, 2 Nays, 2 Present, not voting)

HB 3731 (138 Yeas, 0 Nays, 2 Present, not voting)

HB 3769 (134 Yeas, 0 Nays, 2 Present, not voting)

HB 4134 (134 Yeas, 5 Nays, 1 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 568 (non-record vote)

House Conferees: Puente - Chair/Geren/Hartnett/Parker/Turner

HB 2072 (non-record vote)

House Conferees: Guillen - Chair/Creighton/Escobar/Hancock/Pena

HB 2094 (non-record vote)

House Conferees: Hill - Chair/Deshotel/Jackson, Jim/Krusee/Phillips

HB 2238 (non-record vote)

House Conferees: Eissler - Chair/Burnam/Hochberg/Patrick, Diane/Zedler

THE HOUSE HAS GRANTED THE REQUEST OF THE SENATE FOR THE APPOINTMENT OF A CONFERENCE COMMITTEE ON THE FOLLOWING MEASURES:

SB 6 (non-record vote)

House Conferees: Pena - Chair/Eissler/Guillen/Parker/Riddle

SB 8 (non-record vote)

House Conferees: Flynn - Chair/Bonnen/Eissler/Taylor/Zedler

SB 10 (non-record vote)

House Conferees: Delisi - Chair/Davis, John/Hopson/Isett, Carl/Taylor

SB 23 (non-record vote)

House Conferees: Smithee - Chair/Eiland/Hancock/Taylor/Woolley

SB 36 (non-record vote)

House Conferees: Eiland - Chair/Coleman/Delisi/Jackson, Jim/Truitt

SB 548 (non-record vote)

House Conferees: Hamilton - Chair/Driver/Frost/Latham/West, George "Buddy"

SB 903 (non-record vote)

House Conferees: Kolkhorst - Chair/Corte, Frank/Garcia/Noriega, Rick/Truitt

SB 1154 (non-record vote)

House Conferees: Phillips - Chair/Hancock/Kuempel/Pena/Solomons

SB 1499 (non-record vote)

House Conferees: Corte, Frank - Chair/Escobar/Garcia/Isett, Carl/Taylor

SB 1714 (non-record vote)

House Conferees: Smithee - Chair/Cook, Robby/Delisi/Hardcastle/Hopson

THE HOUSE HAS DISCHARGED ITS CONFEREES AND APPOINTED NEW CONFEREES ON THE FOLLOWING MEASURES:

SB 1383 (non-record vote)

House Conferees: Smithee - Chair/Darby/Gonzalez Toureilles/Morrison/Swinford

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 482 ADOPTED**

Senator Fraser called from the President's table the Conference Committee Report on **SB 482**. The Conference Committee Report was filed with the Senate on Thursday, May 24, 2007.

On motion of Senator Fraser, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1520 ADOPTED**

Senator Wentworth called from the President's table the Conference Committee Report on **SB 1520**. The Conference Committee Report was filed with the Senate on Thursday, May 24, 2007.

On motion of Senator Wentworth, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

May 25, 2007

The Honorable President of the Senate

Senate Chamber

Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:**HCR 253**, Honoring Thomas L. Johnson, Sr., on his induction into the Texas Transportation Institute Hall of Honor.**HCR 254**, Congratulating The University of Texas-Pan American ROTC Battalion on earning the 2006 General Douglas MacArthur Award.**HCR 258**, Honoring the city of Orange Grove on its centennial.**HCR 263**, Commemorating the posthumous induction of former American Airlines president C. R. Smith into the Texas Transportation Hall of Honor.**THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:****HB 930** (135 Yeas, 0 Nays, 2 Present, not voting)**SB 222** (142 Yeas, 0 Nays, 1 Present, not voting)**SB 763** (139 Yeas, 0 Nays, 2 Present, not voting)**SB 1520** (142 Yeas, 0 Nays, 1 Present, not voting)**SB 1896** (141 Yeas, 0 Nays, 1 Present, not voting)**SB 1983** (139 Yeas, 0 Nays, 1 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives**SENATE RESOLUTION 1161**

Senator Brimer offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 80th Legislature, Regular Session, 2007, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on **HB 2458** (licensing and regulation of structural pest control by the Department of Agriculture and the abolition of the Texas Structural Pest Control Board) to consider and take action on the following matters:

(1) Senate Rules 12.03(3) and (4) are suspended to permit the committee to add the following SECTION to the bill:

SECTION 1.02. Subchapter A, Chapter 1951, Occupations Code, is amended by adding Section 1951.0021 to read as follows:

Sec. 1951.0021. STRUCTURAL PEST CONTROL SERVICE. The Structural Pest Control Service is a service of the department responsible for the regulation and licensing of persons engaged in the business of structural pest control. The service is established to provide exceptional customer service to the public and the industry, enhance the educational and professional standards of license holders, and ensure the health, safety, and welfare of the public.

Explanation: The change is necessary to establish the Structural Pest Control Service.

(2) Senate Rules 12.03(3) and (4) are suspended to permit the committee to change the text of SECTION 1.30 of the bill by adding a new Subsection (h), Section 1951.254, Occupations Code, to read as follows:

(h) The department shall make available a consumer and industry telephone hotline to provide direct access to the Structural Pest Control Service to ensure timely and efficient assistance with industry and consumer needs.

Explanation: The change is necessary to establish a telephone hotline to provide access to the Structural Pest Control Service.

(3) Senate Rules 12.03(3) and (4) are suspended to permit the committee to add the following SECTION to the bill:

SECTION 1.46. Subchapter G, Chapter 1951, Occupations Code, is amended by adding Section 1951.315 to read as follows:

Sec. 1951.315. CONTINUING EDUCATION REQUIREMENTS. The department shall administer a mandatory continuing education program for all license holders. Each license holder must comply with the continuing education requirements established by department rule in order to retain or renew a license.

Explanation: The change is necessary to provide for continuing education for structural pest control license holders.

SR 1161 was read and was adopted without objection.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2458 ADOPTED

Senator Brimer called from the President's table the Conference Committee Report on **HB 2458**. The Conference Committee Report was filed with the Senate on Friday, May 25, 2007.

On motion of Senator Brimer, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1983 ADOPTED

Senator Estes called from the President's table the Conference Committee Report on **SB 1983**. The Conference Committee Report was filed with the Senate on Wednesday, May 23, 2007.

On motion of Senator Estes, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Gallegos.

SENATE BILL 1332 WITH HOUSE AMENDMENTS

Senator West called **SB 1332** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 1332** (House committee printing) by adding the following sections to the bill, numbered appropriately, and renumbering the subsequent sections of the bill accordingly:

SECTION _____. Section 1231.001, Government Code, is amended by adding Subdivision (1-a) to read as follows:

(1-a) "Interest rate management agreement" means an agreement that provides for an interest rate transaction, including a swap, basis, forward, option, cap, collar, floor, lock, or hedge transaction, for a transaction similar to those types of transactions, or for a combination of any of those types of transactions. The term includes:

- (A) a master agreement that provides standard terms for transactions;
- (B) an agreement to transfer collateral as security for transactions; and
- (C) a confirmation of transactions.

SECTION _____. Section 1231.023(c), Government Code, is amended to read as follows:

- (c) The board shall adopt policies that:
 - (1) provide a mechanism for evaluating the amount of state debt that can be managed prudently;
 - (2) address opportunities to consolidate debt authority;
 - (3) include guidelines for:
 - (A) appropriate levels of reserves;
 - (B) the types of state security that should be issued under various circumstances; and
 - (C) the terms or structure of a state security;
 - (4) help the board and issuers of state securities to evaluate:
 - (A) the potential risks involved in the issuance of a state security or in the execution of an interest rate management agreement; and
 - (B) the effect that the issuance of a state security or that the execution of an interest rate management agreement will have on the finances and on the overall debt position of the issuer and of the state; and
 - (5) recommend other advisable practices related to the issuance of a state security.

Floor Amendment No. 2

Amend **SB 1332** (House committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS accordingly:

SECTION _____. Section 1372.031, Government Code, is amended to read as follows:

Sec. 1372.031. PRIORITIES FOR RESERVATIONS AMONG CERTAIN ISSUERS. (a) Except as provided by Subsection (b) and subject [Subject] to Sections 1372.0321 and 1372.0231, if, on or before October 20, more than one issuer in a category described by Section 1372.022(a)(2), (3), (4), or (6) applies for a reservation of the state ceiling for the next program year, the board shall grant reservations in that category in the order determined by the board by lot.

(b) Until August 1 of the program year, within the category described by Section 1372.022(a)(6), the board shall grant priority to the Texas Economic Development Bank for projects that the Texas Economic Development and Tourism Office determines meet the governor's criteria for funding from the Texas Enterprise Fund. Notwithstanding the priority, the Texas Economic Development Bank may not receive an amount greater than one-sixth of the portion of the state ceiling available under Section 1372.022(a)(6) on January 1 of the program year.

(c) In selecting projects for reservations of the state ceiling for a program year under Subsection (b), among those projects the Texas Economic Development and Tourism Office determines meet the governor's criteria for funding from the Texas Enterprise Fund the office shall give priority to obtaining reservations for those projects located or to be located in an economically depressed or blighted area, as defined by Section 2306.004, or in an enterprise zone designated under Chapter 2303.

(d) This section and Section 1372.063 do not give a priority to any project described by Subsection (b) for the purpose of selecting projects for reservations under Section 1372.022(b).

(e) The Texas Economic Development Bank is subject to Section 1201.027(d).

SECTION _____. Section 1372.063, Government Code, is amended to read as follows:

Sec. 1372.063. PRIORITY 1 CARRYFORWARD CLASSIFICATION. The priority 1 carryforward classification applies to:

(1) an issuer of a state-voted issue; and

(2) a state agency, other than an issuer of a state-voted issue, that applies for a carryforward designation for a project that:

(A) is described by Section 1372.067(a)(2); and

(B) the Texas Economic Development and Tourism Office determines meets the governor's criteria for funding from the Texas Enterprise Fund.

Floor Amendment No. 3

Amend **SB 1332** (House committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS accordingly:

SECTION _____. Subchapter C, Chapter 1232, Government Code, is amended by adding Section 1232.123 to read as follows:

Sec. 1232.124. PREFERENCE FOR TEXAS BUSINESSES. If the authority contracts with a private entity to issue bonds under this chapter, the authority shall consider contracting with:

- (1) an entity that has its principal place of business in this state; and
- (2) a historically underutilized business as defined by Section 2161.001.

Amendment No. 4

Amend **SB 1332** by adding the following section to the bill, numbered appropriately, and renumbering the subsequent sections of the bill accordingly:

SECTION ____ . Section 1231.001(2), Government Code, is amended to read as follows:

(2) "State security" means:

(A) an obligation, including a bond, issued by:

(i) a state agency;

(ii) an entity that is expressly created by statute and has statewide

jurisdiction; or

(iii) an entity issuing the obligation on behalf of this state or on

behalf of an entity described by Subparagraph (i) or (ii); ~~or~~]

(B) an installment sale or lease-purchase obligation that is issued by or on behalf of an entity described by Paragraph (A) and that has:

(i) a stated term of more than five years; or

(ii) an initial principal amount of more than \$250,000; or

(C) a contractual obligation, including a lease, that is entered into, issued, or incurred by or for an institution of higher education as defined by Section 61.003, Education Code, other than a public junior college, and that has:

(i) a stated term of more than five years; or

(ii) an initial principal amount of more than \$250,000.

Floor Amendment No. 1 on Third Reading

Amend **SB 1332** on third reading as follows:

(1) In the section of the bill, as added by Floor Amendment No. 4 by King, that amends Subdivision (2), Section 1231.001, Government Code, strike the added Paragraph (C) of that subdivision (page 1, lines 21-28 of Floor Amendment No. 4) and substitute:

(C) an obligation, including a bond, that is issued under Chapter 53, Education Code, at the request of or for the benefit of an institution of higher education as defined by Section 61.003, Education Code, other than a public junior college.

(2) Strike the SECTION of the bill that adds Section 1231.045 to Subchapter C, Chapter 1231, Government Code.

(3) In the transition clause (SECTION 4 of the House committee report), strike "Subsection (d), Section 1201.027 and Section 1231.045, Government Code, as added by this Act, apply only to:" and substitute "Subsection (d), Section 1201.027, Government Code, as added by this Act, applies only to:".

(4) Renumber the SECTIONS of the bill accordingly.

Floor Amendment No. 4 on Third Reading

Amend **SB 1332** on third reading by adding the following appropriately numbered SECTION and renumbering the existing SECTIONS of the bill appropriately:

SECTION _____. (a) Chapter 1371, Government Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. ADVISORS RETAINED FOR THE ISSUANCE OF PUBLIC SECURITIES AND RELATED MATTERS

Sec. 1371.151. DEFINITIONS. In this subchapter:

(1) "Interest rate management agreement" means an agreement that provides for an interest rate transaction, including:

(A) a swap, basis, forward, option, cap, collar, floor, lock, or hedge; or

(B) any combination of these types of agreements or transactions.

(2) "Public security" has the meaning assigned by Section 1202.001.

Sec. 1371.152. EXEMPTIONS. This subchapter does not apply to:

(1) an issuer who has more than \$3 billion in outstanding obligations as of September 1, 2007, or to a nonprofit corporation investing funds on behalf of such an issuer;

(2) any person acting as a financial advisor with respect to an issue of public securities by an issuer created under Chapter 222, Water Code, delivered before January 1, 2010, under a contract that was in effect on the date of enactment of this Act and that has not been modified since such date; or

(3) an employee of an issuer providing advice to the issuer, or to another issuer.

Sec. 1371.153 EXEMPTIONS FOR CERTAIN ADVICE. This subchapter does not apply to advice to an issuer regarding:

(1) a loan or a line of credit by a depository institution to an issuer in a transaction not involving the issuance of a public security offered to a third party or parties; or

(2) a deposit of funds with a depository institution in compliance with other statutes of this state.

Sec. 1371.154. FINANCIAL ADVISOR OR INVESTMENT ADVISOR QUALIFICATIONS AND REQUIREMENTS FOR CERTAIN AGREEMENTS AND TRANSACTIONS. (a) This section applies to a financial advisor or an investment advisor, who advises the issuer in connection with:

(1) an interest rate management agreement;

(2) the execution or delivery of a public security; or

(3) the investment of the public security proceeds.

(b) To be eligible to be a financial advisor or an investment advisor under this section, the advisor must:

(1) be a dealer or investment advisor registered in accordance with Section 12 or 12-1, The Securities Act (Article 581-12 or 581-12-1, Vernon's Texas Civil Statutes); provided that a person acting as an investment advisor with respect to the investment of bond proceeds, and not as a financial advisor with respect to the

issuance of public securities or interest rate management agreements may be registered under the federal Investment Advisors Act of 1940 in lieu of registration under The Securities Act;

(2) have relevant experience in providing advice to issuers in connection with:

(A) the issuance of public securities;

(B) the valuation of interest rate management agreements; or

(C) the investment of public security proceeds; and

(3) acknowledge in writing to the issuer that in connection with the transaction for which the advisor is providing advice the advisor:

(A) is acting as the issuer's agent; and

(B) has complied with rules adopted under this subchapter.

Sec. 1371.155. RULES. The State Securities Board shall adopt rules relating to public securities, interest rate management agreements, and investment of bond proceeds applicable to financial advisors and investment advisors under this subchapter. The board shall base the rules on principles stated, as of May 1, 2007, in the Municipal Securities Rulemaking Board's rules G-17, G-19(c), G-20, G-37, and G-38, as those rules may apply to financial advisors and investment advisors.

(b) Not later than January 1, 2008, the State Securities Board shall adopt the rules required by Section 1371.155, Government Code, as added by this Act.

(c) Section 1371.154, Government Code, as added by this section, takes effect January 1, 2008.

The amendments were read.

Senator West moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 1332** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators West, Chair; Ogden, Whitmire, Brimer, and Duncan.

SENATE BILL 960 WITH HOUSE AMENDMENT

Senator Shapleigh called **SB 960** from the President's table for consideration of the House amendment to the bill.

The Presiding Officer laid the bill and the House amendment before the Senate.

Floor Amendment No. 1

Amend **SB 960** (House committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 39.025(f), Education Code (page 1, lines 9 and 10), strike "who is the dependent of a person serving in the military".

(2) In SECTION 1 of the bill, in added Section 39.025(f), Education Code (page 1, lines 13 through 15), strike "as a result of a military transfer or deployment of the person serving in the military.".

The amendment was read.

Senator Shapleigh moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 960** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Shapleigh, Chair; Van de Putte, Uresti, Eltife, and Shapiro.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

May 25, 2007

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS REFUSED TO CONCUR IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 2823 (non-record vote)

House Conferees: Bohac - Chair/Anchia/Berman/Farias/Howard, Charlie

THE HOUSE HAS TAKEN THE FOLLOWING OTHER ACTION:

HB 13

Point of order sustained due to non-germane Senate amendments. The House hereby returns HB 13 to the Senate for further action.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

AT EASE

The Presiding Officer, Senator Eltife in Chair, at 4:21 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

IN LEGISLATIVE SESSION

Senator Carona at 6:06 p.m. called the Senate to order as In Legislative Session.

CONFERENCE COMMITTEE ON HOUSE BILL 2909

Senator Ogden called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 2909** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 2909** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Ogden, Chair; Nichols, West, Eltife, and Lucio.

CONFERENCE COMMITTEE ON HOUSE BILL 2093

Senator Shapiro, on behalf of Senator Carona, called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 2093** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 2093** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Carona, Chair; Nichols, Watson, Brimer, and Ogden.

CONFERENCE COMMITTEE ON HOUSE BILL 4139

Senator Deuell called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 4139** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 4139** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Deuell, Chair; Wentworth, Hinojosa, Duncan, and Watson.

CONFERENCE COMMITTEE ON HOUSE BILL 2238

Senator Shapiro called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 2238** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 2238** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Shapiro, Chair; Janek, Van de Putte, Williams, and Carona.

CONFERENCE COMMITTEE ON HOUSE BILL 1864

Senator Hinojosa called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1864** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1864** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Hinojosa, Chair; Watson, Carona, Harris, and Seliger.

CONFERENCE COMMITTEE ON HOUSE BILL 1481

Senator Uresti called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1481** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 1481** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Uresti, Chair; Harris, Watson, Hinojosa, and Wentworth.

CONFERENCE COMMITTEE ON HOUSE BILL 568

Senator Harris called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 568** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 568** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Harris, Chair; Watson, Wentworth, Brimer, and Carona.

CONFERENCE COMMITTEE ON HOUSE BILL 2814

Senator Van de Putte called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 2814** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 2814** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Van de Putte, Chair; Shapiro, Janek, Zaffirini, and Ogden.

CONFERENCE COMMITTEE ON HOUSE BILL 3068

Senator Zaffirini called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 3068** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 3068** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Zaffirini, Chair; Lucio, Shapleigh, Estes, and Seliger.

CONFERENCE COMMITTEE ON HOUSE BILL 2072

Senator Zaffirini called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 2072** and moved that the request be granted.

The motion prevailed without objection.

The Presiding Officer asked if there were any motions to instruct the conference committee on **HB 2072** before appointment.

There were no motions offered.

Accordingly, the Presiding Officer announced the appointment of the following conferees on the part of the Senate: Senators Zaffirini, Chair; Hinojosa, Brimer, Eltife, and Averitt.

MOTION TO ADJOURN

On motion of Senator Whitmire and by unanimous consent, the Senate at 6:12 p.m. agreed to adjourn, pending receipt of Messages from the House, until 11:00 a.m. tomorrow.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

May 25, 2007

The Honorable President of the Senate

Senate Chamber

Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS CONCURRED IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

HB 160 (140 Yeas, 0 Nays, 2 Present, not voting)

HB 426 (140 Yeas, 1 Nays, 2 Present, not voting)

HB 581 (134 Yeas, 0 Nays, 2 Present, not voting)

HB 779 (140 Yeas, 0 Nays, 3 Present, not voting)

HB 1495 (141 Yeas, 0 Nays, 1 Present, not voting)

HB 1742 (140 Yeas, 0 Nays, 2 Present, not voting)

HB 1988 (142 Yeas, 0 Nays, 2 Present, not voting)

HB 2198 (140 Yeas, 0 Nays, 2 Present, not voting)

HB 2402 (134 Yeas, 0 Nays, 1 Present, not voting)

HB 2460 (140 Yeas, 0 Nays, 2 Present, not voting)

HB 2541 (141 Yeas, 0 Nays, 2 Present, not voting)

HB 2701 (111 Yeas, 25 Nays, 2 Present, not voting)

HB 2702 (139 Yeas, 0 Nays, 1 Present, not voting)

HB 2978 (139 Yeas, 0 Nays, 2 Present, not voting)

HB 2982 (141 Yeas, 0 Nays, 1 Present, not voting)

HB 2994 (139 Yeas, 0 Nays, 2 Present, not voting)

HB 3271 (141 Yeas, 0 Nays, 1 Present, not voting)

HB 3309 (142 Yeas, 0 Nays, 2 Present, not voting)

HB 3378 (136 Yeas, 0 Nays, 2 Present, not voting)

HB 3430 (142 Yeas, 0 Nays, 2 Present, not voting)

HB 3443 (140 Yeas, 0 Nays, 2 Present, not voting)

HB 3584 (141 Yeas, 0 Nays, 2 Present, not voting)

HB 3618 (138 Yeas, 3 Nays, 2 Present, not voting)

THE HOUSE HAS REFUSED TO CONCUR IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES AND REQUESTS THE APPOINTMENT OF A CONFERENCE COMMITTEE TO ADJUST THE DIFFERENCES BETWEEN THE TWO HOUSES:

HB 12 (non-record vote)

House Conferees: Hilderbran - Chair/Flores/Gattis/Howard, Donna/O'Day

HB 442 (non-record vote)

House Conferees: Phillips - Chair/Driver/Frost/Martinez Fischer/Talton

HB 539 (non-record vote)

House Conferees: Smith, Wayne - Chair/Coleman/Heflin/Howard, Charlie/West, George "Buddy"

HB 1137 (non-record vote)

House Conferees: Hochberg - Chair/Branch/Dutton/Eissler/Patrick

HB 1801 (non-record vote)

House Conferees: Zerwas - Chair/Escobar/Pena/Pierson/Vaught

HB 2207 (non-record vote)

House Conferees: Gallego - Chair/Darby/Martinez, "Mando"/Solomons/Straus

HB 2383 (non-record vote)

House Conferees: Lucio III - Chair/Anchia/Creighton/Hancock/Strama

HB 3385 (non-record vote)

House Conferees: Chisum - Chair/Christian/Howard, Donna/Keffer, Jim/Swinford

HB 3694 (non-record vote)

House Conferees: Deshotel - Chair/Dutton/Kolkhorst/Ortiz, Jr./Straus

THE HOUSE HAS TAKEN THE FOLLOWING OTHER ACTION:

HB 1267

The House refuses to concur in Senate Amendments and requests the appointment of a conference committee with instructions to adjust the differences between the two houses.

House Conferees: Pena - Chair/ Escobar/ Gattis/ Hartnett/ Talton

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 2458**

Senator Brimer submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 2458** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

BRIMER
AVERITT
ELTIFE
SHAPLEIGH
WHITMIRE

On the part of the Senate

B. COOK
EISSLER
FLYNN
JONES
RITTER

On the part of the House

The Conference Committee Report on **HB 2458** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1594**

Senator Carona submitted the following Conference Committee Report:

Austin, Texas
May 24, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1594** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

CARONA
NELSON
VAN DE PUTTE

On the part of the Senate

ZERWAS
EILAND
HANCOCK
MARTINEZ
SMITHEE

On the part of the House

The Conference Committee Report on **HB 1594** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 548**

Senator Carona submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 548** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

CARONA

LUCIO

VAN DE PUTTE

WATSON

HAMILTON

DRIVER

LATHAM

FROST

WEST

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to notice of the presumption for theft by check.

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

SECTION 1. Subsection (b), Section 31.06, Penal Code, is amended to read as follows:

(b) For purposes of Subsection (a)(2) or (f)(3), notice may be actual notice or notice in writing that:

(1) is sent by:

(A) first class mail, evidenced by an affidavit of service; or

(B) registered or certified mail with return receipt requested [~~or by telegram with report of delivery requested~~];

(2) is addressed to the issuer at the issuer's [~~his~~] address shown on:

(A) the check or order;

(B) the records of the bank or other drawee; or

(C) the records of the person to whom the check or order has been issued or passed; and

(3) contains the following statement:

"This is a demand for payment in full for a check or order not paid because of a lack of funds or insufficient funds. If you fail to make payment in full within 10 days after the date of receipt of this notice, the failure to pay creates a presumption for committing an offense, and this matter may be referred for criminal prosecution."

SECTION 2. Subsection (c), Section 32.41, Penal Code, is amended to read as follows:

(c) Notice for purposes of Subsection (b)(2) may be actual notice or notice in writing that:

(1) is sent by:

(A) [registered or certified mail with return receipt requested, by telegram with report of delivery requested, or by] first class mail, evidenced by an affidavit of service; or

(B) registered or certified mail with return receipt requested [if the letter was returned unopened with markings indicating that the address is incorrect and that there is no current forwarding order];

(2) is addressed to the issuer at the issuer's [his] address shown on:

(A) the check or order;

(B) the records of the bank or other drawee; or

(C) the records of the person to whom the check or order has been issued or passed; and

(3) contains the following statement:

"This is a demand for payment in full for a check or order not paid because of a lack of funds or insufficient funds. If you fail to make payment in full within 10 days after the date of receipt of this notice, the failure to pay creates a presumption for committing an offense, and this matter may be referred for criminal prosecution."

SECTION 3. Article 102.007, Code of Criminal Procedure, is amended by adding Subsection (g) to read as follows:

(g) In addition to the collection fee specified in Subsections (b) and (c), the issuer of a check or similar sight order that has been issued or passed as described by Subsection (a)(1) is liable for a fee in an amount equal to the costs of delivering notification by registered or certified mail with return receipt requested. The fee under this subsection must be collected in all cases described by Subsection (a)(1), and on receipt of proof of the actual costs expended, the fee shall be remitted to the holder of the check or similar sight order.

SECTION 4. Subchapter E, Chapter 3, Business & Commerce Code, is amended by adding Section 3.507 to read as follows:

Sec. 3.507. DELIVERY NOTIFICATION FEE BY HOLDER OF CHECK OR SIMILAR SIGHT ORDER. (a) On return of a check or similar sight order to the holder following dishonor of the check or sight order by a payor and prior to the check or sight order being referred for prosecution, the holder, the holder's assignee, agent, or representative, or any other person retained by the holder to seek collection of the dishonored check or sight order may charge the drawer or indorser of the check or sight order the cost of delivery notification by registered or certified mail with return receipt requested under Section 31.06 or Section 32.41, Penal Code, as applicable.

(b) A person may not charge a delivery notification fee to a drawer or indorser under this section if the fee has been collected under Article 102.007(g), Code of Criminal Procedure. If a delivery notification fee has been collected under this section

and the holder subsequently receives a fee collected under Article 102.007(g), Code of Criminal Procedure, the holder shall immediately refund the fee previously collected from the drawer or indorser.

(c) This section does not affect any right or remedy to which the holder of a check or similar sight order may be entitled under any rule, written contract, judicial decision, or other statute, including Section 3.506.

SECTION 5. The change in law made by this Act applies 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 covered 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 was committed before that date.

SECTION 6. This Act takes effect September 1, 2007.

The Conference Committee Report on **SB 548** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 1123

Senator Ellis submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 1123** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

ELLIS
WEST
NICHOLS

MILES
COLEMAN
VEASEY
HEFLIN
HODGE

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED AN ACT

relating to the creation of the Harris County Improvement District No. 8; providing authority to impose a tax and issue bonds.

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

SECTION 1. LEGISLATIVE FINDINGS. (a) The legislature finds that the Harris County Improvement District No. 8 is created under the general authority of the Texas Legislature to legislate for the public good.

(b) The legislature further finds that:

(1) the area of the proposed Harris County Improvement District No. 8 is in an area that will develop into one of the state's most dynamic activity centers and will be the location of numerous commercial, office, retail, and residential buildings;

(2) the area is presently served with an inadequate public transportation system and has an inadequate system of streets and public parking facilities;

(3) residents, workers, visitors, customers, and other persons accessing the area must primarily use motor vehicles, which use will place an undue burden on the street system in the district and result in severe congestion that retards mobility of persons and property and impairs the use of the area as one of the state's primary economic and business centers;

(4) the absence of an adequate system of parking facilities, including park and ride facilities, discourages the use of public transportation and further aggravates vehicular congestion in the area;

(5) motor vehicles are generally powered by internal combustion engines that emit pollutants into the air, which results in dangers to the public health and welfare;

(6) the proliferation of the use of motor vehicles for passenger transportation in the area will be caused in substantial part by the absence of an adequate public transportation system and an adequate system or network of public parking facilities;

(7) provision of an adequate system of public parking facilities and public transit and transportation facilities will accomplish the public purposes of Section 52-a, Article III, Texas Constitution, by stimulating transportation and commerce in the area and in the state and will serve the further public purpose of reducing the pollutants discharged into the air, thus reducing the threat to the public health and welfare and preserving and conserving the natural resources of this state as mandated by Section 59, Article XVI, Texas Constitution; and

(8) in order for the area to have an adequate public transit system and an adequate system of public parking it will be necessary for the district to be able to take advantage of all public and private funds and opportunities available and be empowered to contract with other public agencies and with private entities to jointly provide the systems.

SECTION 2. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 8. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3848 to read as follows:

CHAPTER 3848. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 8

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3848.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "District" means the Harris County Improvement District No. 8.

Sec. 3848.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 8. The Harris County Improvement District No. 8 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3848.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, the Metropolitan Transit Authority of Harris County, 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 transportation, parking, housing, recreation, the arts, safety, scenic beauty, and the public welfare in the area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 2007, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district.

Sec. 3848.004. 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 will:

(1) promote the health, safety, and general welfare of district residents and the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the area as a residential neighborhood and a commercially viable area; 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.

(d) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(e) 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. 3848.005. DISTRICT TERRITORY. The district is composed of the territory described by Section 3 of the Act enacting this chapter, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

Sec. 3848.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3848.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

[Sections 3848.008-3848.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3848.051. COMPOSITION; TERMS. (a) The district is governed by a board of nine voting directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of voting directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than nine; or

(2) decrease the number of directors to fewer than five.

Sec. 3848.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Sec. 3848.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:

(A) parks and recreation;

(B) planning and development; and

(C) public works; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

Sec. 3848.054. QUORUM. (a) A majority of the board is a quorum.

(b) Nonvoting directors and vacant director positions are not counted for the purposes of establishing a board quorum.

Sec. 3848.055. COMPENSATION OF VOTING DIRECTORS. Voting directors may receive fees of office and reimbursement of expenses as provided by Section 49.060, Water Code.

Sec. 3848.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of the following voting directors:

| <u>Pos. No.</u> | <u>Name of Director</u> |
|-----------------|-------------------------|
| <u>1</u> | <u>Marilee Maden</u> |
| <u>2</u> | <u>David Angel</u> |
| <u>3</u> | <u>Mike McIver</u> |
| <u>4</u> | <u>Jeff Lagow</u> |
| <u>5</u> | <u>Wayne Davis</u> |
| <u>6</u> | <u>Derrick Mitchell</u> |
| <u>7</u> | <u>Theldon Branch</u> |

8
9

Tiffany Bingham-Briscoe
Gail Jackson

(b) Of the initial voting directors, the terms of directors appointed for positions 1 through 5 expire June 1, 2009, and the terms of directors appointed for positions 6 through 9 expire June 1, 2011.

(c) Section 3848.052 does not apply to this section.

(d) This section expires September 1, 2011.

[Sections 3848.057-3848.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3848.101. DEVELOPMENT CORPORATION AND HOUSING CORPORATION POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that section; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Sec. 3848.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for purposes of this chapter to be a local government corporation created under Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code.

Sec. 3848.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3848.104. CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

Sec. 3848.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body for:

(1) the issuance of a bond for each improvement project;

(2) the plans and specifications of the improvement project financed by the bond; and

(3) the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston.

Sec. 3848.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3848.107. ROAD POWERS. The district may exercise the powers given to:

(1) a road district created under Chapter 257, Transportation Code; and

(2) a road utility district created under Chapter 441, Transportation Code.

Sec. 3848.108. AIR RIGHTS; CONSTRUCTION. The district may acquire air rights and may construct improvements on property on which it only owns air rights.

Sec. 3848.109. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The district may construct improvements on property on which it only has a leasehold interest and may own undivided interests in buildings and other improvements.

Sec. 3848.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

[Sections 3848.111-3848.150 reserved for expansion]

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3848.151. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

Sec. 3848.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for the parking of motor vehicles; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in the parking of vehicles.

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

(c) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Sec. 3848.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Sec. 3848.154. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

[Sections 3848.155-3848.200 reserved for expansion]

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3848.201. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3848.202. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3848.207, the district may impose an annual ad valorem tax on taxable property in the district to:

- (1) administer the district;
- (2) maintain and operate the district;
- (3) construct or acquire improvements; or
- (4) provide a service.

(b) The board shall determine the tax rate.

(c) An owner of real property in the district, except property exempt under the Texas or United States Constitution or under the Tax Code, is liable for the payment of ad valorem taxes imposed by the district on the property.

Sec. 3848.203. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) 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;
- (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) 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. 3848.204. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

- (1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a person who provides to the public cable television or advanced telecommunications services.

Sec. 3848.205. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) In exercising the district's power to borrow, 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.

Sec. 3848.206. LIMIT ON PARKS AND RECREATION BONDS. Bonds issued to finance parks and recreational facilities may not exceed one percent of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Harris County.

Sec. 3848.207. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election.

Sec. 3848.208. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

[Sections 3848.209-3848.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3848.251. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

SECTION 3. BOUNDARIES. As of the effective date of this Act, the Harris County Improvement District No. 8 includes all territory contained in the following described area:

METES AND BOUNDS DESCRIPTION OF 104.196 ACRES OF LAND IN THE JOHN WALTERS SURVEY, ABSTRACT NUMBER 874 HOUSTON, HARRIS COUNTY, TEXAS.

104.196 acres (4,538,793 square feet) of land, being three non-contiguous tracts, being all of Unrestricted Reserves "A", "B" and "C" of Six Flags Astroworld, Replat No. 1, as recorded under Film Code Number 580010 of Harris County Map Records, in the John Walters Survey, Abstract Number 874, Houston, Harris County, Texas, said 104.196 acres being more particularly described as follows (bearings are based

on the Texas State Plane Coordinate System, South Central Zone (NAD 83), as derived from GPS observations based on Continuously Operating Reference. Station (CORS) Houston 2 (COH2):

UNRESTRICTED RESERVE "A" 101.832 acres (4,435,829 square feet)

BEGINNING at a 5/8-Inch Iron rod found In the southerly right-of-way line of Interstate Highway 610 (South Loop West) (350 feet wide) as recorded In Harris County Clerk's File Number B532643, for the most northerly northwest corner of said Reserve "A" and the northeast corner of the residue of a called 7.697 acre tract of land described in a deed to John Jay Davis. and James Donahue Davis, as recorded under Harris County Clerk's File Number N205522;

THENCE, along the southerly right-of-way line of said Interstate Highway 610, as follows:

North 85 degrees 43 minutes 49 seconds East, a distance of 764.67 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of curve;

Along the arc of a 5938.17 foot radius curve to the left, having a central angle of 10 degrees 56 minutes 34 seconds, an arc length of 1134.11 feet, and a chord

which bears North 80 degrees 15 minutes 33 seconds East, a distance of 1132.39 feet, to a 5/8-inch iron rod found for a point of tangency;

North 74 degrees 47 minutes 16 seconds East, a distance of 474.85 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of curve;

THENCE, leaving the southerly right-of-way line of said Interstate Highway 610, along the arc of a 25.00 foot radius curve to the right, having a central angle of 46 degrees 50 minutes 13 seconds, an arc length of 20.44 feet, and a chord which bears South 81 degrees 47 minutes 38 seconds East, a distance of 19.87 feet, to a point for corner in the west right-of-way line of *Fannin Street (width varies) (corner unable to be set)*;

THENCE, along the westerly right-of-way line of said Fannin Street, as follows:

South 03 degrees 37 minutes 26 seconds East, a distance of 13.64 feet, to a point of curve (corner unable to be set);

Along the arc of a 3010.00 foot radius curve to the left, having a central angle of 01 degree 13 minutes 03 seconds, an arc length of 63.96 feet, and a chord which bears South 04 degrees 13 minutes 57 seconds East, a distance of 63.96 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of tangency;

South 04 degrees 50 minutes 28 seconds East, a distance of 212.17 feet, to a 3/4-inch iron rod with "CLR" cap found for corner;

South 02 degrees 28 minutes 41 seconds East, a distance of 136.62 feet, to a point for corner (corner unable to be set);

South 00 degrees 40 minutes 14 seconds East, a distance of 870.60 feet, to a 5/8-inch iron rod with "Clarkson" cap found in the north line of a called 6.289 acre tract of land described In a deed to Metropolitan Transit Authority of Harris County, Texas, as recorded under Harris County Clerk's File Number V491408, for the most easterly southeast corner hereof;

THENCE, South 68 degrees 55 minutes 46 seconds West, a distance of 526.60 feet, leaving the westerly right-of-way line of said Fannin Street, to a 5/8-inch iron rod found for the northwest corner of said called 6.289 acre tract and for an interior corner hereof;

THENCE, *South 16 degrees 48 minutes 57 seconds East, a distance of 592.88 feet, to a cut "X" in the top of a concrete wall found in the northerly right-of-way line of West Bellfort Avenue (width varies), for the southwest corner of said called 6.289 acre tract and the most southerly southeast corner hereof;*

THENCE, along the northerly right-of-way line of said West Bellfort Avenue, as follows;

Along the arc of a 1094.45 foot radius non-tangent curve to the right, having a central angle of 04 degrees 38 minutes 31 seconds, an arc length of 88.67 feet, and a chord which bears South 84 degrees 25 minutes 50 seconds West, a distance of 88.65 feet, to a cut "X" in the top of a concrete wall found for a point of tangency;

South 86 degrees 45 minutes 05 seconds West, a distance of 1296.70 feet, to a 3/4-inch Iron rod with "CLR" cap found for a point of curve;

Along the arc of a 1960.00 foot radius curve to the right, having a central angle of 16 degrees 59 minutes 02 seconds, an arc length of 580.99 feet, and a chord which bears North 84 degrees 45 minutes 24 seconds West, a distance of 578.87 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of tangency;

North 76 degrees 15 minutes 52 seconds West, a distance of 359.92 feet, to a 3/4-inch Iron rod with "CLR" cap found for a point of curve;

Along the arc of a 2050.00 foot radius non-tangent curve to the left, having a central angle of 02 degrees 20 minutes 12 seconds, an arc length of 83.60 feet, and a chord which bears North 77 degrees 34 minutes 45 seconds West, a distance of 83.59 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of tangency;

North 40 degrees 38 minutes 02 seconds West, a distance of 31.42 feet, to a 3/4-inch iron rod with "CLR" cap found for the northwest end of a cut-back at the northeast corner of the intersection of said West Bellfort Drive and Kirby Drive (width varies) for the most westerly southwest corner hereof;

THENCE, North 02 degrees 27 minutes 33 seconds West, a distance of 713.06 feet, along the easterly right-of-way line of said Kirby Drive, to a 5/8-inch iron rod found for the southwest corner of the aforementioned called 7.697 acre tract, and the most westerly northwest corner hereof;

THENCE, North 86 degrees 33 minutes 51 seconds East, a distance of 399.78 feet, leaving the easterly right-of-way line of said Kirby Drive, to a 3/4-Inch rod found for the southeast corner of said called 7.697 acre tract, and an interior corner hereof;

THENCE, North 02 degrees 16 minutes 18 seconds West, a distance of 848.62 feet, to the POINT OF BEGINNING and containing a computed area of 101.832 acres (4,435,829 square feet) of land in said. Unrestricted Reserve "A".

UNRESTRICTED RESERVE "B" 1.909 acres (83,157 square feet)

BEGINNING at a 5/8-Inch Iron rod found in the easterly right-of-way line of said Kirby Drive, for the northwest corner of Unrestricted Reserve "F" in Section I of South Point Business Park, as recorded in Volume 230, Page 136, Harris County Map Records, and the southwest corner *hereof*;

THENCE, North 02 degrees 27 minutes 33 seconds West, a distance of 145.37 feet, along the *easterly right-of-way line of said Kirby Drive, to a point for corner in a power pole at the southwesterly end of a curve return at the southeast corner of the intersection of said Kirby Drive and the aforementioned West Bellfort Drive;*

THENCE, leaving the easterly right-of-way line of said Kirby Drive, along the arc of a 50.00 foot radius non-tangent curve to the right, having a central angle of 106 degrees 46 minutes 14 seconds, an arc length of 9317 feet, and a chord which bears North 50 degrees 41 minutes 45 seconds East, a distance of 80.27 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of compound curve;

THENCE, along the south right-of-way line of said West Bellfort Avenue, as follows;

Along the arc of a 1950.00 foot radius curve to the right, having a central angle of 00 degrees 15 minutes 30 seconds, an arc length of 8.79 feet, and a chord which bears South 76 degrees 23 minutes 37 seconds East, a distance of 8.79 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of tangency;

South 76 degrees 15 minutes 52 seconds East, a distance of 294.43 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of curve;

Along the arc of a 2040.00 foot radius non-tangent curve to the left, having a central angle of 16 degrees 59 minutes 03 seconds, an arc length of 604.71 feet, and a chord which bears South 84 degrees 46 minutes 12 seconds East, a distance of 602.50 feet, to a 3/4-inch iron rod with "CLR" cap found for a point of tangency;

North 86 degrees 44 minutes 17 seconds East, a distance of 88.58 feet, to a 3/4-inch Iron rod with "CLR" cap found for the northwest end of a cut-back corner at the southwest corner of the intersection of said West Bellfort Drive and Centerpoint Drive (60 feet wide);

THENCE, South 47 degrees 54 minutes 45 seconds East, a distance of 21.14 feet, leaving the south right-of-way line of said West Bellfort Drive, to a 3/4-inch iron rod with "CLR" cap found for the southeast end of said cut-back corner in the westerly right-of-way line of said Centerpoint Drive, the northeast corner of Unrestricted Reserve "B" in Section II of said South Point Business Park, and the southeast corner hereof;

THENCE, South 86 degrees 44 minutes 26 seconds West, a distance of 1056.25 feet, leaving the westerly right-of-way line of said Centerpoint Drive, with the north line of Section I and *Section II of said South Point Business Park, to the POINT OF BEGINNING and containing a computed area of 1.909 acres (83,157 square feet) of land in said Unrestricted Reserve "B".*

UNRESTRICTED RESERVE "C" 0.455 acres (19,807 square feet)

BEGINNING at a 3/4-inch iron rod with "CLR" cap found in the northerly right-of-way line of the aforementioned West Bellfort Drive, for the northwest corner of the residue of a Houston Lighting & Power Company Fee Strip, recorded in Volume 1781, Page 199, of the Harris County Deed Records, and the northeast corner hereof;

THENCE, South 16 degrees 48 minutes 57 seconds East, a distance of 19.94 feet, to a 1-inch galvanized iron pipe found in the north line of Unrestricted Reserve "A" in Section III of the aforementioned South Point Business Park, and the southeast corner hereof;

THENCE, South 86 degrees 44 minutes 26 seconds West, a distance of 1313.64 feet, along the north line Section III and Section II of said South Point Business Park, to a cut "X" set in the tip of a concrete culvert in the easterly right-of-way line of the aforementioned Centerpoint Drive, being the southwest end of

a cut-back corner at the southeast corner of the Intersection of said West Bellfort Drive and said Centerpoint Drive and the southwest corner hereof;

THENCE, North 42 degrees 05 minutes 15 seconds East, a distance of 21.40 feet, to a 3/4-inch iron rod with "CLR" cap found in the southerly right-of-way line of said West Bellfort Drive, for the northeast end of said cut-back corner and the northwest corner hereof;

THENCE, North 86 degrees 44 minutes 17 seconds East, a distance of 1186.52 feet, along the southerly right-of-way line of said West Bellfort Drive, to a 3/4-inch iron rod with "CLR" cap found for a point of curve;

THENCE, continuing along the southerly right-of-way fine of said West Bellfort Drive, along the arc of a 1341.97 foot radius curve to the left, having a central angle of 04 degrees 34 minutes 58 seconds, an arc length of 107.34 feet, and a chord which bears North 84 degrees 26 minutes 48 seconds East, a distance of 107.31 feet, to the POINT OF BEGINNING and containing a computed area of 0.455 acres (19,807 square feet) of land in said Unrestricted Reserve "C", and containing a total aggregate area of 104.196 acres (4,538,793 square feet) of land.

SECTION 4. REIMBURSEMENT FOR COST OF CREATION. The Harris County Improvement District No. 8 may reimburse the cost of creating the district from assessments or other revenues created by the district.

SECTION 5. ADDITIONAL LEGISLATIVE FINDINGS. The legislature finds that:

(1) proper and 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 by the constitution and laws of this state, including the governor, who has submitted the notice and Act to the Texas Commission on Environmental Quality;

(2) the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time;

(3) the general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with; and

(4) 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 6. 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, 2007.

The Conference Committee Report on **SB 1123** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1060**

Senator Harris submitted the following Conference Committee Report:

Austin, Texas
May 22, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1060** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HARRIS
BRIMER
LUCIO
WATSON

PARKER
D. HOWARD
MCCLENDON
KOLKHORST
ZERWAS

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 1060** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1498**

Senator Eltife submitted the following Conference Committee Report:

Austin, Texas
May 24, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1498** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

ELTIFE
DEUELL
HEGAR
HINOJOSA
URESTI

HOPSON
FROST
MCREYNOLDS
RITTER

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 1498** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1973**

Senator Nelson submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1973** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

NELSON
JANEK
URESTI
NICHOLS
DEUELL

On the part of the Senate

DELISI
HOPSON
MCREYNOLDS
TRUITT
ZERWAS

On the part of the House

The Conference Committee Report on **HB 1973** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3849**

Senator Hinojosa submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 3849** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

HINOJOSA
WENTWORTH
HEGAR
WATSON
DEUELL

On the part of the Senate

HILDERBRAN
KUEMPEL
HARLESS
O'DAY

On the part of the House

The Conference Committee Report on **HB 3849** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3928**

Senator Ogden submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 3928** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

OGDEN
AVERITT
FRASER
LUCIO
VAN DE PUTTE

KEFFER
CHISUM
OTTO
PENA

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 3928** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 759**

Senator Nelson submitted the following Conference Committee Report:

Austin, Texas
May 23, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 759** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

NELSON
DEUELL
NICHOLS
SHAPLEIGH
URESTI

PARKER
HUGHES
S. KING
NAISHTAT
PIERSON

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to certain requirements relating to permanency hearings and placement review hearings for children under the care of the Department of Family and Protective Services.

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

SECTION 1. Section 263.302, Family Code, is amended to read as follows:

Sec. 263.302. CHILD'S ATTENDANCE AT HEARING. The child shall attend each permanency hearing unless the court specifically excuses the child's attendance. The court shall consult with the child in a developmentally appropriate manner regarding the child's permanency plan, if the child is four years of age or older and if the court determines it is in the best interest of the child. Failure by the child to attend a hearing does not affect the validity of an order rendered at the hearing.

SECTION 2. Section 263.501, Family Code, is amended by amending Subsections (d) and (e) and adding Subsection (f) to read as follows:

(d) The following are entitled to not less than 10 days' notice of a placement review hearing and are entitled to present evidence and be heard at the hearing:

- (1) the department;
- (2) the foster parent, preadoptive parent, relative of the child providing care, or director of the group home or institution in which the child is residing;
- (3) each parent of the child;
- (4) each possessory conservator or guardian of the child;
- (5) the child's attorney ad litem and volunteer advocate, if the appointments were not dismissed in the final order; and
- (6) any other person or agency named by the court as having an interest in the child's welfare.

(e) The licensed administrator of the child-placing agency responsible for placing the child is entitled to not less than 10 days' notice of a placement review hearing.

(f) The child shall attend each placement review hearing unless the court specifically excuses the child's attendance. The court shall consult with the child in a developmentally appropriate manner regarding the child's permanency or transition plan, if the child is four years of age or older. Failure by the child to attend a hearing does not affect the validity of an order rendered at the [The court may dispense with the requirement that the child attend a placement review] hearing.

SECTION 3. The changes in law made by this Act apply only to a permanency hearing or a placement review hearing conducted under Chapter 263, Family Code, on or after the effective date of this Act. A permanency hearing or a placement review hearing conducted before the effective date of this Act is governed by the law in effect on the date the hearing was conducted, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

The Conference Committee Report on **SB 759** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 126**

Senator Seliger submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 126** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

SELIGER
DEUELL
WILLIAMS

DELISI
B. BROWN
BOHAC
MCREYNOLDS
PAXTON

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 126** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 3105**

Senator Duncan submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 3105** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

DUNCAN
FRASER
ELLIS
HINOJOSA
SHAPIRO

ANCHIA
BOHAC
FARIAS
BURNAM
ENGLAND

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 3105** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1090**

Senator Jackson submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate
Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1090** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

JACKSON
BRIMER
HARRIS
AVERITT
LUCIO

On the part of the Senate

SWINFORD
HOPSON
P. KING
HEFLIN
CHRISTIAN

On the part of the House

The Conference Committee Report on **HB 1090** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 593**

Senator Wentworth submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate
Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 593** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

WENTWORTH
CARONA
DUNCAN
HINOJOSA
WATSON

On the part of the Senate

HARTNETT
GONZALES
GOOLSBY
HOPSON
HUGHES

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to proof of, and providing notice to certain beneficiaries under, a decedent's will.

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

SECTION 1. Section 128A, Texas Probate Code, is amended to read as follows:

Sec. 128A. NOTICE TO CERTAIN BENEFICIARIES ~~[ENTITIES]~~ AFTER PROBATE OF WILL. (a) In this section, "beneficiary" means a person, entity, state, governmental agency of the state, charitable organization, or trust entitled to receive real or personal property under the terms of a decedent's will, to be determined for purposes of this section with the assumption that each person who is alive on the date of the decedent's death survives any period required to receive the bequest as specified by the terms of the will.

(b) Except as provided by Subsection (d) of this section, not later than the 60th day after the date of an order admitting a decedent's will to probate, the personal representative of the decedent's estate, including an independent executor or independent administrator, shall give notice that complies with Subsection (e) of this section to each beneficiary named in the will whose identity and address are known to the personal representative or, through reasonable diligence, can be ascertained. If, after the 60th day after the date of the order, the personal representative becomes aware of the identity and address of a beneficiary who was not given notice on or before the 60th day, the personal representative shall give the notice as soon as possible after becoming aware of that information.

(c) Notwithstanding the requirement under Subsection (b) of this section that the personal representative give the notice to the beneficiary, the personal representative shall give the notice with respect to a beneficiary described by this subsection as follows:

(1) if the beneficiary is a trust, to the trustee, unless the personal representative is the trustee, in which case the personal representative shall give the notice to the person or class of persons first eligible to receive the trust income, to be determined for purposes of this subdivision as if the trust were in existence on the date of the decedent's death;

(2) if the beneficiary has a court-appointed guardian or conservator, to that guardian or conservator;

(3) if the beneficiary is a minor for whom no guardian or conservator has been appointed, to a parent of the minor; and

(4) if the beneficiary is a charity that for any reason cannot be notified, to the attorney general.

(d) A personal representative is not required to give the notice otherwise required by this section to a beneficiary who:

(1) made an appearance in the proceeding with respect to the decedent's estate before the will was admitted to probate; or

(2) received a copy of the will that was admitted to probate and waived the right to receive the notice in an instrument that:

(A) acknowledges the receipt of the copy of the will;

(B) is signed by the beneficiary; and

(C) is filed with the court.

(e) The notice required by this section must:

(1) state:

(A) the name and address of the beneficiary to whom the notice is given or, for a beneficiary described by Subsection (c) of this section, the name and address of the beneficiary for whom the notice is given and of the person to whom the notice is given;

(B) the decedent's name;

(C) that the decedent's will has been admitted to probate;

(D) that the beneficiary to whom or for whom the notice is given is named as a beneficiary in the will; and

(E) the personal representative's name and contact information; and

(2) contain as attachments a copy of the will admitted to probate and the order admitting the will to probate.

(f) The notice required by this section must be sent by registered or certified mail, return receipt requested.

(g) Not later than the 90th day after the date of an order admitting a will to probate, the personal representative shall file with the clerk of the court in which the decedent's estate is pending a sworn affidavit of the personal representative, or a certificate signed by the personal representative's attorney, stating:

(1) for each beneficiary to whom notice was required to be given under this section, the name and address of the beneficiary to whom the personal representative gave the notice or, for a beneficiary described by Subsection (c) of this section, the name and address of the beneficiary and of the person to whom the notice was given;

(2) the name and address of each beneficiary who filed a waiver of the notice;

(3) the name of each beneficiary whose identity or address could not be ascertained despite the personal representative's exercise of reasonable diligence; and

(4) any other information necessary to explain the personal representative's inability to give the notice to or for any beneficiary as required by this section.

(h) The affidavit or certificate required by Subsection (g) of this section may be included with any pleading or other document filed with the clerk of the court, including the inventory, appraisal, and list of claims or an application for an extension of the deadline to file the inventory, appraisal, and list of claims, provided that the pleading or other document with which the affidavit or certificate is included is filed not later than the date the affidavit or certificate is required to be filed as provided by Subsection (g) of this section [If the address of the entity can be ascertained with reasonable diligence, an applicant under Section 81 of this code shall give the state, a governmental agency of the state, or a charitable organization notice that the entity is named as a devisee in a written will, a written will not produced, or a nuncupative will that has been admitted to probate.

[(b) The notice required by Subsection (a) of this section must be given not later than the 30th day after the date of the probate of the will.

~~[(e) The notice must be in writing and state the county in which the will was admitted to probate. A copy of the application and the order admitting the will to probate and, if the application is for probate of a written will, a copy of the will must be attached to the notice.~~

~~[(d) An entity entitled to notice under Subsection (a) of this section must be notified by registered or certified mail, return receipt requested.~~

~~[(e) The applicant must file a copy of the notice with the court in which the will was admitted to probate].~~

SECTION 2. The heading to Section 128B, Texas Probate Code, is amended to read as follows:

Sec. 128B. NOTICE TO HEIRS ON APPLICATION TO PROBATE ~~[WHEN]~~ WILL ~~[PROBATED]~~ AFTER FOUR YEARS.

SECTION 3. Subsection (a), Section 149C, Texas Probate Code, is amended to read as follows:

(a) The county court, as that term is defined by Section 3 of this code, on its own motion or on motion of any interested person, after the independent executor has been cited by personal service to answer at a time and place fixed in the notice, may remove an independent executor when:

(1) the independent executor fails to return within ninety days after qualification, unless such time is extended by order of the court, an inventory of the property of the estate and list of claims that have come to the independent executor's [his] knowledge;

(2) sufficient grounds appear to support belief that the independent executor [he] has misapplied or embezzled, or that the independent executor [he] is about to misapply or embezzle, all or any part of the property committed to the independent executor's [his] care;

(3) the independent executor [he] fails to make an accounting which is required by law to be made;

(4) the independent executor [he] fails to timely file the affidavit or certificate [notice] required by Section 128A of this code;

(5) the independent executor [he] is proved to have been guilty of gross misconduct or gross mismanagement in the performance of the independent executor's [his] duties; or

(6) the independent executor [he] becomes an incapacitated person, or is sentenced to the penitentiary, or from any other cause becomes legally incapacitated from properly performing the independent executor's [his] fiduciary duties.

SECTION 4. Subsection (b), Section 222, Texas Probate Code, is amended to read as follows:

(b) With Notice. The court may remove a personal representative on its own motion, or on the complaint of any interested person, after the personal representative has been cited by personal service to answer at a time and place fixed in the notice, when:

(1) Sufficient grounds appear to support belief that the personal representative [he] has misapplied, embezzled, or removed from the state, or that the personal representative [he] is about to misapply, embezzle, or remove from the state, all or any part of the property committed to the personal representative's [his] care;

(2) The personal representative [He] fails to return any account which is required by law to be made;

(3) The personal representative [He] fails to obey any proper order of the court having jurisdiction with respect to the performance of the personal representative's [his] duties;

(4) The personal representative [He] is proved to have been guilty of gross misconduct, or mismanagement in the performance of the personal representative's [his] duties;

(5) The personal representative [He] becomes an incapacitated person, or is sentenced to the penitentiary, or from any other cause becomes incapable of properly performing the duties of the personal representative's [his] trust;

(6) As executor or administrator, the personal representative [he] fails to make a final settlement within three years after the grant of letters, unless the time be extended by the court upon a showing of sufficient cause supported by oath; or

(7) As executor or administrator, the personal representative [he] fails to timely file the affidavit or certificate [notice] required by Section 128A of this code.

SECTION 5. Section 6.02, H.B. No. 391, Acts of the 80th Legislature, Regular Session, 2007, as effective September 1, 2007, is amended to read as follows:

SECTION 6.02. The changes in law made by this article apply only to[~~+~~

~~[(1) the estate of a decedent who dies before the effective date of this article, if the probate or administration of the estate is pending on or commenced on or after the effective date of this article; and~~

~~[(2)] the estate of a decedent who dies on or after the effective date of this article.~~

SECTION 6. The changes in law made by Sections 1, 2, 3, and 4 of this Act apply only to the estate of a decedent who dies on or after the effective date of this Act. The estate of a decedent who dies before the effective date of this Act is governed by the law in effect on the date of the decedent's death, and the former law is continued in effect for that purpose.

SECTION 7. This Act takes effect September 1, 2007.

The Conference Committee Report on **SB 593** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1457

Senator Nichols submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1457** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

NICHOLS
ESTES
ELTIFE
HEGAR

On the part of the Senate

MCREYNOLDS
CHISUM
KUEMPEL
MILLER

On the part of the House

The Conference Committee Report on **HB 1457** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 447**

Senator Jackson submitted the following Conference Committee Report:

Austin, Texas
May 24, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 447** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

JACKSON
BRIMER
ELTIFE
WHITMIRE

On the part of the Senate

CALLEGARI
ESCOBAR
MACIAS
MURPHY

W. SMITH

On the part of the House

The Conference Committee Report on **HB 447** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1251**

Senator Wentworth submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1251** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WENTWORTH
NICHOLS
PATRICK
SELIGER
SHAPLEIGH

On the part of the Senate

BONNEN
DRIVER
EILAND
KUEMPEL
T. KING

On the part of the House

The Conference Committee Report on **HB 1251** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1383**

Senator Seliger submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 1383** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

SELIGER
AVERITT
ELTIFE
LUCIO
ZAFFIRINI

On the part of the Senate

SMITHEE
DARBY
GONZALEZ TOUREILLES

On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to district hearings and citizen suits for illegally drilling or operating a water well.

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

SECTION 1. Section 36.119, Water Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (g) and (h) to read as follows:

(a) Drilling or operating a well or wells without a required permit or producing groundwater in violation of a district rule adopted under Section 36.116(a)(2) [operating a well at a higher rate of production than the rate approved for the well] is declared to be illegal, wasteful per se, and a nuisance.

(b) Except as provided by this section, a landowner or other [A] person who has a right to produce groundwater from land that is [an estate in land] adjacent to the land on which a [the] well or wells are drilled or operated without a required permit or permits or from which groundwater is produced in violation of a district rule adopted under Section 36.116(a)(2) [is located], or who owns or otherwise has a right to produce groundwater from land [a part] that lies within one-half mile of the well or wells, may sue the owner of the well or wells in a court of competent jurisdiction to restrain or enjoin the illegal drilling, [or] operation, or both. The suit may be brought with or without the joinder of the district.

(c) Except as provided by this section, the [The] aggrieved party may also sue the owner of the well or wells for damages for injuries suffered by reason of the illegal operation or production and for other relief to which the party [they] may be entitled. In a suit for damages against the owner of the well or wells, the existence [or operation] of a well or wells drilled without a required permit or the operation of a well or wells in violation of a district rule adopted under Section 36.116(a)(2) [is violation of the rules of the district] is prima facie evidence of illegal drainage.

(g) Before filing a suit under Subsection (b) or (c), an aggrieved party must file a written complaint with the district having jurisdiction over the well or wells drilled or operated without a required permit or in violation of a district rule. The district shall investigate the complaint and, after notice and hearing and not later than the 90th day after the date the written complaint was received by the district, the district shall determine, based on the evidence presented at the hearing, whether a district rule has been violated. The aggrieved party may only file a suit under this section on or after the 91st day after the date the written complaint was received by the district.

(h) Notwithstanding Subsection (g), an aggrieved party under Subsection (b) may sue a well owner or well driller in a court of competent jurisdiction to restrain or enjoin the drilling or completion of an illegal well after filing the written complaint with the district under Subsection (g) and without the need to wait for a hearing on the matter.

SECTION 2. Section 36.119, Water Code, as amended by this Act, applies only to a violation occurring on or after the effective date of this Act. Any violation occurring before the effective date of this Act is governed by the law in effect on the date the violation occurred, and that law is continued in effect for that purpose.

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, 2007.

The Conference Committee Report on **SB 1383** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1714**

Senator Seliger submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 1714** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

SELIGER

ESTES

HINOJOSA

On the part of the Senate

SMITHEE

R. COOK

HOPSON

On the part of the House

**A BILL TO BE ENTITLED
AN ACT**

relating to regulation of dairy products.

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

SECTION 1. The heading to Section 435.003, Health and Safety Code, is amended to read as follows:

Sec. 435.003. [~~GRADE "A"~~] MILK SPECIFICATIONS.

SECTION 2. Subsection (a), Section 435.003, Health and Safety Code, is amended to read as follows:

(a) The board by rule may:

(1) define what constitutes Grade "A" raw milk, Grade "A" raw milk products, Grade "A" pasteurized milk, [~~and~~] Grade "A" pasteurized milk products, milk for manufacturing purposes, and dairy products; and

(2) provide specifications for the production and handling of milk and milk products listed in Subdivision (1) according to the safety and food value of the milk or milk products and the sanitary conditions under which they are produced and handled.

SECTION 3. Subsections (a) and (c), Section 435.004, Health and Safety Code, are amended to read as follows:

(a) The board or its representative shall sample, test, or inspect Grade "A" pasteurized milk and milk products, [~~and~~] Grade "A" raw milk and milk products for pasteurization, milk for manufacturing purposes, and dairy products that are offered for sale [~~delivered to a milk plant or other place of delivery~~].

(c) Sampling, testing, and inspection of Grade "A" pasteurized milk and milk products and Grade "A" raw milk and milk for pasteurization shall include, in addition to any other tests that may be required, tests for:

(1) plate count or direct microscopic count;

(2) antibiotics;
 (3) sediments;
 (4) phosphatase [~~phosphatase~~]; and
 (5) water and any elements foreign to the natural contents of Grade "A" pasteurized milk and milk products and Grade "A" raw milk and milk products for pasteurization.

SECTION 4. Subsections (b) and (d), Section 435.009, Health and Safety Code, are amended to read as follows:

(b) The department shall impose the following fees only:

(1) a permit fee of \$200 every two years [~~\$50 a year~~] for a producer dairy farm;

(2) a permit fee of \$800 every two years [~~\$200 a year~~] for a processing or bottling plant;

(3) a permit fee of \$800 every two years [~~\$200 a year~~] for a receiving and transfer station;

(4) a permit fee of \$200 every two years [~~\$100 a year~~] for a milk transport tanker;

(5) a fee of 4-1/2 [~~two~~] cents for each 100 pounds of milk or milk products processed and distributed in this state by a processing or bottling plant in this state, or processed by an out-of-state processing or bottling plant and sold in this state; and

(6) a fee of 1-1/2 cents for each 100 pounds of dairy products processed by a processing or bottling plant in this state [~~for the actual cost of analyzing samples of milk or milk products for an out of state processing or bottling plant~~].

(d) A permit [~~Annual permits~~] issued under this chapter is valid for two years and must be renewed not later than September 1 of the [~~each~~] year in which the permit expires.

SECTION 5. Subsection (b), Section 435.002, and Subsection (d), Section 435.004, Health and Safety Code, are repealed.

SECTION 6. The change in law made by this Act to fees charged under Section 435.009, Health and Safety Code, applies only to a permit that expires on or after the effective date of this Act.

SECTION 7. This Act takes effect September 1, 2007.

The Conference Committee Report on **SB 1714** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON SENATE BILL 36

Senator Nelson submitted the following Conference Committee Report:

Austin, Texas

May 25, 2007

Honorable David Dewhurst
 President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 36** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

NELSON
WEST
URESTI
DEUELL

EILAND
DELISI
TRUITT
JACKSON
COLEMAN

On the part of the Senate

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to the examination of certain applicants for a license to practice medicine.

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

SECTION 1. Section 155.056, Occupations Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) Notwithstanding Subsection (a), an applicant who, on September 1, 2005, held a physician-in-training permit issued under Section 155.105 or had an application for that permit pending before the board must pass each part of the examination within three attempts, except that, if the applicant has passed all but one part of the examination within three attempts, the applicant may take the remaining part of the examination one additional time. However, an applicant is considered to have satisfied the requirements of this subsection if the applicant:

(1) passed all but one part of the examination approved by the board within three attempts and passed the remaining part of the examination within six attempts;

(2) is specialty board certified by a specialty board that:

(A) is a member of the American Board of Medical Specialties; or

(B) is approved by the American Osteopathic Association; and

(3) has completed in this state an additional two years of postgraduate medical training approved by the board.

(d) The limitation on examination attempts by an applicant under Subsection (a) does not apply to an applicant who:

(1) is licensed and in good standing as a physician in another state;

(2) has been licensed for at least five years;

(3) does not hold a medical license in the other state that has any restrictions, disciplinary orders, or probation; and

(4) passed all but one part of the examination approved by the board within three attempts and:

(A) passed the remaining part of the examination within one additional attempt; or

(B) passed the remaining part of the examination within six attempts if the applicant:

(i) is specialty board certified by a specialty board that:

(a) is a member of the American Board of Medical Specialties;

or

(b) is approved by the American Osteopathic Association; and

(ii) has completed in this state an additional two years of postgraduate medical training approved by the board.

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, 2007.

The Conference Committee Report on **SB 36** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1522

Senator Williams submitted the following Conference Committee Report:

Austin, Texas

May 25, 2007

Honorable David Dewhurst

President of the Senate

Honorable Tom Craddick

Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1522** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

WILLIAMS

ELLIS

HINOJOSA

NICHOLS

SHAPIRO

On the part of the Senate

HARLESS

DESHOTEL

MURPHY

W. SMITH

VAUGHT

On the part of the House

The Conference Committee Report on **HB 1522** was filed with the Secretary of the Senate.

CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2542

Senator Estes submitted the following Conference Committee Report:

Austin, Texas

May 25, 2007

Honorable David Dewhurst

President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 2542** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

ESTES
HEGAR
HINOJOSA

KOLKHORST
AYCOCK
R. COOK
HARDCASTLE
HEFLIN

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 2542** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
HOUSE BILL 1**

Senator Ogden submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 1** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

OGDEN
ZAFFIRINI
WHITMIRE
DUNCAN
WILLIAMS

CHISUM
GUILLEN
TURNER
KOLKHORST
GATTIS

On the part of the Senate

On the part of the House

The Conference Committee Report on **HB 1** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1031**

Senator Shapiro submitted the following Conference Committee Report:

Austin, Texas
May 25, 2007

Honorable David Dewhurst
President of the Senate

Honorable Tom Craddick
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 1031** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

SHAPIRO
JANEK
SELIGER
WEST
WILLIAMS

On the part of the Senate

EISLER
ZEDLER
BRANCH
HOCHBERG
PATRICK

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to public school accountability and the administration of certain assessment instruments in public schools; providing a criminal penalty.

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

SECTION 1. Subsection (b), Section 18.006, Education Code, is amended to read as follows:

(b) In addition to other factors determined to be appropriate by the commissioner, the accountability system must include consideration of:

(1) student performance on the end-of-course [~~secondary exit level~~] assessment instruments required by Section 39.023(c); and

(2) dropout rates, including dropout rates and diploma program completion rates for the grade levels served by the diploma program.

SECTION 2. Subsection (b), Section 21.006, Education Code, is amended to read as follows:

(b) In addition to the reporting requirement under Section 261.101, Family Code, the superintendent or director of a school district, regional education service center, or shared services arrangement shall notify the State Board for Educator Certification if the superintendent or director has reasonable cause to believe that:

(1) an educator employed by or seeking employment by the district, service center, or shared services arrangement has a criminal record;

(2) an educator's employment at the district, service center, or shared services arrangement was terminated based on a determination that the educator:

(A) abused or otherwise committed an unlawful act with a student or minor;

(B) possessed, transferred, sold, or distributed a controlled substance, as defined by Chapter 481, Health and Safety Code, or by 21 U.S.C. Section 801 et seq., and its subsequent amendments;

(C) illegally transferred, appropriated, or expended funds or other property of the district, service center, or shared services arrangement;

(D) attempted by fraudulent or unauthorized means to obtain or alter a professional certificate or license for the purpose of promotion or additional compensation; or

(E) committed a criminal offense or any part of a criminal offense on school property or at a school-sponsored event; ~~[or]~~

(3) the educator resigned and reasonable evidence supports a recommendation by the superintendent or director to terminate the educator based on a determination that the educator engaged in misconduct described by Subdivision (2); or

(4) the educator engaged in conduct that violated the assessment instrument security procedures established under Section 39.0301.

SECTION 3. Subsection (b), Section 25.005, Education Code, is amended to read as follows:

(b) A reciprocity agreement must:

(1) address procedures for:

(A) transferring student records;

(B) awarding credit for completed course work; and

(C) permitting a student to satisfy the requirements of Section 39.025 through successful performance on comparable end-of-course or other exit-level assessment instruments administered in another state; and

(2) include appropriate criteria developed by the agency.

SECTION 4. Subsection (b), Section 29.081, Education Code, is amended to read as follows:

(b) Each district shall provide accelerated instruction to a student enrolled in the district who has taken an end-of-course [the secondary exit level] assessment instrument administered under Section 39.023(c) and has not performed satisfactorily on the assessment instrument [each section] or who is at risk of dropping out of school.

SECTION 5. Subsection (f), Section 29.087, Education Code, as amended by Chapters 283 and 373, Acts of the 78th Legislature, Regular Session, 2003, is reenacted and amended to read as follows:

(f) A student participating in a program authorized by this section, other than a student ordered to participate under Subsection (d)(1), must have taken the appropriate end-of-course assessment instruments specified by Section 39.023(c) [39.023(a) for grade 9] before entering the program and must take each appropriate end-of-course [grade level] assessment instrument administered during the period in which the student is enrolled in the program. Except for a student ordered to participate under Subsection (d)(1), a student participating in the program may not take the high school equivalency examination unless the student has taken the assessment instruments required by this subsection.

SECTION 6. Subsection (e), Section 30.021, Education Code, is amended to read as follows:

(e) The school shall cooperate with public and private agencies and organizations serving students and other persons with visual impairments in the planning, development, and implementation of effective educational and rehabilitative service delivery systems associated with educating students with visual impairments.

To maximize and make efficient use of state facilities, funding, and resources, the services provided in this area may include conducting a cooperative program with other agencies to serve students who have graduated from high school by completing all academic requirements applicable to students in regular education, excluding satisfactory performance under Section 39.025 [on the exit level assessment instrument], who are younger than 22 years of age on September 1 of the school year and who have identified needs related to vocational training, independent living skills, orientation and mobility, social and leisure skills, compensatory skills, or remedial academic skills.

SECTION 7. Chapter 39, Education Code, is amended by adding Subchapter A to read as follows:

SUBCHAPTER A. COMPREHENSIVE REVIEW OF PUBLIC SCHOOL ACCOUNTABILITY SYSTEM

Sec. 39.001. SELECT COMMITTEE ON PUBLIC SCHOOL ACCOUNTABILITY. (a) The Select Committee on Public School Accountability is established to conduct a comprehensive review of the public school accountability system.

(b) The committee is composed of 15 members appointed as follows:

(1) the presiding officers of the standing committees of each house of the legislature with primary jurisdiction over public education;

(2) one member of the senate, appointed by the lieutenant governor;

(3) one member of the house of representatives, appointed by the speaker of the house of representatives;

(4) the commissioner;

(5) the commissioner of higher education;

(6) one public school teacher, one public school principal, and one public school district superintendent, each currently employed in this state and each appointed jointly by the lieutenant governor and the speaker of the house of representatives;

(7) two persons each of whom is currently employed as an educator in a public school in this state and each appointed jointly by the lieutenant governor and the speaker of the house of representatives;

(8) one representative from the business community or the public, appointed by the lieutenant governor;

(9) one representative from the business community or the public, appointed by the speaker of the house of representatives; and

(10) two representatives from the business community and the public, at least one of whom has one or more children who currently attend public school in this state, appointed by the governor.

(c) The governor, lieutenant governor, and speaker of the house of representatives shall make the appointments required by Subsection (b) in a timely fashion to permit the committee to comply with Section 39.002(a).

Sec. 39.002. COMMITTEE MEETINGS. (a) Not later than October 1, 2007, the committee shall hold an organizational meeting.

(b) The presiding officers described by Section 39.001(b)(1) serve as co-chairs of the committee.

(c) Committee meetings shall be held at the call of the co-chairs.

Sec. 39.003. COMPENSATION AND REIMBURSEMENT. (a) A member of the committee is entitled to reimbursement for actual and necessary expenses incurred in performing committee duties.

(b) A legislative member of the committee is entitled to reimbursement from the appropriate fund of the house of the legislature in which the member serves.

(c) A member other than a legislative member is entitled to reimbursement from funds appropriated to the committee.

Sec. 39.004. COMMITTEE STAFF. Staff members of the standing committees described by Section 39.001(b)(1) shall serve as the staff of the committee.

Sec. 39.005. OBJECTIVES OF STUDY. (a) The committee shall conduct a comprehensive review of the public school accountability system. In conducting its review, the committee shall study the mission, organizational structure, design, processes, and practices of similar accountability systems in other states and the requirements established by federal law.

(b) A review under this section must include a thorough study of:

(1) each element of the accountability system prescribed by this chapter, with special emphasis on:

(A) the indicators used to determine accreditation status;

(B) rewards and incentives for campus excellence; and

(C) the responsibilities of the commissioner in assisting and, if necessary, imposing sanctions on districts that do not meet state performance standards;

(2) the extent to which the accountability system is aligned with the requirements prescribed by the No Child Left Behind Act of 2001 (20 U.S.C. Section 6301 et seq.);

(3) the extent to which the accountability system reflects the public education mission, objectives, and goals provided by Chapter 4;

(4) the extent to which the accountability system meets public expectations;

(5) the extent to which the accountability system fairly and accurately reports the effectiveness of educators, instructional programs, support services, and financial expenditures and the impact of these elements on student achievement;

(6) the methods available to monitor the progress of each public school student, with special emphasis on methods to monitor demonstrable growth in academic achievement;

(7) the performance indicators that would successfully measure the effectiveness of the campus teaching and learning environment, including the effect of student discipline on that environment;

(8) the effectiveness of the accountability system in reporting the performance of open-enrollment charter schools and alternative education programs;

(9) the implementation of statewide assessment instruments, including specifically end-of-course assessment instruments;

(10) the extent to which the accountability system measures the performance of districts and campuses on important indicators and aspects of the educational process, other than student scores on standardized assessment instruments;

(11) the extent to which the accountability system clearly and accurately reports to parents and interested persons the overall performance of districts and campuses; and

(12) the extent to which the accountability system considers the different student demographics of districts and campuses.

(c) The committee shall conduct public hearings throughout the state and solicit testimony about the accountability system from parents of public school children and other interested persons. At least one public hearing must be held at a public school during a time that public school students are able to attend the hearing.

(d) The commissioner shall ensure that the committee has access to any documentation and agency personnel the committee requests.

(e) The Legislative Budget Board, comptroller, state auditor, and any other state agency, official, or personnel shall cooperate with the committee in carrying out its duties under this subchapter.

(f) The committee may coordinate the study under this subchapter with any other legislative study, as appropriate.

Sec. 39.006. REPORT. (a) Not later than December 1, 2008, the committee shall provide a report that:

(1) states the findings of the study conducted under this subchapter; and

(2) includes any recommendations for statutory changes.

(b) The report must be approved by a majority of the committee members. A member who disagrees with any part of the report may attach a dissenting statement to the report.

Sec. 39.007. EXPIRATION. This subchapter expires January 13, 2009.

SECTION 8. Section 39.023, Education Code, is amended by amending Subsections (a), (c), and (e) and adding Subsections (c-1), (c-2), (c-3), (c-4), (c-5), and (c-6) to read as follows:

(a) The agency shall adopt or develop appropriate criterion-referenced assessment instruments designed to assess essential knowledge and skills in reading, writing, mathematics, social studies, and science. All students, except students assessed under Subsection (b) or (l) or exempted under Section 39.027, shall be assessed in:

(1) mathematics, annually in grades three through seven without the aid of technology and in ~~grade~~ ~~[grades]~~ eight ~~[through 11]~~ with the aid of technology on any assessment instrument ~~[instruments]~~ that includes ~~[include]~~ algebra;

(2) reading, annually in grades three through eight ~~[nine]~~;

(3) writing, including spelling and grammar, in grades four and seven;

(4) ~~[English language arts, in grade 10;~~

~~[(5)]~~ social studies, in ~~grade~~ ~~[grades]~~ eight ~~[and 10]~~;

(5) ~~[(6)]~~ science, in grades five and ~~[7]~~ eight ~~[, and 10]~~; and

(6) ~~[(7)]~~ any other subject and grade required by federal law.

(c) The agency shall also adopt end-of-course ~~[secondary exit level]~~ assessment instruments for secondary-level courses in Algebra I, Algebra II, geometry, biology, chemistry, physics, English I, English II, English III, world geography, world history, and United States history. The Algebra I, Algebra II, and geometry end-of-course assessment instruments must be administered with the aid of technology. A school

district shall comply with State Board of Education rules regarding administration of the assessment instruments listed in this subsection and shall adopt a policy that requires a student's performance on an end-of-course assessment instrument for a course listed in this subsection in which the student is enrolled to account for 15 percent of the student's final grade for the course. If a student retakes an end-of-course assessment instrument for a course listed in this subsection, as provided by Section 39.025, a school district is not required to use the student's performance on the subsequent administration or administrations of the assessment instrument to determine the student's final grade for the course [designed to be administered to students in grade 11 to assess essential knowledge and skills in mathematics, English language arts, social studies, and science. The mathematics section must include at least Algebra I and geometry with the aid of technology. The English language arts section must include at least English III and must include the assessment of essential knowledge and skills in writing. The social studies section must include early American and United States history. The science section must include at least biology and integrated chemistry and physics. The assessment instruments must be designed to assess a student's mastery of minimum skills necessary for high school graduation and readiness to enroll in an institution of higher education]. If a student is in a special education program under Subchapter A, Chapter 29, the student's admission, review, and dismissal committee shall determine whether any allowable modification is necessary in administering to the student an assessment instrument required under this subsection or whether the student should be exempted under Section 39.027(a)(2). The State Board of Education shall administer the assessment instruments. The State Board of Education shall adopt a schedule for the administration of end-of-course [secondary exit level] assessment instruments that complies with the requirements of Subsection (c-3). [Each student who did not perform satisfactorily on any secondary exit-level assessment instrument when initially tested shall be given multiple opportunities to retake that assessment instrument. A student who performs at or above a level established by the Texas Higher Education Coordinating Board on the secondary exit level assessment instruments is exempt from the requirements of Section 51.306.]

(c-1) The agency shall develop any assessment instrument required under this section in a manner that allows for the measurement of annual improvement in student achievement as required by Sections 39.034(c) and (d).

(c-2) The agency may adopt end-of-course assessment instruments for courses not listed in Subsection (c). A student's performance on an end-of-course assessment instrument adopted under this subsection is not subject to the performance requirements established under Subsection (c) or Section 39.025.

(c-3) In adopting a schedule for the administration of assessment instruments under this section, the State Board of Education shall require:

(1) assessment instruments administered under Subsection (a) to be administered on a schedule so that the first assessment instrument is administered at least two weeks later than the date on which the first assessment instrument was administered under Subsection (a) during the 2006-2007 school year; and

(2) the spring administration of end-of-course assessment instruments under Subsection (c) to occur in each school district not earlier than the first full week in May, except that the spring administration of the end-of-course assessment instruments in English I, English II, and English III must be permitted to occur at an earlier date.

(c-4) To the extent practicable, the agency shall ensure that each end-of-course assessment instrument adopted under Subsection (c) is:

(1) developed in a manner that measures a student's performance under the college readiness standards established under Section 28.008; and

(2) validated by national postsecondary education experts for college readiness content and performance standards.

(c-5) A student's performance on an end-of-course assessment instrument required under Subsection (c) must be included in the student's academic achievement record.

(c-6) In adopting an end-of-course assessment instrument under this section, the agency shall consider the use of an existing assessment instrument that is currently available. The agency may use an existing assessment instrument that is currently available only if the assessment instrument:

(1) is aligned with the essential knowledge and skills of the subject being assessed; and

(2) allows for the measurement of annual improvement in student achievement as provided by Subsection (c-1).

(e) Under rules adopted by the State Board of Education, every ~~third~~ ^{other} year, the agency shall release the questions and answer keys to each assessment instrument administered under Subsection (a), (b), (c), (d), or (l) after the last time the instrument is administered for that school year. To ensure a valid bank of questions for use each year, the agency is not required to release a question that is being field-tested and was not used to compute the student's score on the instrument. The agency shall also release, under board rule, each question that is no longer being field-tested and that was not used to compute a student's score.

SECTION 9. Subchapter B, Chapter 39, Education Code, is amended by adding Sections 39.0233 and 39.0234 to read as follows:

Sec. 39.0233. SPECIAL-PURPOSE QUESTIONS INCLUDED IN END-OF-COURSE ASSESSMENT INSTRUMENTS. (a) The agency, in coordination with the Texas Higher Education Coordinating Board, shall adopt a series of questions to be included in an end-of-course assessment instrument administered under Section 39.023(c) to be used for purposes of Section 51.3062. The questions adopted under this subsection must be developed in a manner consistent with any college readiness standards adopted under Sections 39.113 and 51.3062.

(b) In addition to the questions adopted under Subsection (a), the agency shall adopt a series of questions to be included in an end-of-course assessment instrument administered under Section 39.023(c) to be used for purposes of identifying students who are likely to succeed in an advanced high school course. A school district shall notify a student who performs at a high level on the questions adopted under this subsection and the student's parent or guardian of the student's performance and

potential to succeed in an advanced high school course. A school district may not require a student to perform at a particular level on the questions adopted under this subsection in order to be eligible to enroll in an advanced high school course.

(c) The State Board of Education shall establish a level of performance on the questions adopted under this section that indicates a student's college readiness. A student's performance on the questions adopted under this section must be evaluated separately from the student's performance on the remainder of the assessment instrument. A student's performance on a question adopted under this section may not be used to determine the student's performance on the assessment instrument for purposes of Section 39.023 or 39.025. The commissioner shall adopt rules concerning the reporting of a student's performance on the questions adopted under this section.

(d) The questions adopted under this section must be administered in a separate section of the end-of-course assessment instrument in which the questions are included.

Sec. 39.0234. ADMINISTRATION OF ASSESSMENT INSTRUMENTS BY COMPUTER. (a) The agency shall ensure that assessment instruments required under Section 39.023 are capable of being administered by computer.

(b) Not later than September 1, 2008, each school district shall provide the agency with data regarding the ability of the district to administer to students assessment instruments required under Section 39.023 by computer. The agency shall compile the data provided by school districts under this subsection into a report recommending a plan and timeline for enabling each district in this state to administer the assessment instruments by computer. Not later than December 1, 2008, the agency shall deliver the report to each member of the legislature. This subsection expires June 1, 2009.

SECTION 10. Section 39.025, Education Code, is amended to read as follows:

Sec. 39.025. ~~SECONDARY-LEVEL~~ [EXIT LEVEL] PERFORMANCE REQUIRED. (a) The commissioner shall adopt rules requiring a student participating in the recommended or advanced high school program to be administered each end-of-course assessment instrument listed in Section 39.023(c) and requiring a student participating in the minimum high school program to be administered an end-of-course assessment instrument listed in Section 39.023(c) only for a course in which the student is enrolled and for which an end-of-course assessment instrument is administered. A student is required to achieve, in each subject in the foundation curriculum under Section 28.002(a)(1), a cumulative score that is at least equal to the product of the number of end-of-course assessment instruments administered to the student in that subject and 70, with each end-of-course assessment instrument scored on a scale of 100. A student must achieve a score of at least 60 on an end-of-course assessment instrument for the score to count towards the student's cumulative score. For purposes of this subsection, a student's cumulative score is determined using the student's highest score on each end-of-course assessment instrument administered to the student. A student may not receive a high school diploma until the student has performed satisfactorily on the end-of-course [secondary exit level] assessment instruments in the manner provided

under this subsection [for English language arts, mathematics, social studies, and science administered under Section 39.023(e)]. This subsection does not require a student to demonstrate readiness to enroll in an institution of higher education.

(a-1) The commissioner by rule shall determine a method by which a student's satisfactory performance on an advanced placement test, international baccalaureate examination, a Scholastic Assessment Test (SAT) Subject Test, or another assessment instrument determined by the commissioner to be at least as rigorous as an end-of-course assessment instrument adopted under Section 39.023(c) may be used as a factor in determining whether the student satisfies the requirements of Subsection (a), including the cumulative score requirement of that subsection.

(b) Each time an end-of-course [a secondary exit level] assessment instrument is administered, a student who failed to achieve a score of at least 60 on the assessment instrument shall retake the assessment instrument. Any other student may retake an end-of-course assessment instrument for any reason. A student is not required to retake a course as a condition of retaking an end-of-course assessment instrument [a student who has not been given a high school diploma because of a failure to perform satisfactorily on the assessment instrument for that subject area may retake the assessment instrument].

(b-1) A school district shall provide each student who fails to achieve a score of at least 70 on an end-of-course assessment instrument with accelerated instruction in the subject assessed by the assessment instrument.

(b-2) If a school district determines that a student, on completion of grade 11, is unlikely to achieve the cumulative score requirements for one or more subjects prescribed by Subsection (a) for receiving a high school diploma, the district shall require the student to enroll in a corresponding content-area college preparatory course for which an end-of-course assessment instrument has been adopted, if available. A student who enrolls in a college preparatory course described by this subsection shall be administered an end-of-course assessment instrument for the course, with the end-of-course assessment instrument scored on a scale of 40. A student may use the student's score on the end-of-course assessment instrument for the college preparatory course towards satisfying the cumulative score requirements prescribed by Subsection (a).

(c) A student who has been denied a high school diploma under this section [Subsections (a) and (b)] and who subsequently performs at the level necessary to comply with the requirements of this section [satisfactorily on each secondary exit level assessment instrument] shall be issued a high school diploma.

(d) Notwithstanding Subsection (a), the commissioner by rule shall adopt one or more alternative nationally recognized norm referenced assessment instruments under this section to administer to a student to qualify for a high school diploma if the student enrolls after January 1 of the school year in which the student is otherwise eligible to graduate:

- (1) for the first time in a public school in this state; or
- (2) after an absence of at least four years from any public school in this state.

(e) The commissioner shall establish a required performance level for an assessment instrument adopted under Subsection (d) that is at least as rigorous as the performance level required to be met under Subsection (a) [for the secondary exit level assessment instrument for the same subject].

(f) The commissioner shall by rule adopt a transition plan to implement the amendments made by S.B. No. 1031, Acts of the 80th Legislature, Regular Session, 2007, to this section and Sections 39.023(a) and (c) and 39.051(b)(5). The rules must provide for the end-of-course assessment instruments adopted under Section 39.023(c) to be administered beginning with students entering the ninth grade during the 2011-2012 school year. During the period under which the transition to end-of-course assessment instruments is made:

(1) for students entering a grade above the ninth grade during the 2011-2012 school year, the commissioner shall retain, administer, and use for campus and district ratings under Subchapter D the assessment instruments required by Section 39.023(a) or (c), as that section existed before amendment by S.B. No. 1031, Acts of the 80th Legislature, Regular Session, 2007; and

(2) the agency may defer releasing assessment instrument questions and answer keys as required by Section 39.023(e) to the extent necessary to develop additional assessment instruments.

(g) Rules adopted under Subsection (f) must require that each student who will be subject to the requirements of Subsection (a) is entitled to notice of the specific requirements applicable to the student. Notice under this subsection must be provided not later than the date the student enters the eighth grade. Subsection (f) and this subsection expire September 1, 2015.

SECTION 11. Subchapter B, Chapter 39, Education Code, is amended by adding Sections 39.0261 and 39.0262 to read as follows:

Sec. 39.0261. COLLEGE PREPARATION ASSESSMENTS. (a) In addition to the assessment instruments otherwise authorized or required by this subchapter:

(1) each school year and at state cost, a school district shall administer to students in the spring of the eighth grade an established, valid, reliable, and nationally norm-referenced preliminary college preparation assessment instrument for the purpose of diagnosing the academic strengths and deficiencies of students before entrance into high school;

(2) each school year and at state cost, a school district shall administer to students in the 10th grade an established, valid, reliable, and nationally norm-referenced preliminary college preparation assessment instrument for the purpose of measuring a student's progress toward readiness for college and the workplace; and

(3) high school students in the spring of the 11th grade or during the 12th grade may select and take once, at state cost, one of the valid, reliable, and nationally norm-referenced assessment instruments used by colleges and universities as part of their undergraduate admissions processes.

(b) The agency shall:

(1) select and approve vendors of the specific assessment instruments administered under this section; and

(2) pay all fees associated with the administration of the assessment instrument from funds allotted under the Foundation School Program, and the commissioner shall reduce the total amount of state funds allocated to each district from any source in the same manner described for a reduction in allotments under Section 42.253.

(c) The agency shall ensure that vendors are not paid under Subsection (b) for the administration of an assessment instrument to a student to whom the assessment instrument is not actually administered. The agency may comply with this subsection by any reasonable means, including by creating a refund system under which a vendor returns any payment made for a student who registered for the administration of an assessment instrument but did not appear for the administration.

(d) A vendor that administers an assessment instrument for a district under this section shall report the results of the assessment instrument to the agency. The agency shall:

(1) include a student's results on the assessment instrument in the electronic student records system established under Section 7.010; and

(2) ensure that a student and the student's parent receive a report of the student's results on the assessment instrument.

(e) Subsection (a)(3) does not prohibit a high school student in the spring of the 11th grade or during the 12th grade from selecting and taking, at the student's own expense, one of the valid, reliable, and nationally norm-referenced assessment instruments used by colleges and universities as part of their undergraduate admissions processes more than once.

Sec. 39.0262. ADMINISTRATION OF LOCAL ASSESSMENT INSTRUMENTS IN CERTAIN SUBJECT AREAS. (a) In a subject area for which assessment instruments are administered under Section 39.023, a school district may not administer local assessment instruments to any student on more than 10 percent of the instructional days in any school year.

(b) The prohibition prescribed by this section does not apply to the administration of a college preparation assessment instrument, an advanced placement test, an international baccalaureate examination, or an assessment instrument administered under Section 39.023.

SECTION 12. Subchapter B, Chapter 39, Education Code, is amended by adding Sections 39.0301, 39.0302, 39.0303, and 39.0304 to read as follows:

Sec. 39.0301. SECURITY IN ADMINISTRATION OF ASSESSMENT INSTRUMENTS. (a) The commissioner:

(1) shall establish procedures for the administration of assessment instruments adopted or developed under Section 39.023, including procedures designed to ensure the security of the assessment instruments; and

(2) may establish record retention requirements for school district records related to the security of assessment instruments.

(b) The commissioner may develop and implement statistical methods and standards for identifying potential violations of procedures established under Subsection (a) to ensure the security of assessment instruments adopted or developed under Section 39.023. In developing the statistical methods and standards, the commissioner may include indicators of:

(1) potential violations that are monitored annually; and

(2) patterns of inappropriate assessment practices that occur over time.

(c) The commissioner may establish one or more advisory committees to advise the commissioner and agency regarding the monitoring of assessment practices and the use of statistical methods and standards for identifying potential violations of assessment instrument security, including standards to be established by the commissioner for selecting school districts for investigation for a potential assessment security violation under Subsection (e). The commissioner may not appoint an agency employee to an advisory committee established under this subsection.

(d) Any document created for the deliberation of an advisory committee established under Subsection (c) or any recommendation of such a committee is confidential and not subject to disclosure under Chapter 552, Government Code. Except as provided by Subsection (e), the statistical methods and standards adopted under this section and the results of applying those methods and standards are confidential and not subject to disclosure under Chapter 552, Government Code.

(e) The agency may conduct an investigation of a school district for a potential violation of assessment instrument security in accordance with the standards described by Subsection (c). Each school year, after completing all investigations of school districts selected for investigation, the agency shall disclose the identity of each district selected for investigation and the statistical methods and standards used to select the district.

(f) At any time, the commissioner may authorize the audit of a random sample of school districts to determine the compliance of the districts with procedures established under Subsection (a). The identity of each school district selected for audit under this subsection is confidential and not subject to disclosure under Chapter 552, Government Code, except that the agency shall disclose the identity of each district after completion of the audit.

(g) The state auditor may conduct a risk-based audit of a school district at any time to ensure the security of assessment instruments administered under Section 39.023 in the district.

Sec. 39.0302. ISSUANCE OF SUBPOENAS. (a) During an agency investigation or audit of a school district under Section 39.0301(e) or (f), an accreditation investigation under Section 39.075(a)(8), or an investigation by the State Board for Educator Certification of an educator for an alleged violation of an assessment instrument security procedure established under Section 39.0301(a), the commissioner may issue a subpoena to compel the attendance of a relevant witness or the production, for inspection or copying, of relevant evidence that is located in this state.

(b) A subpoena may be served personally or by certified mail.

(c) If a person fails to comply with a subpoena, the commissioner, acting through the attorney general, may file suit to enforce the subpoena in a district court in this state. On finding that good cause exists for issuing the subpoena, the court shall order the person to comply with the subpoena. The court may punish a person who fails to obey the court order.

(d) All information and materials subpoenaed or compiled in connection with an investigation or audit described by Subsection (a):

(1) are confidential and not subject to disclosure under Chapter 552, Government Code; and

(2) are not subject to disclosure, discovery, subpoena, or other means of legal compulsion for release to any person other than:

(A) the commissioner or the State Board for Educator Certification, as applicable;

(B) agency employees or agents involved in the investigation, as applicable; and

(C) the office of the attorney general, the state auditor's office, and law enforcement agencies.

Sec. 39.0303. SECURE ASSESSMENT INSTRUMENTS; CRIMINAL PENALTY. (a) A person commits an offense if:

(1) the person intentionally discloses the contents of any portion of a secure assessment instrument developed or administered under this subchapter, including the answer to any item in the assessment instrument; and

(2) the disclosure affects or is likely to affect the individual performance of one or more students on the assessment instrument.

(b) An offense under this section is a Class C misdemeanor.

Sec. 39.0304. TRAINING IN ASSESSMENT INSTRUMENT ADMINISTRATION. (a) To ensure that each administration of assessment instruments under Section 39.023 is valid, reliable, and in compliance with the requirements of this subchapter, the commissioner may require training for school district employees involved in the administration of the assessment instruments.

(b) The training under Subsection (a) may include a qualifying component to ensure that school district employees involved in the administration of assessment instruments under Section 39.023 possess the necessary skills and knowledge required to administer the assessment instruments.

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

SECTION 13. Subsection (d), Section 39.034, Education Code, is amended to read as follows:

(d) The agency shall determine the necessary annual improvement required each year for a student to be prepared to perform satisfactorily on ~~[pass]~~ the end-of-course assessment instruments ~~[exit-level assessment instrument]~~ required under this subchapter for graduation. The agency shall report the necessary annual improvement required to the district. Each year, the report must state whether the student fell below, met, or exceeded the necessary target for improvement.

SECTION 14. Subchapter B, Chapter 39, Education Code, is amended by adding Sections 39.035, 39.0351, and 39.036 to read as follows:

Sec. 39.035. LIMITATION ON FIELD TESTING OF ASSESSMENT INSTRUMENTS. (a) Subject to Subsection (b), the agency may conduct field testing of questions for any assessment instrument administered under Section 39.023(a), (b), (c), (d), or (l) that is separate from the administration of the assessment instrument not more frequently than every other school year.

(b) Subsection (a) does not limit field testing necessary to develop new assessment instruments required under state or federal law.

(c) Before the beginning of each school year, the agency shall notify each school district regarding the required participation of the district in field testing activities during that school year.

Sec. 39.0351. FIELD TESTING STUDY. (a) The agency shall conduct a study of the sample size and sample procedures used in field testing of questions for assessment instruments administered under Section 39.023.

(b) The study required by Subsection (a) must also examine the feasibility of conducting field testing that is separate from the administration of an assessment instrument in the fall of the school year.

(c) Not later than December 1, 2008, the agency shall submit a report regarding the results of the study to the legislature.

(d) This section expires January 1, 2009.

Sec. 39.036. VERTICAL SCALE FOR CERTAIN ASSESSMENT INSTRUMENTS. (a) The agency shall develop a vertical scale for assessing student performance on assessment instruments administered under Sections 39.023(a)(1) and (2) in a manner that allows the agency to compare the performance of a student on the assessment instruments from one grade level to the next.

(b) The commissioner shall adopt rules necessary to implement this section.

(c) Not later than June 1, 2008, the agency shall develop a vertical scale as required by Subsection (a). The agency shall implement the vertical scale in the administration of assessment instruments under Sections 39.023(a)(1) and (2) beginning with the 2008-2009 school year. This subsection expires September 1, 2009.

SECTION 15. Subsection (b), Section 39.051, Education Code, is amended to read as follows:

(b) Performance on the indicators adopted under this section shall be compared to state-established standards. The degree of change from one school year to the next in performance on each indicator adopted under this section shall also be considered. The indicators must be based on information that is disaggregated by race, ethnicity, gender, and socioeconomic status and must include:

(1) the results of assessment instruments required under Sections 39.023(a), (c), and (l), aggregated by grade level and subject area;

(2) dropout rates, including dropout rates and district completion rates for grade levels 9 through 12, computed in accordance with standards and definitions adopted by the National Center for Education Statistics of the United States Department of Education;

(3) high school graduation rates, computed in accordance with standards and definitions adopted in compliance with the No Child Left Behind Act of 2001 (Pub. L. No. 107-110);

(4) student attendance rates;

(5) the percentage of graduating students who attain scores on the questions developed for end-of-course [secondary exit level] assessment instruments under Section 39.0233(a) [required under Subchapter B] that are equivalent to a passing score on the assessment instrument required under Section 51.3062;

(6) the percentage of graduating students who meet the course requirements established for the recommended high school program by State Board of Education rule;

(7) the results of the Scholastic Assessment Test (SAT), the American College Test (ACT), articulated postsecondary degree programs described by Section 61.852, and certified workforce training programs described by Chapter 311, Labor Code;

(8) the percentage of students, aggregated by grade level, provided accelerated instruction under Section 28.0211(c), the results of assessments administered under that section, the percentage of students promoted through the grade placement committee process under Section 28.0211, the subject of the assessment instrument on which each student failed to perform satisfactorily, and the performance of those students in the school year following that promotion on the assessment instruments required under Section 39.023;

(9) for students who have failed to perform satisfactorily on an assessment instrument required under Section 39.023(a) or (c), the numerical progress of those students grouped by percentage on subsequent assessment instruments required under those sections, aggregated by grade level and subject area;

(10) the percentage of students exempted, by exemption category, from the assessment program generally applicable under this chapter;

(11) the percentage of students of limited English proficiency exempted from the administration of an assessment instrument under Sections 39.027(a)(3) and (4);

(12) the percentage of students in a special education program under Subchapter A, Chapter 29, assessed through assessment instruments developed or adopted under Section 39.023(b);

(13) the measure of progress toward preparation for postsecondary success; and

(14) the measure of progress toward dual language proficiency under Section 39.034(b), for students of limited English proficiency, as defined by Section 29.052.

SECTION 16. Subsection (a), Section 39.075, Education Code, is amended to read as follows:

(a) The commissioner shall authorize special accreditation investigations to be conducted:

(1) when excessive numbers of absences of students eligible to be tested on state assessment instruments are determined;

(2) when excessive numbers of allowable exemptions from the required state assessment instruments are determined;

(3) in response to complaints submitted to the agency with respect to alleged violations of civil rights or other requirements imposed on the state by federal law or court order;

(4) in response to established compliance reviews of the district's financial accounting practices and state and federal program requirements;

(5) when extraordinary numbers of student placements in disciplinary alternative education programs, other than placements under Sections 37.006 and 37.007, are determined;

(6) in response to an allegation involving a conflict between members of the board of trustees or between the board and the district administration if it appears that the conflict involves a violation of a role or duty of the board members or the administration clearly defined by this code;

(7) when excessive numbers of students in special education programs under Subchapter A, Chapter 29, are assessed through assessment instruments developed or adopted under Section 39.023(b); ~~[e]~~

(8) in response to an allegation regarding or an analysis using a statistical method result indicating a possible violation of an assessment instrument security procedure established under Section 39.0301, including for the purpose of investigating or auditing a school district under that section; or

(9) as the commissioner otherwise determines necessary.

SECTION 17. Subsection (q), Section 51.3062, Education Code, is amended to read as follows:

(q) A student who has achieved scores ~~[a score]~~ set by the board on the questions developed for end-of-course assessment instruments ~~[an exit level assessment instrument required]~~ under Section 39.0233(a) ~~[39.023]~~ is exempt from the requirements of this section. The exemption is effective for the three-year period following the date a student takes the last assessment instrument for purposes of this section and achieves the standard set by the board. This subsection does not apply during any period for which the board designates the questions developed for end-of-course assessment instruments ~~[exit level assessment instrument required]~~ under Section 39.0233(a) ~~[39.023]~~ as the primary assessment instrument under this section, except that the three-year period described by this subsection remains in effect for students who qualify for an exemption under this subsection ~~[section]~~ before that period.

SECTION 18. Subsection (j), Section 39.023, Education Code, is repealed.

SECTION 19. A reference in the Education Code to an end-of-course assessment instrument administered under Subsection (c), Section 39.023, Education Code, includes an exit-level assessment instrument administered under that section as provided by Subsection (f), Section 39.025, Education Code, as added by this Act.

SECTION 20. On the expiration of any contract entered into before September 1, 2007, between the Texas Education Agency and a vendor for the development of assessment instruments required under Section 39.023, Education Code, the Texas Education Agency shall issue a request for proposals for the development of end-of-course assessment instruments required under Section 39.023(c), Education Code, as amended by this Act. The Texas Education Agency may allow a vendor with whom the agency has contracted for the development of assessment instruments under Section 39.023, Education Code, before September 1, 2007, to begin developing end-of-course assessment instruments required under Section 39.023(c), Education Code, as amended by this Act, before the expiration of the contract.

SECTION 21. Not later than September 1, 2011, the legislature shall enact a public school accountability system that is aligned with the provisions of this Act.

SECTION 22. Section 39.035, Education Code, as added by this Act, applies beginning with the 2008-2009 school year.

SECTION 23. (a) Except as otherwise provided by this Act, this Act applies beginning with the 2007-2008 school year.

(b) Beginning with the 2007-2008 school year, the commissioner of education may conduct random audits as authorized under Subsection (f), Section 39.0301, Education Code, as added by this Act. Beginning with the 2008-2009 school year, the commissioner of education may conduct accreditation investigations as authorized under Subdivision (8), Subsection (a), Section 39.075, Education Code, as added by this Act.

(c) During the 2008-2009 school year, the commissioner of education may use the statistical methods and standards established under Subsection (b), Section 39.0301, Education Code, as added by this Act, on a pilot basis to test the accuracy and predictive validity of the methods and standards. Pilot statistical methods and standards developed for use in the 2008-2009 school year are confidential and not subject to disclosure under Chapter 552, Government Code. Without releasing the pilot statistical methods, the commissioner of education shall release the results of any investigation conducted on the basis of those methods during the 2008-2009 school year on completion of the investigation.

SECTION 24. This Act takes effect September 1, 2007.

The Conference Committee Report on **SB 1031** was filed with the Secretary of the Senate.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 1153 by Duncan, In memory of Michael Ray "Bubba" Delgado of Amarillo.

SR 1155 by Wentworth, In memory of Claude C. "Mac" McRaven of San Antonio.

SR 1156 by Wentworth, In memory of Philip R. Pyndus of San Antonio.

SR 1157 by Wentworth, In memory of John Hayes Crichton of San Antonio.

SR 1159 by Lucio, In memory of Maria Sara Munguia Garza of Houston.

Congratulatory Resolutions

SR 1162 by Nelson, Recognizing Tom Davenport on the occasion of his retirement from the Lake Dallas Independent School District.

SR 1163 by Nelson, Congratulating Mark Howe for receiving the 2007 Distinguished Friend Award from the Grapevine-Colleyville Education Foundation.

SR 1164 by Nelson, Commending Jackie Crowley for her work on a book project for children in foster care.

SR 1165 by Nelson, Commending Barbara Abell for her work on a book project for children in foster care.

SR 1167 by Harris, Brimer, Carona, Nelson, and Shapiro, Congratulating Charles Emery of Denton County for being named Outstanding Board Member of the Year by the American Public Transportation Association.

SR 1169 by Shapleigh, Recognizing the 150th anniversary of the El Paso and Southwestern Locomotive No. 1.

HCR 260 (Deuell), Congratulating Michael J. Warner of Austin on his graduation from The University of Texas at Austin.

Official Designation Resolutions

SR 1154 by Duncan, Proclaiming 2007 Colon Cancer Prevention and Awareness Year.

SR 1166 by Nelson, Recognizing May of 2007 as Foster Care Month in Texas.

SR 1168 by Shapleigh and Uresti, Honoring June as El Paso Hunger Awareness Month.

ADJOURNMENT

Pursuant to a previously adopted motion, the Senate at 6:37 p.m. adjourned until 11:00 a.m. tomorrow.

APPENDIX

SENT TO GOVERNOR

May 25, 2007

SB 162, SB 191, SB 230, SB 297, SB 309, SB 333, SB 401, SB 415, SB 469, SB 556, SB 585, SB 589, SB 610, SB 653, SB 683, SB 684, SB 685, SB 704, SB 707, SB 878, SB 994, SB 1046, SB 1051, SB 1070, SB 1071, SB 1083, SB 1127, SB 1128, SB 1138, SB 1205, SB 1254, SB 1271, SB 1380, SB 1414, SB 1433, SB 1440, SB 1483, SB 1495, SB 1548, SB 1619, SB 1668, SB 1669, SB 1713, SB 1733, SB 1762, SB 1946, SB 1955, SB 1969, SB 1976, SB 1987, SB 1988, SB 1989, SB 1990, SB 1991, SB 2029, SB 2033, SB 2042, SB 2043

SIGNED BY GOVERNOR

May 25, 2007

SB 883, SB 913, SB 978, SB 1229, SCR 74, SCR 78

