The Senate met at 11:00 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Armbrister, Averitt, Barrientos, Bivins, Carona, Deuell, Duncan, Ellis, Estes, Fraser, Gallegos, Harris, Hinojosa, Jackson, Janek, Lindsay, Lucio, Madla, Nelson, Ogden, Ratliff, Shapiro, Shapleigh, Staples, Van de Putte, Wentworth, West, Whitmire, Williams, Zaffirini.

Absent-excused: Brimer.

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

The Most Reverend Gregory M. Aymond, Bishop of the Catholic Diocese of Austin, offered the invocation as follows:

Loving and faithful God, in the midst of another busy day, we pause to remember You are with us, living and working in our lives. We give You thanks and we acknowledge that we need You. We pray first for our nation and for all of its special needs at this time. Protect our military men and women; bring them home safely to their families. Strengthen President Bush, and may our efforts bring freedom to the people of Iraq. Lord, bless our state. The Members of the Senate are given responsibility for all the people in Texas; guide and direct them in all their discussions and their decisions. Help them to do what will promote the good of each person and enable them to enact justice and charity for all those entrusted to their leadership. May Your spirit guide them today and always. Lord God, we ask this in faith for You are God, living and reigning forever and ever. 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 Hinojosa, Senator Brimer was granted leave of absence for today on account of important business.
CO-AUTHOR OF SENATE BILL 1407
On motion of Senator Estes, Senator Nelson will be shown as Co-author of SB 1407.

CO-AUTHOR OF SENATE BILL 1695
On motion of Senator Wentworth, Senator Nelson will be shown as Co-author of SB 1695.

INTRODUCTION OF BILLS AND RESOLUTIONS POSTPONED
The President announced that the introduction of bills and resolutions on first reading would be postponed until the end of today's session.

MESSAGE FROM THE HOUSE
HOUSE CHAMBER
Austin, Texas
May 6, 2003

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:

HB 136, Relating to limiting the amount of county, municipal, or junior college district ad valorem taxes that may be imposed on the residence homesteads of the disabled and of the elderly and their surviving spouses.

HB 208, Relating to persons who may obtain a mechanic's lien on real property.

HB 215, Relating to the regulation of fireworks by certain counties; providing a criminal penalty.

HB 390, Relating to the effect of tax increment financing by certain taxing units in the calculation of ad valorem tax rates for those taxing units.

HB 396, Relating to appeals to small claims courts of certain ad valorem tax determinations.

HB 425, Relating to procedures to help ensure that certain state agency actions are consistent with the meaning and intent of applicable legislative enactments.

HB 644, Relating to the creation of a judicial district composed of Johnson County.

HB 649, Relating to creating an interagency work group on rural issues.

HB 769, Relating to compensatory time off for certain communications service employees of the Department of Public Safety.

HB 814, Relating to motor vehicle financial responsibility; providing penalties.
HB 830, Relating to the number of jurors required for certain district court criminal trials.

HB 867, Relating to air conditioning systems in certain facilities.

HB 1008, Relating to notice of certain applications for alcoholic beverage permits and licenses.

HB 1050, Relating to school attendance of a child placed in substitute care.

HB 1053, Relating to the confidentiality of social security numbers in certain circumstances.

HB 1318, Relating to workforce planning requirements for state agencies and the compensation, accountability, and employment of certain state employees.

HB 1487, Relating to the licensing and regulation of certain electricians; providing penalties.

HB 1621, Relating to authorizing a public junior college to waive a portion of the tuition and fees for a student enrolled in a course for joint high school-junior college credit.

HB 1692, Relating to the regulation of interior designers; providing penalties.

HB 1806, Relating to issuance of obligations for certain highway and mobility projects.

HB 1844, Relating to a program under which classroom teachers are reimbursed for personal funds expended on classroom supplies.

HB 1912, Relating to authorizing the issuance of revenue bonds for The University of Texas Southwestern Medical Center at Dallas to finance biomedical research facilities and exempting the facilities financed by the bonds from prior approval by the Texas Higher Education Coordinating Board.

HB 2006, Relating to the construction and maintenance of utility, common carrier, and energy transporter facilities along, over, under, or across a railroad right-of-way.

HB 2013, Relating to admission and enrollment of certain children attending public schools.

HB 2058, Relating to a study regarding goals, outcome standards, and objectives in certain contracts with the Department of Protective and Regulatory Services.

HB 2159, Relating to a documented member of the Kickapoo Traditional Tribe of Texas hunting certain deer.

HB 2183, Relating to the election date of proposed charter amendments in a home-rule municipality.

HB 2249, Relating to sale and lease of public school land.

HB 2251, Relating to allowing supplemental pay for members of the Texas National Guard who are called to active duty when active duty service imposes an economic hardship.

HB 2301, Relating to the collection of oil-field cleanup regulatory fees.
HB 2341, Relating to the duties of the district attorney in Washington and Burleson counties.

HB 2343, Relating to the transfer of certain state property from the Texas Department of Criminal Justice to Walker County.

HB 2388, Relating to the late payment of certain submetered or allocated water bills and the use of certain submetering equipment.

HB 2561, Relating to the application of changes in benefits received by members and retirees of retirement systems for paid, partly paid, and volunteer fire fighters and their beneficiaries.

HB 2759, Relating to authorizing the issuance of revenue bonds for certain component institutions of The University of Texas System.

HB 2877, Relating to the permitting procedures of the Texas Commission on Environmental Quality.

HB 2914, Relating to certain procedures involving the use of ballots for early voting by mail.

HB 2975, Relating to the establishment of a pilot program by the Texas Workforce Commission in the Texas-Mexico border region for technology training of certain persons.

HB 3021, Relating to the disclosure of certain business or financial relationships of certain local governmental officers; imposing a criminal penalty.

HB 3075, Relating to local agreements to allow certain development corporations and taxing units to invest in and receive tax revenues from certain regional economic development projects.

HB 3126, Relating to educating health professionals, the composition and authority of the statewide health coordinating council, and certain health planning data collected by the department of health.

HB 3350, Relating to authorizing the issuance of revenue bonds for the University of Houston System.

HB 3397, Relating to disposal of an exhibit in a capital case.

HB 3534, Relating to the place of business of a retailer for purposes of the collection of the municipal sales and use tax.

HCR 3, In memory of Sergeant Robert Lee Trapp of the Lamar County Sheriff’s Department.

HCR 4, Directing the Texas Higher Education Coordinating Board to reflect certain factors in its basic formula funding recommendations.

HCR 8, In memory of Leighton Marion Cornett of Paris, Texas.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives
PHYSICIAN OF THE DAY

Senator Armbrister was recognized and presented Dr. Fred L. Merian of Victoria as the Physician of the Day, accompanied by his wife, Mary.

The Senate welcomed Dr. Merian and thanked him for his participation in the Physician of the Day program sponsored by the Texas Academy of Family Physicians.

GUESTS PRESENTED

Senator Averitt was recognized and introduced to the Senate students from Viking Hills Elementary School in Waco, accompanied by their teacher.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Staples was recognized and introduced to the Senate seventh-grade students from Joaquin Junior High School in Joaquin, accompanied by their principal, Jimmy Vickers, and Superintendent of the Joaquin Independent School District Dr. Phil Worsham.

The Senate welcomed its guests.

REPORT OF COMMITTEE ON NOMINATIONS

Senator Lindsay submitted the following report from the Committee on Nominations:

We, your Committee on Nominations, to which were referred the following appointments, have had same under consideration and report them back to the Senate with a recommendation that they be confirmed:

Members, Lower Colorado River Authority Board of Directors: G. Hughes Abell, Travis County; Connie Granberg, Blanco County; Robert Kent "Bob" Long, Sr., Bastrop County; Charles R. Moser, Washington County; Ray A. Wilkerson, Travis County.

Members, Texas State Board of Examiners of Marriage and Family Therapists: Sandra L. DeSobe, Harris County; Waymon Ray Hinson, Taylor County; B. W. McClendon, Travis County.

Members, Board of Pardons and Paroles: Daniel R. "Dan" Guerra, Randall County; Lynn Phelan, Harris County; Brendolyn Rogers-Johnson, Dallas County; Charles C. "Chuck" Speier, Bexar County.

Members, Trinity River Authority of Texas Board of Directors: Connie Harris Arnold, Liberty County; Patricia "Patti" Clapp, Dallas County; Steve Cronin, San Jacinto County; Nancy Elizabeth Lavinski, Anderson County; Nancy Adams Perryman, Henderson County; Louis Edward Sturns, Tarrant County; Linda D. Timmerman, Freestone County.

Members, Upper Guadalupe River Authority Board of Directors: Mollie Maresh, Kerr County; Ronnie J. Pace, Kerr County; Alonzo Lycurgus "Curg" Starkey III, Kerr County.
Member, Evergreen Underground Water Conservation District Board of Directors: Darrell Travis Brownlow, Wilson County.

Members, Guadalupe-Blanco River Authority Board of Directors: Jack R. Gary, Hays County; Myrna Patterson McLeroy, Gonzales County; Frank J. Pagel, Refugio County.

Members, Lavaca-Navidad River Authority Board of Directors: Basilio R. Jimenez, Jackson County; John J. Shutt, Jackson County.

Members, Nueces River Authority Board of Directors: Joe M. Cantu, Bandera County; William I. Dillard, Uvalde County; Robert M. "Bobby" Dullnig, Bexar County; Eduardo L. "Eddie" Garcia, Nueces County; Dan S. Leyendecker, Nueces County; Patty Puig Mueller, Nueces County; Scott James Petty, Medina County.

Members, Board of Pilot Commissioners for the Sabine Bar, Pass, and Tributaries: George W. Brown III, Jefferson County; Johnny Casmore, Jr., Jefferson County; Andrew W. Dunn, Orange County; William F. Scott, Jefferson County; Kevin Michael Williams, Orange County.

Member, San Antonio River Authority Board of Directors: Gaylon J. Oehlke, Karnes County.

NOTICE OF CONSIDERATION OF NOMINATIONS
Senator Lindsay gave notice that he would tomorrow at the conclusion of morning call submit to the Senate for consideration nominations to agencies, boards, and commissions of the state.

PERMISSION TO INTRODUCE RESOLUTION
Senator Whitmire moved to suspend Senate Rule 7.07(b) and Section 5, Article III, of the Texas Constitution to permit the introduction of the following resolution: SJR 3.

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

Absent-excused: Brimer.

SENATE RESOLUTION 701
Senator West offered the following resolution:
WHEREAS, The Senate of the State of Texas is pleased to recognize the DeSoto High School boys' basketball team for capturing the Class 5A state championship on March 8, 2003; and
WHEREAS, The Eagles defeated Corpus Christi Ray High School 94-73 at the Frank Erwin Center to earn the school’s first state basketball championship; and
WHEREAS, The DeSoto basketball team members exhibited perseverance, team unity, and respect for the highest ideals of sportsmanship as they demonstrated their talent and the discipline instilled in them by Head Coach Chris Dyer and Assistant Coaches David Martinez and Kory McIver; and
WHEREAS, Bringing home the championship title this year was especially sweet for the Eagles; after barely missing the playoffs in the 2001-2002 season, the Eagles entered this season with exceptional determination, and their hard work paid off with a remarkable 33-6 record and the state championship title; and

WHEREAS, Team members include championship game most valuable player Dez Willingham and fellow seniors James Williams, Will Gant, Barry Williams, Chris Christian, Hampton Alexander, Charles Stoker, and Trey Gilder; the team also relied on juniors Dwight Coleman, Derrick Wilbourn, Rodney Jackson, and Gerard Coward, sophomore Roderick Flemings, and freshmen Ronnie Morgan and Jermaine Beal; and

WHEREAS, This exemplary group of young men and their coaches and staff can be justifiably proud of their accomplishments, and they are a source of tremendous pride to the students and faculty at DeSoto High School; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 78th Legislature, hereby congratulate the members and coaching staff of the DeSoto High School boys' basketball team for winning the Class 5A state championship and extend to them best wishes for continued success; and, be it further

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

The resolution was read and was adopted without objection.

GUESTS PRESENTED

Senator West was recognized and introduced to the Senate DeSoto High School boys basketball coach Chris Dyer; assistant coaches David Martinez and Kory McIver; players Will Gant and Charles Stoker; accompanied by other team members.

The Senate welcomed its guests.

BILLS SIGNED

The President announced the signing of the following enrolled bills in the presence of the Senate after the captions had been read:

SB 234, SB 394, SB 446, SB 461, SB 553, SB 579, SB 655, SB 775, SB 814, SB 985, SB 1065, SB 1084, SB 1091, SB 1238, SB 1829.

GUEST PRESENTED

Senator Williams was recognized and introduced to the Senate Dennis Franchione, Texas A&M University football coach.

The Senate welcomed its guest.

SENATE RESOLUTION 696

Senator Armbrister offered the following resolution:

WHEREAS, The Texas Environmental Excellence Awards are being presented May 6, 2003, and this auspicious occasion provides a fitting opportunity to recognize the proud recipients of these prestigious accolades for their dedicated efforts to protect and conserve our state's natural resources; and

WHEREAS, Nominated by a blue ribbon committee and selected by the Office of the Governor and the commissioners of the Texas Commission on Environmental Quality, these award-winning Texans involved in small and large businesses,
government, and individual citizenship have voluntarily endeavored to preserve our state's natural resources by preventing pollution, minimizing waste, conserving water, reducing energy consumption, and protecting wildlife; and

WHEREAS, The 2003 Texas Environmental Excellence Awards recipients are Clean Pampa, Incorporated, the City of Fort Worth Department of Environmental Management, the Port of Houston Authority, Joshua Morris, Target Stores, EcoTrans Technologies, Sage Oil Vac, Project Red Arroyo, the El Paso Electric Company, and the Texas Cattle Feeders Association’s Environmental Services Program; and

WHEREAS, These winners also share their knowledge, technology, and expertise to educate Texans as to how they may protect the environment in their communities, and their leadership will prove vital in preserving our state's natural resources for future generations; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 78th Legislature, hereby recognize May 6, 2003, as Texas Environmental Excellence Awards Day at the State Capitol and commend the award recipients for their exemplary efforts on behalf of the Lone Star State; and, be it further

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

The resolution was read and was adopted without objection.

GUESTS PRESENTED

Senator Armbrister was recognized and introduced to the Senate Robert Huston, Chair, Texas Commission on Environmental Quality, and winners of Texas Environmental Excellence Awards: Joshua Morris of El Paso and Sara Baggett and Jennifer Calcavecchia of San Angelo, accompanied by other award recipients.

The Senate welcomed its guests.

SENATE RESOLUTION 738

Senator Shapleigh offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize the Honorable Francisco Javier Alejo López for his outstanding contributions as Mexican Consul; and

WHEREAS, In his capacity as Mexican Consul, Mr. López works to enhance the well-being of Mexicans in the United States and promotes educational and health services for them; he also facilitates cultural and business activities that benefit the entire population of the region; and

WHEREAS, Mr. López earned a bachelor's degree from the Universidad Autónoma de México, and he is highly regarded in the field of economic theory and political studies; he has served on the faculty of El Colegio de México and the Universidad Autónoma de México; and

WHEREAS, He has also brought his expertise in economics to 16 national congresses on the economy in Mexico, and he is the author of three books and more than 100 essays and articles on economics and politics in Mexico and in the international arena; and
WHEREAS, Francisco López has served his country in countless capacities, including as Mexican Ambassador to Japan and to the Republic of Korea and as economic advisor to Mexican President Vicente Fox Quezada; and

WHEREAS, His dedication to serving the needs of his countrymen and to building a strong friendship between Mexico and Texas reflects his commitment to his fellowman; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 78th Legislature, hereby express sincere appreciation to the Honorable Francisco Javier Alejo López for his significant work as Mexican Consul and extend to him best wishes for continued success; and, be it further

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

The resolution was read and was adopted without objection.

GUESTS PRESENTED

Senator Shapleigh was recognized and introduced to the Senate Francisco Javier Alejo López, Consul General of Mexico in Austin, accompanied by his wife and Vicente Sanchez, Vice-consul.

The Senate welcomed its guests.

CONCLUSION OF MORNING CALL

The President at 11:40 a.m. announced the conclusion of morning call.

COMMITTEE SUBSTITUTE

SENATE BILL 1646 ON SECOND READING

Senator Staples moved to suspend the regular order of business to take up for consideration CSSB 1646 at this time on its second reading:

CSSB 1646, Relating to the ad valorem tax appraisal of qualified timberland.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE

SENATE BILL 1646 ON THIRD READING

Senator Staples moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSSB 1646 be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.
SENATE BILL 1002 ON SECOND READING

Senator West moved to suspend the regular order of business to take up for consideration SB 1002 at this time on its second reading:

SB 1002, Relating to the low income housing tax credit program.

The motion prevailed by a viva voce vote.

The bill was read second time.

Senator West offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend SB 1002 by striking ", regardless of whether the developments serve families, elderly individuals, or another type of household" from Section 1, Sec. 2306.6703, Government Code. (Legislative Council printing, page 2, line 9-10)

The committee amendment was read and was adopted by a viva voce vote.

On motion of Senator West and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

SB 1002 as amended was passed to engrossment by a viva voce vote.

SENATE BILL 1002 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that SB 1002 be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

GUESTS PRESENTED

Senator Wentworth was recognized and introduced to the Senate students from the seventh-grade government class at Clint Small, Jr., Middle School in Austin, accompanied by their teacher, Debbie Smith.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Van de Putte was recognized and introduced to the Senate students from the Texas History class at Pershing Elementary School in San Antonio, accompanied by their teachers Diana Reyes, Sylvia Pryor, LaDonna Grant, Elivira Guevara, and Becky Palomo, and Assistant Principal Horace Franklin.

The Senate welcomed its guests.
SENATE BILL 254 ON SECOND READING

Senator Bivins moved to suspend the regular order of business to take up for consideration **SB 254** at this time on its second reading:

**SB 254**, Relating to representation of a person for compensation before an executive state agency by a member of the legislature.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.

SENATE BILL 254 ON THIRD READING

Senator Bivins moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 254** be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 1025 ON SECOND READING

Senator Lucio moved to suspend the regular order of business to take up for consideration **CSSB 1025** at this time on its second reading:

**CSSB 1025**, Relating to the funding of port security, transportation, and facility projects and port studies and to the port authority advisory committee.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 1025 ON THIRD READING

Senator Lucio moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 1025** be placed on its third reading and final passage.

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

Absent-excused: Brimer.

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

SENATE BILL 891 ON SECOND READING

Senator Duncan moved to suspend the regular order of business to take up for consideration **SB 891** at this time on its second reading:

**SB 891**, Relating to the operation of the joint underwriting association under the Texas Medical Liability Insurance Underwriting Association Act.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.
SENATE BILL 891 ON THIRD READING

Senator Duncan moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 891** be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

SENATE BILL 1631 ON SECOND READING

Senator Wentworth moved to suspend the regular order of business to take up for consideration **SB 1631** at this time on its second reading:

**SB 1631**, Relating to the authority of a county to regulate land development after a local option election.

The motion prevailed by a viva voce vote.

RECORD OF VOTES

Senators Lindsay, Nelson, Staples, and Williams asked to be recorded as voting "Nay" on the suspension of the regular order of business.

The bill was read second time.

Senator Armbrister offered the following amendment to the bill:

**Floor Amendment No. 1**

Amend **SB 1631** in SECTION 1 of the bill (committee printing page 1, lines 31-35) by striking proposed Section 232.152 and substituting the following:

Sec. 232.152. ELECTION TO GRANT REGULATORY AUTHORITY. The commissioners court of a county may order and hold an election in the unincorporated area of the county on the question of granting the commissioners court the authority to regulate land development in the unincorporated area of the county. Only voters who reside in the unincorporated area of the county are eligible to vote in an election held under this subchapter.

The floor amendment was read and was adopted by a viva voce vote.

Senator Wentworth offered the following amendment to the bill:

**Floor Amendment No. 2**

Amend **SB 1631** in SECTION 1 of the bill in proposed Subchapter F, Chapter 232, Local Government Code, immediately following Section 232.151 (committee printing, between lines 30 and 31), by inserting the following section and renumbering the subsequent sections of that subchapter appropriately:

Sec. 232.152. COMPLIANCE WITH CERTAIN LAWS. A county adopting a regulation under this subchapter relating to the location, design, construction, installation, size, or extension of an on-site sewage disposal system:

(1) must be an authorized agent as defined by Section 366.002, Health and Safety Code; and
(2) must adopt regulations in accordance with Chapter 366, Health and Safety Code.

The floor amendment was read and was adopted by a viva voce vote.

On motion of Senator Wentworth and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

**SB 1631** as amended was passed to engrossment by a viva voce vote.

**RECORD OF VOTES**

Senators Lindsay, Nelson, Staples, and Williams asked to be recorded as voting "Nay" on the passage of **SB 1631** to engrossment.

**MOTION TO PLACE SENATE BILL 1631 ON THIRD READING**

Senator Wentworth moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 1631** be placed on its third reading and final passage.

The motion was lost by the following vote: Yeas 17, Nays 13. (Not receiving four-fifths vote of Members present)


Nay: Carona, Deuell, Duncan, Ellis, Fraser, Gallegos, Harris, Jackson, Lindsay, Nelson, Shapiro, Staples, Williams.

Absent-excused: Brimer.

**HOUSE BILL 587 ON SECOND READING**

Senator Carona moved to suspend the regular order of business to take up for consideration **HB 587** at this time on its second reading:

**HB 587**, Relating to the cremation of human remains and the operation of crematories and certain related entities; providing a penalty.

The motion prevailed by a viva voce vote.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

**Floor Amendment No. 1**

Amend **HB 587** by striking Sec. 716.203(d)(1) in its entirety and relettering subsequent sections appropriately (committee printing page 7, lines 7-5 - 7-7).

The floor amendment was read and was adopted by a viva voce vote.
Senator Carona offered the following amendment to the bill:

**Floor Amendment No. 2**

Amend HB 587 in SECTION 2 of the bill, by striking "a representative", in Subsection (a), of proposed Section 716.052, Health and Safety Code (committee printing page 4, line 53), and substituting "representatives".

The floor amendment was read and was adopted by a viva voce vote.

Senator Carona offered the following amendment to the bill:

**Floor Amendment No. 3**

Amend HB 587 in SECTION 2 of the bill, in proposed Section 716.203, Health and Safety Code (committee printing, page 7, between lines 9 and 10), by adding Subsection (e) to read as follows:

(e) The commission may not initiate disciplinary action against a crematory establishment on the basis of a complaint based on the conduct of an employee, agent, or representative of the establishment that is:

1. performed outside of the scope and authority of employment; or
2. contrary to the written instructions of the crematory establishment.

The floor amendment was read and was adopted by a viva voce vote.

Senator Carona offered the following amendment to the bill:

**Floor Amendment No. 4**

Amend HB 587 (committee printing) as follows:

1. In SECTION 2 of the bill, in Subdivision (6), Subsection (a), of proposed Section 716.052, Health and Safety Code (page 3, line 6), between "declare" and "the", insert "that to their knowledge".

The floor amendment was read and was adopted by a viva voce vote.

VOTE RECONSIDERED

On motion of Senator Carona and by unanimous consent, the vote by which Floor Amendment No. 3 was adopted was reconsidered.

Question — Shall Floor Amendment No. 3 to HB 587 be adopted?

On motion of Senator Carona, Floor Amendment No. 3 was withdrawn.

Senator Shapleigh offered the following amendment to the bill:

**Floor Amendment No. 5**

Amend HB 587 in SECTION 2 of the bill, in proposed Section 716.203, Health and Safety Code (committee printing, page 7, between lines 9 and 10), by adding Subsection (e) to read as follows:

(e) The commission may not initiate disciplinary action against a crematory establishment on the basis of a complaint based on the conduct of an employee, agent, or representative of the establishment that is:

1. performed outside of the scope and authority of employment; or
2. contrary to the written instructions of the crematory establishment.

The floor amendment was read and was adopted by a viva voce vote.
On motion of Senator Carona and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

HB 587 as amended was passed to third reading by a viva voce vote.

HOUSE BILL 587 ON THIRD READING

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that HB 587 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.
Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

MESSAGE FROM THE HOUSE
HOUSE CHAMBER
Austin, Texas
May 6, 2003

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 27, Conferring the Texas Legislative Medal of Honor on Colonel M. B. Etheredge.

HCR 161, Urging congress to change veterans' mortgage bonds to cover all veterans who have served on active duty.

SB 189, Relating to the selection of public members to the committee to review salaries and expenses of elected county or precinct officers.
(Amended)

SB 504, Relating to a lien on a cause of action or claim of an individual who receives emergency medical services.
(Amended)

SB 828, Relating to the supplemental salaries of district judges in Harris County.

SB 850, Relating to allowing local governments and school districts to prohibit contracts or other transactions with delinquent taxpayers.
(Committee Substitute)

SB 855, Relating to funding of the Texas Wine Marketing Assistance Program.

SB 948, Relating to the authority of the board of a hospital district and the commissioners court of the county in which the district is located to take certain actions relating to ad valorem taxes imposed for the benefit of the hospital district.
SB 1013, Relating to the regulation of the practice of appraising real property; providing administrative, civil, and criminal penalties.

SB 1024, Relating to admission of certain nonresident patients to state chest hospitals.

SB 1183, Relating to community service programs under the National and Community Service Act of 1990.

SB 1400, Relating to the labeling of certain drugs.

SB 1454, Relating to regulation of frozen dessert products and manufacturing.

SB 1578, Relating to an examination requirement for mortgage broker and loan officer license applicants.

(Committee Substitute)

SB 1594, Relating to the Texas State Guard.

SB 1635, Relating to carrying a passenger on an all-terrain vehicle.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

COMMITTEE SUBSTITUTE
SENATE BILL 92 ON SECOND READING

Senator West moved to suspend the regular order of business to take up for consideration CSSB 92 at this time on its second reading:

CSSB 92, Relating to a residential tenant's right to summon police or emergency assistance; providing a civil penalty.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 92 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSSB 92 be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 0. (Same as previous roll call)
Senator Shapleigh moved to suspend the regular order of business to take up for consideration CSSJR 55 at this time on its second reading:

CSSJR 55, Proposing a constitutional amendment authorizing a guarantee program for bonds or other obligations issued for projects that enhance military value of military facilities in the state.

The motion prevailed by a viva voce vote.

The resolution was read second time.

Senator Shapleigh offered the following amendment to the resolution:

Floor Amendment No. 1

Amend CSSJR 55 by striking all below the resolving clause and substituting the following:

SECTION 1. Article III, Texas Constitution, is amended by adding Section 49-n to read as follows:

Sec. 49-n. (a) The legislature by general law may authorize one or more state agencies to issue general obligation bonds of the State of Texas in an aggregate amount not to exceed $250 million. The proceeds from the sale of the bonds shall be deposited in the Texas military value revolving loan account in the state treasury or its successor account to be used by one or more state agencies designated by the legislature by general law without further appropriation to provide loans for economic development projects that benefit defense-related communities, as defined by the legislature by general law, including projects that enhance the military value of military installations located in the state.

(b) The expenses incurred in connection with the issuance of the bonds and the costs of administering the Texas military value revolving loan account may be paid from money in the account.

(c) A defense-related community receiving a loan from the Texas military value revolving loan account may use money from the account to capitalize interest on the loan.

(d) An agency providing a loan from the Texas military value revolving loan account to a defense-related community may require the defense-related community to pay any pro rata cost of issuing the general obligation bonds.

(e) Bonds authorized under this section are a general obligation of the state. While any of the bonds or interest on the bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year, not otherwise appropriated by this constitution, the amount sufficient to pay the principal of and interest on the bonds that mature or become due during the fiscal year, less any amounts in the interest and sinking accounts at the close of the preceding fiscal year that are pledged to payment of the bonds or interest.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held September 13, 2003. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the issuance of general obligation bonds not to exceed $250 million
payable from the general revenues of the state to provide loans to defense-related communities for economic development projects, including projects that enhance the military value of military installations."

The floor amendment was read and was adopted by a viva voce vote.

On motion of Senator Shapleigh and by unanimous consent, the caption was amended to conform to the body of the resolution as amended.

**CSSJR 55** as amended was passed to engrossment by a viva voce vote.

**COMMITTEE SUBSTITUTE**

**SENATE JOINT RESOLUTION 55 ON THIRD READING**

Senator Shapleigh moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSJR 55** be placed on its third reading and final passage.

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

Absent-excused: Brimer.

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

*(Senator Whitmire in Chair)*

**COMMITTEE SUBSTITUTE**

**SENATE BILL 1700 ON SECOND READING**

Senator Wentworth moved to suspend the regular order of business to take up for consideration **CSSB 1700** at this time on its second reading:

**CSSB 1700**, Relating to the administration of the weather modification and control grant program.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.

**COMMITTEE SUBSTITUTE**

**SENATE BILL 1700 ON THIRD READING**

Senator Wentworth moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 1700** be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.
COMMITTEE SUBSTITUTE
SENATE BILL 1148 ON SECOND READING

Senator Shapleigh moved to suspend the regular order of business to take up for consideration CSSB 1148 at this time on its second reading:

CSSB 1148, Relating to information provided to parents of newborn children relating to immunizations.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 1148 ON THIRD READING

Senator Shapleigh moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSSB 1148 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 1.

Nays: Staples.

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 52 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration CSSB 52 at this time on its second reading:

CSSB 52, Relating to the collection and analysis of information relating to certain sexual offenses.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 52 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSSB 52 be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

SENATE BILL 347 WITH HOUSE AMENDMENT

Senator Barrientos called SB 347 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 347 by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT
relating to single-member districts for the board of the Barton Springs-Edwards Aquifer Conservation District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Section 7, Chapter 429, Acts of the 70th Legislature, Regular Session, 1987, is amended by adding Subsections (d)-(h) to read as follows:
(d) The district is divided into five numbered, single-member districts for electing directors. The board may revise the single-member districts as necessary or appropriate.
(e) The board shall revise the single-member districts as soon as practicable after the publication of each federal decennial census as the board considers appropriate to reflect population changes.
(f) When the board revises the single-member districts under Subsection (e), the board shall place two of the districts entirely within the boundaries of the City of Austin, as they exist at that time. Changes in the boundaries of the City of Austin between revisions of the single-member districts under Subsection (e) do not affect the boundaries of the single-member districts.
(g) Notwithstanding Subsection (f), the two single-member districts within the boundaries of the City of Austin may include unincorporated areas and other municipalities that are surrounded wholly or partly by the boundaries of the City of Austin if the areas or municipalities are noncontiguous to the territory of any other single-member district.
(h) When the boundaries of the single-member districts are changed, a director in office on the effective date of the change, or elected or appointed before the effective date of the change to a term of office beginning on or after the effective date of the change, is entitled to serve the term or the remainder of the term in the single-member district to which elected or appointed even though the change in boundaries places the person's residence outside the single-member district for which the person was elected or appointed.
SECTION 2. This Act takes effect September 1, 2003.

The amendment was read.

Senator Barrientos moved to concur in the House amendment to SB 347.

The motion prevailed by a viva voce vote.

SENATE BILL 360 WITH HOUSE AMENDMENT

Senator Deuell called SB 360 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 360 by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT
relating to the treatment of certain local chambers of commerce as charitable organizations for certain purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
SECTION 1. Subdivision (1), Section 84.003, Civil Practice and Remedies Code, is amended to read as follows:

(1) "Charitable organization" means:

(A) any organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(3) or 501(c)(4) of the code, if it is a nonprofit corporation, foundation, community chest, or fund organized and operated exclusively for charitable, religious, prevention of cruelty to children or animals, youth sports and youth recreational, neighborhood crime prevention or patrol, fire protection or prevention, emergency medical or hazardous material response services, or educational purposes, excluding private primary or secondary schools, alumni associations and related on-campus organizations, or is organized and operated exclusively for the promotion of social welfare by being primarily engaged in promoting the common good and general welfare of the people in a community;

(B) any bona fide charitable, religious, prevention of cruelty to children or animals, youth sports and youth recreational, neighborhood crime prevention or patrol, or educational organization, excluding alumni associations and related on-campus organizations, or other organization organized and operated exclusively for the promotion of social welfare by being primarily engaged in promoting the common good and general welfare of the people in a community, and that:

(i) is organized and operated exclusively for one or more of the above purposes;

(ii) does not engage in activities which in themselves are not in furtherance of the purpose or purposes;

(iii) does not directly or indirectly participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office;

(iv) dedicates its assets to achieving the stated purpose or purposes of the organization;

(v) does not allow any part of its net assets on dissolution of the organization to inure to the benefit of any group, shareholder, or individual; and

(vi) normally receives more than one-third of its support in any year from private or public gifts, grants, contributions, or membership fees;

(C) a homeowners association as defined by Section 528(c) of the Internal Revenue Code of 1986 or which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(4) of the code; [er]

(D) a volunteer center, as that term is defined by Section 411.126, Government Code; or

(E) a local chamber of commerce that:
(i) is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(6) of the code;

(ii) does not directly or indirectly participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office; and

(iii) does not directly or indirectly contribute to a political action committee that makes expenditures to any candidates for public office.

SECTION 2. Section 84.007, Civil Practice and Remedies Code, is amended by adding Subsection (h) to read as follows:

(h) This chapter does not apply to:

(1) a statewide trade association that represents local chambers of commerce; or

(2) a cosponsor of an event or activity with a local chamber of commerce unless the cosponsor is a charitable organization under this chapter.

SECTION 3. This Act takes effect September 1, 2003, and applies only to a cause of action that accrues on or after that date. An action that accrues before the effective date of this Act is governed by the law in effect when the action accrues, and the former law is continued in effect for that purpose.

The amendment was read.

Senator Deuell moved to concur in the House amendment to SB 360.

The motion prevailed by a viva voce vote.

VOTE RECONSIDERED ON
SENATE BILL 254

On motion of Senator West and by unanimous consent, the vote by which SB 254 was finally passed was reconsidered:

SB 254, Relating to representation of a person for compensation before an executive state agency by a member of the legislature.

Question — Shall SB 254 be finally passed?

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend SB 254 as follows:

Beginning on page 1, line 9, between "government" and "." insert the following: "unless the representation involves the filing of documents"

The floor amendment was read and was adopted by a viva voce vote.

On motion of Senator Bivins and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

SB 254 as amended was again finally passed by a viva voce vote.
MESSAGE FROM THE HOUSE

HOUSE CHAMBER
Austin, Texas
May 6, 2003

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:

**SB 313**, Relating to collection of civil damages awarded against certain nonprofit institutions.
(Committee Substitute/Amended)

**SB 564**, Relating to the application of certain marketing and contracting restrictions to treatment facilities funded by the Texas Commission on Alcohol and Drug Abuse.

**SB 567**, Relating to access by certain hospitals and hospital districts to criminal history record information.

**SB 667**, Relating to the establishment or use of certain cemeteries.

**SB 821**, Relating to certain bonds issued by the Comanche County Consolidated Hospital District.

**SB 959**, Relating to continued health insurance benefits for eligible surviving spouses of certain officers and employees of political subdivisions.

**SB 982**, Relating to the transfer of certain state property and the granting of certain state easements from the Texas Department of Criminal Justice and the Department of Public Safety of the State of Texas to the City of Houston.

**SB 984**, Relating to excepting certain governmental bodies from deliberating in an open meeting certain matters that involve the medical or psychiatric records of an individual.
(Committee Substitute)

**SB 988**, Relating to application of law regulating sweepstakes to certain associations of airmen.

**SB 1094**, Relating to the creation of a task force to evaluate matters regarding water conservation.

**SB 1564**, Relating to records and proceedings held in auxiliary facilities outside certain county seats.
(Amended)

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives
COMMITTEE SUBSTITUTE
SENATE BILL 1834 ON SECOND READING

Senator Staples moved to suspend the regular order of business to take up for consideration CSSB 1834 at this time on its second reading:

CSSB 1834, Relating to costs associated with the civil commitment of sexually violent predators.

The motion prevailed by a viva voce vote.

The bill was read second time and was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 1834 ON THIRD READING

Senator Staples moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSSB 1834 be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

SENATE BILL 1060 WITH HOUSE AMENDMENT

Senator Ellis called SB 1060 from the President's table for consideration of the House amendment to the bill.

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

Amendment

Amend SB 1060 by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT
relating to enforcement of conduct and other matters concerning a security; providing a penalty.

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

SECTION 1. Subsection A, Section 4, The Securities Act (Article 581-4, Vernon's Texas Civil Statutes), is amended to read as follows:

A. The term "security" or "securities" shall include any limited partner interest in a limited partnership, share, stock, treasury stock, stock certificate under a voting trust agreement, collateral trust certificate, equipment trust certificate, preorganization certificate or receipt, subscription or reorganization certificate, note, bond, debenture, mortgage certificate or other evidence of indebtedness, any form of commercial paper, certificate in or under a profit sharing or participation agreement, certificate or any instrument representing any interest in or under an oil, gas or mining lease, fee or title, or any certificate or instrument representing or secured by an interest in any or all of the capital, property, assets, profits or earnings of any company, investment contract, or any other instrument commonly known as a security, whether similar to those
herein referred to or not. The term applies regardless of whether the "security" or "securities" are evidenced by a written instrument. Provided, however, that this definition shall not apply to any insurance policy, endowment policy, annuity contract, optional annuity contract, or any contract or agreement in relation to and in consequence of any such policy or contract, issued by an insurance company subject to the supervision or control of the Texas Department of Insurance when the form of such policy or contract has been duly filed with the Department as now or hereafter required by law.

SECTION 2. Section 28, The Securities Act (Article 581-28, Vernon's Texas Civil Statutes), is amended by adding Subsection C to read as follows:

C. Assistance to Securities Regulator of Another Jurisdiction. The Commissioner may provide assistance to a securities regulator of another state or a foreign jurisdiction who requests assistance in conducting an investigation to determine whether a person has violated, is violating, or is about to violate a law or rule of the other state or foreign jurisdiction relating to a securities matter the securities regulator is authorized to administer or enforce. The Commissioner may provide assistance by using the authority to investigate and any other power conferred by this section as the Commissioner determines is necessary and appropriate. In determining whether to provide the assistance, the Commissioner may consider:

(1) whether the securities regulator is permitted and has agreed to provide assistance within the regulator's jurisdiction to the Commissioner reciprocally and at the Commissioner's request concerning securities matters;

(2) whether compliance with the request for assistance would violate or otherwise prejudice the public policy of this state;

(3) whether the conduct described in the request would also constitute a violation of this Act or another law of this state had the conduct occurred in this state; and

(4) the availability of Board employees and resources of the Board or Commissioner necessary to carry out the request for assistance.

SECTION 3. Section 29, The Securities Act (Article 581-29, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 29. PENAL PROVISIONS. Any person who shall:

A. Sell, offer for sale or delivery, solicit subscriptions or orders for, dispose of, invite offers for, or who shall deal in any other manner in any security or securities without being a registered dealer or agent as in this Act provided shall be deemed guilty of a felony, and upon conviction thereof shall be sentenced to pay a fine of not more than $5,000 or imprisonment in the penitentiary for not less than two or more than 10 years, or by both such fine and imprisonment.

B. Sell, offer for sale or delivery, solicit subscriptions to and orders for, dispose of, invite orders for, or who shall deal in any other manner in any security or securities issued after September 6, 1955, unless said security or securities have been registered or granted a permit as provided in Section 7 of this Act, shall be deemed guilty of a felony, and upon conviction thereof shall be sentenced to pay a fine of not more than $5,000 or imprisonment in the penitentiary for not less than two or more than 10 years, or by both such fine and imprisonment.
C. In connection with the sale, offering for sale or delivery of, the purchase, offer to purchase, invitation of offers to purchase, invitations of offers to sell, or dealing in any other manner in any security or securities, whether or not the transaction or security is exempt under Section 5 or 6 of this Act, directly or indirectly:

(1) engage in any fraud or fraudulent practice;
(2) employ any device, scheme, or artifice to defraud;
(3) knowingly make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or
(4) engage in any act, practice or course of business which operates or will operate as a fraud or deceit upon any person, is guilty of a felony and upon conviction shall be:

(a) imprisoned for not less than 2 or more than 10 years and fined not more than $10,000, if the amount involved in the offense is less than $10,000;
(b) imprisoned for not less than 2 or more than 20 years and fined not more than $10,000, if the amount involved in the offense is $10,000 or more but less than $100,000; or
(c) imprisoned for life or for not less than 5 or more than 99 years and fined not more than $10,000, if the amount involved is $100,000 or more.

D. Knowingly violate a cease and desist order issued by the commissioner under the authority of Section 23A, 23B, or 23-2 of this Act shall be deemed guilty of a felony, and upon conviction thereof shall be sentenced to pay a fine of not more than $5,000 or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

E. Knowingly make or cause to be made, in any document filed with the commissioner or in any proceeding under this Act, whether or not such document or proceeding relates to a transaction or security exempt under the provisions of Sections 5 or 6 of this Act, any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading in any material respect shall be deemed guilty of a felony, and upon conviction thereof shall be sentenced to pay a fine of not more than $5,000 or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

F. Knowingly make any false statement or representation concerning any registration made under the provisions of this Act shall be deemed guilty of a felony, and upon conviction thereof shall be sentenced to pay a fine of not more than $5,000 or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

G. Make an offer of any security within this State that is not in compliance with the requirements governing offers set forth in Section 22 of this Act shall be deemed guilty of a felony, and upon conviction thereof, shall be sentenced to pay a fine of not more than $5,000 or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.
H. Knowingly make an offer of any security within this State prohibited by a cease publication order issued by the Commissioner under Section 23C of this Act shall be deemed guilty of a felony, and upon conviction thereof, shall be sentenced to pay a fine of not more than $5,000 or imprisonment in the penitentiary for not more than two years, or by both such fine and imprisonment.

I. Render services as an investment adviser or an investment adviser representative without being registered as required by this Act shall be deemed guilty of a felony and on conviction of the felony shall be sentenced to pay a fine of not more than $5,000 or imprisonment in the penitentiary for not less than two or more than 10 years, or by both the fine and imprisonment.

SECTION 4. Section 32, The Securities Act (Article 581-32, Vernon’s Texas Civil Statutes), is amended by amending Subsection B and adding Subsection C to read as follows:

B. The Attorney General may, in an action under Subsection A of this section or in a separate action in District Court, seek equitable relief, including restitution, for a victim of fraudulent practices. The court may grant any equitable relief that the court considers appropriate and may order the defendant to deliver to the person defrauded the amount of money or the property that the defendant obtained from the person by the fraudulent practices.

C. In an action brought under this section for fraud or a fraudulent practice in connection with the sale of a security, the Attorney General may seek, for an aggrieved person, the disgorgement of any economic benefit gained by the defendant through the violation, including a bonus, fee, commission, option, proceeds, profit from or loss avoided through the sale of the security, or any other tangible benefit. The Attorney General may recover from an order of disgorgement obtained under this subsection reasonable costs and expenses incurred by the Attorney General in bringing the action.

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, 2003.

The amendment was read.

Senator Ellis moved to concur in the House amendment to SB 1060.

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

Absent-excused: Brimer.

COMMITTEE SUBSTITUTE
SENATE BILL 455 ON SECOND READING

Senator Armbrister moved to suspend the regular order of business to take up for consideration CSSB 455 at this time on its second reading:

CSSB 455, Relating to compliance histories for and incentives to reward compliance performance by entities regulated by the Texas Commission on Environmental Quality.

The motion prevailed by a viva voce vote.
RECORD OF VOTE

Senator Zaffirini asked to be recorded as voting "Nay" on the suspension of the regular order of business.

The bill was read second time.

Senator Barrientos offered the following amendment to the bill:

Floor Amendment No. 1
Amend CSSB 455, on page 1, lines 14-20, by striking SECTION 1 of the bill.

The floor amendment was read and was adopted by a viva voce vote.

Senator Barrientos offered the following amendment to the bill:

Floor Amendment No. 2
Amend CSSB 455 on page 2, line 38, between "information" and "relating" by inserting ", including notices of violation,"

The floor amendment was read and was adopted by a viva voce vote.

Senator Barrientos offered the following amendment to the bill:

Floor Amendment No. 3
Amend CSSB 455 on page 2, line 55, strike "[on the Internet]" and substitute "on the Internet"

The floor amendment was read and was adopted by a viva voce vote.

Senator Barrientos offered the following amendment to the bill:

Floor Amendment No. 4
Amend CSSB 455 as follows:

(1) On page (1), lines 21-22, strike "Subsections (a), (b), and (e), Section 5.753, Water Code, are amended to read as follows:" and substitute "Section 5.753, Water Code, is amended by amending Subsections (a), (b), and (e) and adding Subsection (f)."

(2) On page 1, between lines 47 and 48, insert the following:
"(f) Nothing in the section shall prevent the commissioner from considering any relevant compliance information, including notices of violation, in enforcement."

The floor amendment was read and was adopted by a viva voce vote.

On motion of Senator Armbrister and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSSB 455 as amended was passed to engrossment by a viva voce vote.

RECORD OF VOTE

Senator Zaffirini asked to be recorded as voting "Nay" on the passage of CSSB 455 to engrossment.
COMMITTEE SUBSTITUTE
SENATE BILL 455 ON THIRD READING

Senator Armbrister moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSSB 455 be placed on its third reading and final passage.

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

Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

RECORD OF VOTE

Senator Zaffirini asked to be recorded as voting "Nay" on the final passage of CSSB 455.

HOUSE BILL 2676 REREFERRED

Senator Averitt submitted a Motion In Writing requesting that HB 2676 be withdrawn from the Committee on Jurisprudence and rereferred to the Committee on Administration.

The Motion In Writing prevailed without objection.

HOUSE BILL 2132 REREFERRED

Senator Madla submitted a Motion In Writing requesting that HB 2132 be withdrawn from the Committee on Health and Human Services and rereferred to the Committee on Administration.

The Motion In Writing prevailed without objection.

HOUSE BILL 2396 REREFERRED

Senator Van de Putte submitted a Motion In Writing requesting that HB 2396 be withdrawn from the Committee on Veteran Affairs and Military Installations and rereferred to the Committee on Administration.

The Motion In Writing prevailed without objection.

SENATE BILLS AND RESOLUTIONS ON FIRST READING

The following bills and resolutions were introduced, read first time, and referred to the committees indicated:

SB 1943 by Ellis
Relating to the creation of the Montrose Museum Community Improvement District; providing the authority to impose taxes and issue bonds. (Local Bill)
To Committee on Intergovernmental Relations.

SB 1944 by Fraser
Relating to the creation, operation, administration, powers, duties, and financing of the Temple Health and Bioscience Economic Development District. (Local Bill)
To Committee on Business and Commerce.
SJR 3 by West
Proposing a constitutional amendment authorizing the governor to grant pardons to persons who have received deferred adjudication.
To Committee on Criminal Justice.

SCR 49 by Lucio
Requesting the lieutenant governor and the speaker to create a joint interim committee to study issues related to nutrition among Texas public school children.
To Committee on Administration.

AT EASE
The Presiding Officer, Senator Whitmire in Chair, at 1:47 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

IN LEGISLATIVE SESSION
The President at 2:22 p.m. called the Senate to order as In Legislative Session.

COMMITTEE SUBSTITUTE
SENATE BILL 671 ON SECOND READING

Senator Staples moved to suspend the regular order of business to take up for consideration CSSB 671 at this time on its second reading:

CSSB 671, Relating to the determination of school district property values and the accountability of appraisal district operations.

The motion prevailed by a viva voce vote.

The bill was read second time.

Senator Staples offered the following amendment to the bill:

Floor Amendment No. 1

Amend CSSB 671 in SECTION 1 of the bill (committee printing page 1, lines 30 through 37), by striking proposed Section 403.301(b)(2), Government Code, and substituting the following:

(2) "Eligible school district" means a school district for which the comptroller has determined the following:

(A) in the most recent annual study, the local value is invalid under Section 403.302(c) and does not exceed the state value determined by the comptroller;

(B) in the annual study for each of the two years preceding the most recent annual study, the school district’s local value was valid under Section 403.302(c); and

(C) in the most recent annual study, the aggregate local value of all of the categories of property sampled by the comptroller is not less than 95 percent of the lower limit of the margin of error as determined by the comptroller of the aggregate value as determined by the comptroller of all of the categories of property sampled by the comptroller.

The floor amendment was read and was adopted by a viva voce vote.
On motion of Senator Staples and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSSB 671 as amended was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE BILL 671 ON THIRD READING

Senator Staples moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSSB 671 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0. Absent-excused: Brimer.

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

COMMITTEE SUBSTITUTE
SENATE JOINT RESOLUTION 1 ON SECOND READING

Senator Shapiro moved to suspend the regular order of business to take up for consideration CSSJR 1 at this time on its second reading:

CSSJR 1, Proposing a constitutional amendment to provide financial support for public education by creating the Texas education fund, authorizing a state property tax, increasing the state general sales and use tax rate, expanding the general sales and use tax base to include certain services, increasing the state motor vehicle sales and use tax rate, abolishing the school district property tax for maintenance and operations purposes, dedicating the proceeds of any state lottery to public education, and authorizing a school district property tax for the purpose of educational enrichment.

The motion prevailed by a viva voce vote.

The resolution was read second time.

Senator Staples offered the following amendment to the resolution:

Floor Amendment No. 1

1) Amend proposed CSSJR 1 in SECTION 1 (page 1, lines 25-26) between "not to exceed" and "for the purpose" by deleting "the rate provided by general law" and inserting "$0.10 for each $100 of taxable value of the property".

2) Amend proposed CSSJR 1 in SECTION 8 (page 10, line 2) by deleting "November 4, 2003" and inserting "September 13, 2003".

The floor amendment was read.

Senator Wentworth offered the following amendment to the amendment:

Floor Amendment No. 1A

Amend Floor Amendment No. 1 to CSSJR 1 by striking Subsection (2) in its entirety.

The amendment to the amendment was read and was adopted by a viva voce vote.
Question recurring on the adoption of Floor Amendment No. 1 as amended, the amendment as amended was adopted by the following vote: Yeas 19, Nays 11.

Yeas: Averitt, Carona, Deuell, Estes, Fraser, Gallegos, Harris, Jackson, Janek, Lindsay, Nelson, Ogden, Shapleigh, Staples, Van de Putte, Wentworth, West, Williams, Zaffirini.

Nays: Armbrister, Barrientos, Bivins, Duncan, Ellis, Hinojosa, Lucio, Madla, Ratliff, Shapiro, Whitmire.

Absent-excused: Brimer.

Senator Shapleigh offered the following amendment to the resolution:

**Floor Amendment No. 2**

Amend **CSSJR 1** as follows:

(1) In SECTION 1 of the resolution, in amended Section 3, Article VII, Texas Constitution (committee printing, page 1, between lines 36 and 37), insert the following:

(f) Each school district shall be guaranteed a specified amount per student in state and local funds for each cent of enrichment tax effort up to the maximum level specified by law. The dollar amount guaranteed level of state and local enrichment funds per student per cent of tax effort may not be less than the amount of district enrichment tax revenue per cent of tax effort available to a school district at the 90th percentile in wealth per student. For purposes of this subsection, "wealth per student" means a school district's taxable value of property divided by the district's enrollment or average daily attendance, as adjusted to recognize legitimate student and district cost differences, as determined by general law.

(2) In SECTION 1 of the resolution, in proposed Subsection (f), Section 3, Article VII, Texas Constitution (committee printing, page 1, line 37), strike "(f)" and substitute "(g)".

(3) In SECTION 1 of the resolution, in proposed Subsection (g), Section 3, Article VII, Texas Constitution (committee printing, page 1, line 45), strike "(g)" and substitute "(h)".

The floor amendment was read and failed of adoption by the following vote: Yeas 11, Nays 19.

Yeas: Barrientos, Ellis, Gallegos, Hinojosa, Lucio, Madla, Shapleigh, Staples, West, Williams, Zaffirini.

Nays: Armbrister, Averitt, Bivins, Carona, Deuell, Duncan, Estes, Fraser, Harris, Jackson, Janek, Lindsay, Nelson, Ogden, Ratliff, Shapiro, Van de Putte, Wentworth, Whitmire.

Absent-excused: Brimer.
Senator Shapiro offered the following amendment to the resolution:

**Floor Amendment No. 3**

Amend CSSJR 1 as follows:

1. In SECTION 4 of the resolution (committee printing, page 2, line 57), in added Subdivision (1), Section 5A, Article VII, Texas Constitution, strike "authorized by Section 1-e" and substitute "imposed by Section 1-e".
2. In SECTION 6 of the resolution (committee printing, page 3, lines 35-40), strike added Subsection (b), Section 1-e, Article VIII, Texas Constitution, and substitute the following:

   (b) A State ad valorem tax for elementary and secondary public free school purposes is imposed on real property and tangible personal property not otherwise exempted by this constitution or by the legislature under the authority of this constitution. The tax is imposed at a rate of 75 cents for each $100 of taxable value, unless the legislature by general law enacted after January 1, 2004, provides for the tax to be imposed at a lower rate.
3. In SECTION 6 of the resolution (committee printing, page 3, lines 51-53), strike added Subsection (e), Section 1-e, Article VIII, Texas Constitution, and reletter subsequent added subsections of Section 1-e accordingly.

The floor amendment was read and was adopted by a viva voce vote.

Senator Janek offered the following amendment to the resolution:

**Floor Amendment No. 4**

Amend CSSJR 1 (Senate committee printing) as follows:

1. In proposed Section 5A, Article VII, Texas Constitution (page 2, between lines 63 and 64), insert the following:
   
   (4) the net revenue from the state services tax imposed under Section 27, Article VIII, of this constitution;

2. In proposed Section 5A, Article VII, Texas Constitution (page 2, lines 64-69), renumber existing Subdivisions (4)-(6) as Subdivisions (5)-(7).
3. In proposed Section 25, Article VIII, Texas Constitution (page 4, lines 3-25), strike added Subsections (c) and (d), and substitute the following:
   
   (c) Notwithstanding any other provision of this constitution, the net revenue derived from an increase in the rate of the tax described by Subsection (a) of this section over the rate of the tax on June 30, 2004, shall be deposited to the credit of the Texas education fund created under Section 5A, Article VII, of this constitution.

4. In proposed Section 25, Article VIII, Texas Constitution (page 4, line 26), reletter added Subsection (e) as Subsection (d).
5. Add an appropriately numbered Section to the resolution to read as follows and renumber subsequent Sections accordingly:

   SECTION ____. Article VIII, Texas Constitution, is amended by adding Section 27 to read as follows:

   Sec. 27. (a) A state tax is imposed on the sale or use of a service in this state at the rate of 9.5 percent unless:

   (1) the service was specifically and not generally exempt, either wholly or partly, from taxation under Chapter 151, Tax Code, on June 30, 2004; or
(2) the legislature by general law provides an exemption from the application of the tax.

(b) The legislature by general law may raise or lower the rate of the state services tax or modify or repeal the tax.

(c) Except as provided by Subsection (d) of this section, the net revenue derived from the imposition of the state services tax shall be deposited to the credit of the Texas education fund.

(d) The comptroller shall allocate to each local taxing entity an amount of revenue derived from the imposition of the services tax that is substantially equal to the amount of revenue that the comptroller estimates would have been received by the entity from the imposition of the tax provided by Chapter 151, Tax Code, on services that were subject to taxation under that chapter on June 30, 2004.

The floor amendment was read.

On motion of Senator Janek, Floor Amendment No. 4 was withdrawn.

Senator Janek offered the following amendment to the resolution:

Floor Amendment No. 5

Amend CSSJR 1 in SECTION 4 of the resolution, in added Section 5A(4), Article VII, Texas Constitution, between "general law," and "of any", insert "excluding any unclaimed lottery prizes."

The floor amendment was read and was adopted by a viva voce vote.

Floor Amendment No. 6 was not offered.

Floor Amendment No. 7 was not offered.

Senator Janek offered the following amendment to the resolution:

Floor Amendment No. 8

Amend CSSJR 1 as follows:

(1) Add the following new SECTION to the resolution and renumber existing SECTIONS accordingly:

SECTION ___. Subsection (i), Section 1, Article VIII, Texas Constitution, is amended to read as follows:

(i) Notwithstanding Subsections (a) and (b) of this section, the Legislature by general law may limit the maximum annual percentage increase in the appraised value of residence homesteads for ad valorem tax purposes [to 10 percent, or a greater percentage, for each year since the most recent tax appraisal]. A limitation on appraisal increases authorized by this subsection:

(1) takes effect as to a residence homestead on the later of the effective date of the law imposing the limitation or January 1 of the tax year following the first tax year the owner qualifies the property for an exemption under Section 1-b of this article; and

(2) expires on January 1 of the first tax year that neither the owner of the property when the limitation took effect nor the owner's spouse or surviving spouse qualifies for an exemption under Section 1-b of this article.
(2) In SECTION 8 of the resolution, in the proposed constitutional election ballot language (committee printing page 4, line 53), strike "and increasing the state" and substitute "increasing the state".

(3) In SECTION 8 of the resolution, in the proposed constitutional election ballot language, between "tax rate" and the period (committee printing page 4, line 54), insert ", and repealing the 10 percent restriction on the legislature's authority to limit annual increases in the appraised value of residence homesteads for ad valorem tax purposes"

The floor amendment was read and was adopted by a viva voce vote.

RECORD OF VOTES

Senators Shapleigh and Van de Putte asked to be recorded as voting "Nay" on the adoption of Floor Amendment No. 8.

Senator Shapiro offered the following amendment to the resolution:

Floor Amendment No. 9

Amend CSSJR 1 as follows:

(1) In proposed Section 25, Article VIII, Texas Constitution, (page 3, line 68), strike "7.25" and substitute "7.50".

(2) In proposed Section 26, Article VIII, Texas Constitution, (page 4, line 33), strike "8.75" and substitute "7.50".

The floor amendment was read.

On motion of Senator Shapiro, Floor Amendment No. 9 was withdrawn.

On motion of Senator Shapiro, further consideration of CSSJR 1 was postponed.

Question — Shall CSSJR 1 as amended be passed to engrossment?

(Senator Janek in Chair)

(President in Chair)

COMMITTEE SUBSTITUTE

HOUSE BILL 5 ON SECOND READING

Senator Shapiro moved to suspend the regular order of business to take up for consideration CSHB 5 at this time on its second reading:

CSHB 5, Relating to public school finance, a state ad valorem tax, state general sales and use taxes, state taxes on the sale or use of a motor vehicle, and property tax relief for residential tenants.

The motion prevailed by a viva voce vote.

The bill was read second time.

POINT OF ORDER

Senator Whitmire raised a point of order against further consideration of CSHB 5 in that it violates Senate Rule 7.15 and Section 30, Article III, of the Texas Constitution and that it is not germane to HB 5.
POINT OF ORDER RULING

The President ruled that HB 5 as engrossed repeals the current school finance system and provides additional state aid to school districts for the 2004-2005 biennium. The committee substitute simply replaces that system with another. The Chair would also note that HB 5 as engrossed contains a provision which states in part, "It is the policy of this state that the provision of public education is a state responsibility and that a thorough and efficient system be provided and substantially financed through state revenue sources." The committee substitute does just that. The revenue raising provisions of the committee substitute are obviously critical to that duty and are inseparably linked to the delivery of an equitable education system. Therefore, for those reasons the Chair believes the committee substitute to HB 5 to be germane and the point of order is respectfully overruled.

Senator Shapleigh offered the following amendment to the bill:

Floor Amendment No. 1

Amend CSHB 5 in SECTION 1.02 of the bill by striking proposed Section 41.001(b), Education Code, and substituting the following:

(b) The public school finance system of this state must adhere to a standard of neutrality that, after acknowledging all legitimate student and district cost differences, provides:

(1) all school districts with equal access to substantially similar revenue per student at similar tax effort; and

(2) school districts serving at least 90 percent of the students in this state with the same revenue for similar tax effort.

The floor amendment was read and was adopted by a viva voce vote.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 2

Amend CSHB 5 as follows:

(1) In SECTION 1.02 of the bill, in proposed Section 41.008(c)(5), Education Code, strike "Chapter 46" and substitute "Chapter 46, including a specific amount to be appropriated to promote financing of facilities under Subchapter A, Chapter 46, in districts with low wealth per student".

(2) Amend ARTICLE 1 of the bill by adding the following appropriately numbered section and renumbering subsequent sections of the bill accordingly:

SECTION ___. Section 46.003, Education Code, is amended by amending Subsections (a) and (h) and adding Subsection (i) to read as follows:

(a) For each year, except as provided by Sections 46.005 and 46.006, a school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort, up to the maximum rate under Subsection (b), to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate, or improve an instructional facility. The total amount of state support provided each biennium must equal at least $150 million. The amount of state support for a school district is determined by the formula:
FYA = (FYL X ADA X BTR X 100) - (BTR X (DPV/100))

where:

"FYA" is the guaranteed facilities yield amount of state funds allocated to the district for the year;

"FYL" is the dollar amount guaranteed level of state and local funds per student per cent of tax effort, which is $35 or a greater amount for any year provided by appropriation;

"ADA" is the greater of the number of students in average daily attendance, as determined under Section 42.005, in the district or 400;

"BTR" is the district’s bond tax rate for the current year, which is determined by dividing the amount budgeted by the district for payment of eligible bonds by the quotient of the district’s taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521, divided by 100; and

"DPV" is the district’s taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, Section 42.2521.

(h) To receive state assistance under this subchapter, a school district must apply to the commissioner in accordance with rules adopted by the commissioner before issuing bonds that will be paid with state assistance. Until the bonds are fully paid, [strike] the instructional facility is sold, or the school district becomes eligible to receive assistance with payment of the bonds under Subchapter B:

(1) a school district is entitled to continue receiving state assistance under this subchapter without reapplying to the commissioner; and

(2) the guaranteed level of state and local funds per student per cent of tax effort applicable to the bonds may not be reduced below the level provided for the year in which the bonds were issued.

(i) Notwithstanding any other provision of this chapter, the commissioner shall ensure that a school district that becomes eligible for state assistance under Subchapter B with payment of bonds for which the district initially received state assistance under this subchapter continues to receive state assistance under this subchapter as necessary to result in a total guaranteed level of state and local funds per student per cent of tax effort equal to the level provided under this subchapter for the year in which the bonds were issued.

(3) Strike SECTION 1.11 of the bill, amending Section 46.033, Education Code, and substitute the following:

SECTION 1.11. Section 46.033, Education Code, is amended to read as follows:

Sec. 46.033. ELIGIBLE BONDS. Bonds, including bonds issued under Section 45.006, are eligible to be paid with state and local funds under this subchapter if:

(1) the district made payments on the bonds during the final [2000-2001] school year of the state fiscal biennium preceding the biennium in which the district first receives assistance under this subchapter for the payment of principal of and interest on the bonds; or

(2) taxes levied to pay the principal of and interest on the bonds were included in the district's audited debt service collections for that school year[; and
The floor amendment was read and failed of adoption by the following vote: Yeas 10, Nays 18.

Yeas: Barrientos, Carona, Gallegos, Hinojosa, Lucio, Madla, Shapleigh, Van de Putte, West, Zaffirini.

Nays: Averitt, Bivins, Deuell, Duncan, Ellis, Estes, Fraser, Harris, Janek, Lindsay, Nelson, Ogden, Ratliff, Shapiro, Staples, Wentworth, Whitmire, Williams.

Absent: Armbrister, Jackson.

Absent-excused: Brimer.

Senator West offered the following amendment to the bill:

**Floor Amendment No. 3**

Amend CSHB 5 as follows:

1. On page 1, lines 62-63, strike "recognized or higher" and replace with "exemplary".
2. On page 3, line 37, strike "recognized or higher" and replace with "exemplary".

The floor amendment was read and was adopted by a viva voce vote.

**Floor Amendment No. 4 was not offered.**

Senator Barrientos offered the following amendment to the bill:

**Floor Amendment No. 5**

Amend CSHB 5 in SECTION 1.02 of the bill, by striking added Subsection (a), Section 41.404, Education Code, and substituting the following:

(a) Notwithstanding any other provision of this subtitle, a school district is entitled to an amount of state aid per student in weighted average daily attendance that is equal to the amount of state and local funds for maintenance and operations per student in weighted average daily attendance the district received under former Chapters 41 and 42 and Chapter 45 or under another law authorizing a school district to impose a tax for maintenance and operations for the 2002-2003 or 2003-2004 school year, whichever amount is greater. The legislature by appropriation may provide a greater amount for any year. For purposes of this subsection the amount of state and local funds for maintenance and operations per student in weighted average daily attendance a district received for the 2002-2003 or 2003-2004 school year does not include any amounts the district paid for:

1. the purchase of attendance credits under former Subchapter D, Chapter 41; or
2. the education of nonresident students under former Subchapter E, Chapter 41.

The floor amendment was read.

On motion of Senator Barrientos, Floor Amendment No. 5 was temporarily withdrawn.
Floor Amendment No. 6 was not offered.

Senator Van de Putte offered the following amendment to the bill:

Floor Amendment No. 7

Amend CSHB 5 as follows:
(1) In SECTION 1.02 of the bill (committee printing, page 9, line 65) between "any" and "amounts" insert "amounts the district received as a result of an increase from tax year 2002 to tax year 2003 in the district’s property tax rate for maintenance and operations nor any".
(2) In SECTION 1.02 of the bill (committee printing, page 10, line 2), insert a new subsection the following new (b) and re-letter current subsections (b) - (e):
   (b) For purposes of subsection (a) a district’s property tax rate for maintenance and operations is determined by dividing the amount of property taxes the district imposed for maintenance and operations by the district’s taxable value before optional exemptions are deducted and multiplying the result by 100.

The floor amendment was read and was adopted by a viva voce vote.

Floor Amendment No. 8 was not offered.

Senator West offered the following amendment to the bill:

Floor Amendment No. 9

Amend CSHB 5 as follows:
(1) In SECTION 1.02 of the bill, following added Section 41.406, Education Code, insert the following:
   Sec. 41.407. USE OF CERTAIN FUNDS. (a) In this section, "participating charter school" has the meaning assigned by Section 1, Article 3.50-8, Insurance Code.
   (b) For each year, the commissioner shall certify to each school district or participating charter school the amount of additional funds to which the district or school is entitled due to the increases in state funding made by Acts of the 78th Legislature, Regular Session, 2003.
   (c) Notwithstanding any other provision of this code, a school district or participating charter school may use the following amount of funds only to ensure that each district or school employee receives a $1,000 supplement for health coverage or compensation, in addition to the salary to which the employee would have received for the 2003-2004 school year under the district’s or school’s salary schedule for the 2002-2003 school year, if that schedule were in effect for the 2003-2004 school year:
      (1) an amount equal to 65 percent of the amount certified for the district or school under Subsection (b); or
      (2) if the following amount is less than the amount specified by Subdivision (1), the amount determined by multiplying $1,000 by the number of district or school employees.
   (d) A determination by the commissioner under this section is final and may not be appealed.
   (e) The commissioner may adopt rules to implement this section.
(2) In SECTION 1.02 of the bill, following added Section 41.406, Education Code, strike "Sections 41.407-41.450" and substitute "Sections 41.408-41.500".

The floor amendment was read and failed of adoption by the following vote: Yeas 13, Nays 16.


Nays: Averitt, Bivins, Deuell, Duncan, Estes, Fraser, Harris, Jackson, Janek, Lindsay, Ogden, Shapiro, Staples, Van de Putte, Wentworth, Williams.

Absent: Hinojosa.

Absent-excused: Brimer.

Senator Wentworth offered the following amendment to the bill:

**Floor Amendment No. 10**

Amend CSHB 5 as follows:

On page 5, line 20 after "school district" insert the following: "including, but not limited to those costs incurred by school districts required to participate in Social Security under 26 U.S.C. Section 3111(a), and its subsequent amendments."

The floor amendment was read.

Senator Ratliff offered the following amendment to the amendment:

**Floor Amendment No. 10A**

Amend Floor Amendment No. 10 to CSHB 5 on line 2 as follows: delete "required to" and replace with "which".

The amendment to the amendment was read and was adopted by a viva voce vote.

Question recurring on the adoption of Floor Amendment No. 10 as amended, the amendment as amended was adopted by a viva voce vote.

**Floor Amendment No. 11 was not offered.**

Senator Duncan offered the following amendment to the bill:

**Floor Amendment No. 11A**

Amend CSHB 5 in SECTION 1.02 of the bill, in proposed Section 41.053(c-1), Education Code, immediately following the period, by inserting the following: Notwithstanding the cost of education index prescribed by this subsection, the commissioner shall adjust the amount of state aid to which each district is entitled by application of this section so that no district receives for the 2005-2006 or 2006-2007 school year less than the amount to which the district would be entitled using the district’s cost of education index for the 2002-2003 school year.

The floor amendment was read and was adopted by a viva voce vote.
Floor Amendment No. 12 was not offered.

Senator Staples offered the following amendment to the bill:

Floor Amendment No. 13

Amend CSHB 5 by adding a new Section 41.056 on page 6, line 20 to read as follows:

Subsection 41.056. For Districts Not Offering All Grade Levels. The guaranteed amount ("GA") under Section 41.051 for districts that do not offer all grade levels, as adjusted under sections 41.053, 41.054 and 41.055 are further adjusted by adding the amount of tuition contracted and paid to another district under Section 25.039 for the school year for which the adjustment is made.

The floor amendment was read and was adopted by a viva voce vote.

Senator Duncan offered the following amendment to the bill:

Floor Amendment No. 13A

Amend CSHB 5 in ARTICLE 1 of the bill by inserting the following new SECTION, appropriately numbered, and renumbering the subsequent SECTIONS accordingly:

SECTION 1.___. (a) An initial proposition under Section 42.004, Education Code, as added by this Act, may be submitted to the voters of a school district at the same election at which the constitutional amendment proposed by S.J.R. No. 1, Acts of the 78th Legislature, Regular Session, 2003, is submitted to voters. If that constitutional amendment is not approved by voters, the results of the election on the proposition under that section are void.

(b) Notwithstanding Section 6.01 of this Act, this section takes effect September 1, 2003.

The floor amendment was read and was adopted by a viva voce vote.

Floor Amendment No. 14 was not offered.

Senator Averitt, on behalf of Senator Brimer, offered the following amendment to the bill:

Floor Amendment No. 15

Amend CSHB 5, page 15, line 25, as follows:

Strike "OR AT" and insert "," and after "SCHOOL" insert "OR MASONIC HOME INDEPENDENT SCHOOL DISTRICT."

Amend CSHB 5, page 15, line 27, as follows:

Strike "or at" and insert "," and after "School" insert "or Masonic Home Independent School District."

The floor amendment was read and was adopted by a viva voce vote.

Senator Madla offered the following amendment to the bill:

Floor Amendment No. 16

Amend CSHB 5 as follows:

(1) In ARTICLE 1 of the bill, between SECTIONS 1.10 and 1.11 of the bill, insert the following new sections, appropriately numbered:
SECTION 1.___. Sections 46.004(a) and (b), Education Code, are amended to read as follows:

(a) A district may receive state assistance in connection with a lease-purchase agreement concerning an instructional facility. For purposes of this subchapter:

(1) the amount of state aid received under Chapter 41 that equals the amount of taxes that would have to be levied for purposes of maintenance and operations that are necessary to pay a district’s share of the payments under a lease-purchase agreement for which the district receives state assistance under this subchapter is considered to be bond taxes; and

(2) payments under a lease-purchase agreement are considered to be payments of principal of and interest on bonds.

(b) Section 46.003(b) applies to state aid under Chapter 41 used to pay a district’s share of the payments under a lease-purchase agreement for which the district receives state assistance under this subchapter.

SECTION 1.___. Section 46.012, Education Code, as added by Chapter 1156, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 46.012. MULTIPLE ALLOTMENTS PROHIBITED. A school district is not entitled to state assistance under this subchapter based on taxes with respect to which the district receives state assistance under Subchapter F, Chapter 42.

(2) In ARTICLE 1 of the bill, between SECTIONS 1.12 and 1.13 of the bill, insert the following new section, appropriately numbered:

SECTION 1.___. Subchapter B, Chapter 46, Education Code, is amended by adding Section 46.038 to read as follows:

Sec. 46.038. LEASE-PURCHASE AGREEMENTS. A district may receive state assistance under this subchapter in connection with a lease-purchase agreement concerning an instructional facility. A lease-purchase agreement is eligible to be paid with state and local funds under this subchapter if:

(1) the district made payments on the lease-purchase agreement during the final school year of the state fiscal biennium preceding the biennium in which the district first receives assistance under this subchapter for the payment of the lease-purchase agreement; and

(2) the district does not receive state assistance under Subchapter A for payment of the lease-purchase agreement.

The floor amendment was read and was adopted by a viva voce vote.

Senator Shapiro offered the following amendment to the bill:

Floor Amendment No. 17

Amend CSHB 5 as follows:

On page 20, in SECTION 1.16, insert the following new Subsection (d):

"(d) The commissioner may make provision by rule for the transition from the Foundation School Program to the Texas Education Excellence Program, including provisions relating to any existing statutory references to the Foundation School Program and its funding elements. Rules under this section may make appropriate provision for lease-purchase agreements receiving state assistance under Chapter 46, Education Code, and for limitations on state assistance under Section 46.012, and may adjust the amount due to districts under Sections 41.402 or 41.404 accordingly."

The floor amendment was read and was adopted by a viva voce vote.
Senator Shapiro offered the following amendment to the bill:

**Floor Amendment No. 18**

Amend CSHB 5 in SECTION 1.16 of the bill by inserting the following new subsection (d):

(d) An obligation of a school district for which it has pledged maintenance and operations taxes before the effective date of this Act remains valid and enforceable as an obligation payable from state funds under Chapters 41 and 42, Education Code, as added by this Act.

The floor amendment was read and was adopted by a viva voce vote.

**Floor Amendment No. 19 was not offered.**

**Floor Amendment No. 20 was not offered.**

Senator Shapiro offered the following amendment to the bill:

**Floor Amendment No. 21**

Amend CSHB 5 in added Section 45.251, Education Code (committee printing, page 20, lines 31-40), by striking added Subsection (b) and relettering the remaining added subsections accordingly.

The floor amendment was read and was adopted by a viva voce vote.

**Floor Amendment No. 22 was not offered.**

Senator Shapleigh offered the following amendment to the bill:

**Floor Amendment No. 23**

Amend CSHB 5 as follows:

1. In SECTION 1.02 of the bill, strike proposed Section 41.402(f) and substitute the following:

   (f) If the total amount appropriated for a year for the basic program under the Texas Education Excellence Program and the enrichment program under Chapter 42 is less than the amount of money to which school districts are entitled for that year, the commissioner shall reduce the amount of state funds allocated to each district as follows:

   1. first, reduce the total amount of funds allocated to districts under Section 41.404 proportionately; and

   2. if the amount of reduction required is greater than the total funds allocated under Section 41.404, reduce the total amount of funds allocated to districts for the basic program under the Texas Education Excellence Program proportionately.

   (g) In the fiscal year following the year in which a reduction is made under Subsection (f), a district’s entitlement under this section is increased by an amount equal to the amount of the reduction under Subsection (f).

2. In SECTION 1.02 of the bill, in proposed Section 42.005(a), strike "(a)".

3. In SECTION 1.02 of the bill, strike proposed Section 42.005(b).

The floor amendment was read and failed of adoption by a viva voce vote.
Floor Amendment No. 24 was not offered.

Floor Amendment No. 25 was not offered.

Floor Amendment No. 26 was not offered.

Senator Shapleigh offered the following amendment to the bill:

Floor Amendment No. 27

Amend CSHB 5 as follows:

In SECTION 1.02 of the bill, amend page 9, by deleting the following language from lines 61 through 62:

, or a greater amount provided for any year by appropriation

The floor amendment was read.

On motion of Senator Shapleigh, Floor Amendment No. 27 was temporarily withdrawn.

Senator Lucio offered the following amendment to the bill:

Floor Amendment No. 28

Amend CSHB 5 as follows:

(1) In SECTION 1.02 of the bill, in proposed Section 41.404(a), Education Code, strike "Notwithstanding any other provision of this subtitle," and substitute "Notwithstanding any other provision of this subtitle, but subject to the limitations prescribed by this section,"

(2) In SECTION 1.02 of the bill, in proposed Section 41.404(a), Education Code, strike "or a greater amount provided for any year by appropriation" and substitute "or another amount provided for any year by appropriation".

(3) In SECTION 1.02 of the bill, strike proposed Sections 41.404(c)-(e), Education Code, and substitute the following:

(c) Notwithstanding Subsection (b), the amount of additional state aid provided to a school district under this section may not exceed:

(1) for the 2005-2006 school year, the amount of $1,200 per student in weighted average daily attendance during that year;

(2) for the 2006-2007 school year, the amount of $900 per student in weighted average daily attendance during that year;

(3) for the 2007-2008 school year, the amount of $600 per student in weighted average daily attendance during that year; and

(4) for the 2008-2009 school year, the amount of $300 per student in weighted average daily attendance during that year.

(d) Notwithstanding any other provision of this section, if a school district imposes an enrichment tax under Section 42.003 and the dollar amount per student in state and local funds for each cent of that tax effort exceeds the guaranteed level of state and local enrichment funds ("EGL") amount determined under Section 42.002(b), then the additional state aid provided to the district under this section is reduced by an amount equal to the revenue that is derived from the portion of the district's state and local funds that exceeds the state and local funds guaranteed by Section 42.002(b).
(e) Additional state aid under this section shall be funded from general revenue and designated in a separate line item in the General Appropriations Act.

(f) A determination by the commissioner under this section is final and may not be appealed.

(g) The commissioner may adopt rules to implement this section.

(h) This section expires September 1, 2009.

The floor amendment was read and failed of adoption by the following vote: Yeas 9, Nays 17.

Yeas: Barrientos, Ellis, Gallegos, Lucio, Madla, Shapleigh, Van de Putte, West, Zaffirini.

Nays: Armbrister, Averitt, Bivins, Carona, Deuell, Duncan, Estes, Fraser, Harris, Jackson, Janek, Nelson, Ratliff, Shapiro, Staples, Wentworth, Williams.

Absent: Hinojosa, Lindsay, Ogden, Whitmire.

Absent-excused: Brimer.

Floor Amendment No. 29 was not offered.

Senator Shapleigh offered the following amendment to the bill:

Floor Amendment No. 30

Amend CSHB 5 as follows:

(1) In SECTION 1.02 of the bill, in proposed Section 41.404(a), Education Code, strike "Notwithstanding any other provision of this subtitle," and substitute "Notwithstanding any other provision of this subtitle, but subject to the limitations prescribed by Subsections (b) and (c)

(b) Each year, the commissioner shall determine for each school district whether the amount of state aid to which the district is entitled under Section 41.402(c) is less than the amount specified under Subsection (a). If the amount of state aid under Section 41.402(c) is less, the commissioner shall provide additional state aid in an amount equal to:

(1) 100 percent of the difference for the 2004-2005, 2005-2006, and 2006-2007 school years;
(2) 75 percent of the difference for the 2007-2008 school year;
(3) 50 percent of the difference for the 2008-2009 school year; and
(4) 25 percent of the difference for the 2009-2010 school year.

(c) Notwithstanding Subsection (b)(2), (3), or (4), if the portion of the difference not provided to a district under that subsection exceeds the amount that the district may obtain by imposing an enrichment tax under Section 42.003 at half the maximum enrichment tax rate for the applicable school year, including any state aid that the district may obtain under Chapter 42 in connection with that tax, the commissioner shall provide additional state aid so that the portion of the difference not provided to the district equals the amount the district may raise by imposing the enrichment tax described by this subsection.

(d) Additional state aid under this section shall be funded from general revenue and designated in a separate line item in the General Appropriations Act.
(e) A determination by the commissioner under this section is final and may not be appealed.

(f) The commissioner may adopt rules to implement this section.

(g) This section expires September 1, 2010.

The floor amendment was read.

On motion of Senator Shapleigh, Floor Amendment No. 30 was withdrawn.

**Floor Amendment No. 31 was not offered.**

**Floor Amendment No. 32 was not offered.**

Senator Shapleigh offered the following amendment to the bill:

**Floor Amendment No. 33**

Amend CSHB 5 by adding the following appropriately numbered section to Article 4 of the bill and renumbering subsequent sections accordingly:

SECTION 4.____. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3155 to read as follows:

Sec. 151.3155. SERVICES PROVIDED BY SMALL BUSINESSES. There is exempted from the taxes imposed by this chapter a service performed by a person whose total receipts from the performance of taxable services in the most recent four calendar quarters are less than $7,500.

The floor amendment was read and failed of adoption by a viva voce vote.

Senator Armbrister, on behalf of Senator West, offered the following amendment to the bill:

**Floor Amendment No. 34**

Amend CSHB 5 on page 14, between lines 12 and 13, by inserting the following:

Sec. 41.456. LIMITATION ON AMOUNTS REQUIRED TO BE SPENT FOR DIRECT COSTS. For the 2004-2005 school year, the amount required by this subchapter to be spent by a school district on direct costs of a special program described by this subchapter may not exceed the amount that would have been required under former Subchapter C, Chapter 42. The limitations on indirect costs shall be included in the study to be performed by the Education Excellence Task Force. This section expires September 1, 2005.

The floor amendment was read and was adopted by a viva voce vote.

**Floor Amendment No. 35 was temporarily not offered.**

Senator Duncan offered the following amendment to the bill:

**Floor Amendment No. 35A**

Amend CSHB 5 in SECTION 1.02 of the bill, in proposed Subsection (b), Section 42.002, Education Code, in the definition of "WADA," between "41.051" and the semicolon, by inserting ", as adjusted by the small or mid-sized district adjustment for which the district is eligible under Section 41.054, if any".

The floor amendment was read.

On motion of Senator Duncan, Floor Amendment No. 35A was withdrawn.
Floor Amendment No. 36 was not offered.

Senator Shapiro offered the following amendment to the bill:

Floor Amendment No. 37

Amend CSHB 5, in added Subsection (a)(2), Section 61.007, Tax Code (committee printing, on page 35, line 59), by striking "of $1.20" and substituting "equal to the sum of 75 cents and the school district enrichment tax rate for that year".

The floor amendment was read and was adopted by a viva voce vote.

Floor Amendment No. 38 was not offered.

Floor Amendment No. 39 was not offered.

Senator Barrientos offered the following amendment to the bill:

Floor Amendment No. 40

Amend CSHB 5 on page 19, line 59, by inserting after "rates" and before ".":

, including the impact and effectiveness of legislative efforts to reduce the number of public school students who leave school without obtaining a high school diploma or a high school equivalency certificate

The floor amendment was read and was adopted by a viva voce vote.

Senator Shapleigh offered the following amendment to the bill:

Floor Amendment No. 41

Amend CSHB 5 in SECTION 1.14 of the bill, Subsection (b)(5), between "graduation rates" and the period, by inserting the following:

, including the Texas Higher Education Coordinating Board's "Closing the Gap" initiative and other programs designed to address patterns in student advancement that create obstacles interfering with the ability of students to graduate from high school

The floor amendment was read and was adopted by a viva voce vote.

Senator Staples offered the following amendment to the bill:

Floor Amendment No. 35

Amend CSHB 5, Subsection 42.002 by deleting line 36 and 37 of page 14 and inserting the following:

"WADA" is the number of students in weighted average daily attendance, as determined under Section 41.051, and adjusted by Section 41.053, 41.054, and 41.055;

The floor amendment was read and was adopted by a viva voce vote.

Senator Gallegos offered the following amendment to the bill:

Floor Amendment No. 41A

Amend CSHB 5, on page 48, line 22, by adding the following subsections:

(6) identify categories of students, including but not limited to students who are educationally or economically disadvantaged, who are identified as at risk of dropping out of school, or who are of limited English-speaking proficiency, whose
performance on assessment instruments, graduation rates, or higher education enrollment and completion rates, is lower than the performance of students in the state as a whole;

(7) identify instructional arrangements, technologies and other strategies that have a proven record of improving student performance generally within each category identified above to the level of performance established under Sec. 41.008(c);

(8) identify the average higher incremental costs of those arrangements, technologies, and strategies identified pursuant to subdivision (7) compared to the costs of educating the general population that is not in the identified categories above.

(9) conduct a statistical analysis, controlling for all other factors, of the additional resources necessary to accomplish the outcomes in subdivision (7).

(10) propose appropriate weights or other formula adjustments necessary to provide each district with the resources to offer, without having to increase their enrichment tax rate, such successful arrangements and strategies to all such students in the district based on subdivisions (8) and (9).

The floor amendment was read and was adopted by a viva voce vote.

Senator Madla offered the following amendment to the bill:

Floor Amendment No. 42

Amend CSHB 5 as follows:

In article 4 of the bill, in Section 4.03, Subchapter H, Chapter 151, Tax Code, on page 32, line 46, between "Code" and "." insert the following: "or Chapter 773 of the Health and Safety Code.

The floor amendment was read and was adopted by a viva voce vote.

Senator Staples offered the following amendment to the bill:

Floor Amendment No. 43

Amend CSHB 5 line 68, page 32 by creating Section 4.05(a) by inserting the following language and renumbering subsequent sections appropriately:

Adding Section 151.3163 Agricultural Services amends section 151.316 and 151.3162 Tax Code:

Services purchased for the use of agricultural and timber items, as defined by Subchapter 151.316, Tax Code are exempted from the taxes imposed in this chapter.

The floor amendment was read.

On motion of Senator Staples, Floor Amendment No. 43 was withdrawn.

Senator Staples offered the following amendment to the bill:

Floor Amendment No. 43A

1. Amend CSHB 5 by adding a new appropriately numbered SECTION to Article 4 to read as follows:

SECTION 4. Section 151.3163, Tax Code, is added to read as follows:
Sec. 151.3163. AGRICULTURAL SERVICES.  (a) In this section "agricultural service" means a service related to the production, handling, harvesting, processing, storing, transportation or other customary activity in the normal course of business of producing an agriculture product. For purposes of this section, "agriculture" shall have the meaning assigned by Sec. 11.002(12), Water Code.

(b) The sale or use of agricultural services is exempt from the taxes imposed by this chapter.

2. Renumber subsequent sections appropriately.

The floor amendment was read and failed of adoption by a viva voce vote.

Senator Barrientos again offered the following amendment to the bill:

Floor Amendment No. 5

Amend CSHB 5 in SECTION 1.02 of the bill, by striking added Subsection (a), Section 41.404, Education Code, and substituting the following:

(a) Notwithstanding any other provision of this subtitle, a school district is entitled to an amount of state aid per student in weighted average daily attendance that is equal to the amount of state and local funds for maintenance and operations per student in weighted average daily attendance the district received under former Chapters 41 and 42 and Chapter 45 or under another law authorizing a school district to impose a tax for maintenance and operations for the 2002-2003 or 2003-2004 school year, whichever amount is greater. The legislature by appropriation may provide a greater amount for any year. For purposes of this subsection the amount of state and local funds for maintenance and operations per student in weighted average daily attendance a district received for the 2002-2003 or 2003-2004 school year does not include any amounts the district paid for:

(1) the purchase of attendance credits under former Subchapter D, Chapter 41; or

(2) the education of nonresident students under former Subchapter E, Chapter 41.

The floor amendment was again read and was adopted by a viva voce vote.

Floor Amendment No. 44 was not offered.

Floor Amendment No. 45 was not offered.

Floor Amendment No. 46 was not offered.

Senator Janek offered the following amendment to the bill:

Floor Amendment No. 47

Amend CSHB 5 by striking Sections 4.07-4.11 of the substitute, substituting the following, and renumbering subsequent sections accordingly:

SECTION 4.07. Subchapter C, Chapter 321, Tax Code, is amended by adding Section 321.2075 to read as follows:

Sec. 321.2075. TAX INAPPLICABLE TO CERTAIN SERVICES. Notwithstanding any other provision of this chapter, the tax imposed by this chapter does not apply to the sale, use, storage, or consumption of a service that was not subject to taxation under Chapter 151 on June 1, 2004.
SECTION 4.08. Subchapter B, Chapter 322, Tax Code, is amended by adding Section 322.1065 to read as follows:

Sec. 322.1065. TAX INAPPLICABLE TO CERTAIN SERVICES. Notwithstanding any other provision of this chapter, the tax imposed by this chapter does not apply to the sale, use, storage, or consumption of a service that was not subject to taxation under Chapter 151 on June 1, 2004.

SECTION 4.09. Subchapter C, Chapter 323, Tax Code, is amended by adding Section 323.2075 to read as follows:

Sec. 323.2075. TAX INAPPLICABLE TO CERTAIN SERVICES. Notwithstanding any other provision of this chapter, the tax imposed by this chapter does not apply to the sale, use, storage, or consumption of a service that was not subject to taxation under Chapter 151 on June 1, 2004.

The floor amendment was read.

On motion of Senator Janek, Floor Amendment No. 47 was temporarily withdrawn.

Senator Shapleigh again offered the following amendment to the bill:

Floor Amendment No. 27

Amend CSHB 5 as follows:

In SECTION 1.02 of the bill, amend page 9, by deleting the following language from lines 61 through 62:

, or a greater amount provided for any year by appropriation

The floor amendment was again read and was adopted by a viva voce vote.

Senator Janek again offered the following amendment to the bill:

Floor Amendment No. 47

Amend CSHB 5 by striking Sections 4.07-4.11 of the substitute, substituting the following, and renumbering subsequent sections accordingly:

SECTION 4.07. Subchapter C, Chapter 321, Tax Code, is amended by adding Section 321.2075 to read as follows:

Sec. 321.2075. TAX INAPPLICABLE TO CERTAIN SERVICES. Notwithstanding any other provision of this chapter, the tax imposed by this chapter does not apply to the sale, use, storage, or consumption of a service that was not subject to taxation under Chapter 151 on June 1, 2004.

SECTION 4.08. Subchapter B, Chapter 322, Tax Code, is amended by adding Section 322.1065 to read as follows:

Sec. 322.1065. TAX INAPPLICABLE TO CERTAIN SERVICES. Notwithstanding any other provision of this chapter, the tax imposed by this chapter does not apply to the sale, use, storage, or consumption of a service that was not subject to taxation under Chapter 151 on June 1, 2004.

SECTION 4.09. Subchapter C, Chapter 323, Tax Code, is amended by adding Section 323.2075 to read as follows:

Sec. 323.2075. TAX INAPPLICABLE TO CERTAIN SERVICES. Notwithstanding any other provision of this chapter, the tax imposed by this chapter does not apply to the sale, use, storage, or consumption of a service that was not subject to taxation under Chapter 151 on June 1, 2004.
The floor amendment was again read.
On motion of Senator Janek, Floor Amendment No. 47 was again withdrawn.
On motion of Senator Shapiro and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 5 as amended was passed to third reading by a viva voce vote.

COMMITTEE SUBSTITUTE
HOUSE BILL 5 ON THIRD READING

Senator Shapiro moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSHB 5 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.
Absent-excused: Brimer.

The bill was read third time and was passed by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE JOINT RESOLUTION 1 ON SECOND READING

The President laid before the Senate CSSJR 1 on its second reading. The resolution had been read second time, amended, and further consideration temporarily postponed:

CSSJR 1, Proposing a constitutional amendment to provide financial support for public education by creating the Texas education fund, authorizing a state property tax, increasing the state general sales and use tax rate, expanding the general sales and use tax base to include certain services, increasing the state motor vehicle sales and use tax rate, abolishing the school district property tax for maintenance and operations purposes, dedicating the proceeds of any state lottery to public education, and authorizing a school district property tax for the purpose of educational enrichment.

Question — Shall CSSJR 1 as amended be passed to engrossment?

CSSJR 1 as amended was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE
SENATE JOINT RESOLUTION 1 ON THIRD READING

Senator Shapiro moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that CSSJR 1 be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 0.
Absent-excused: Brimer.

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

SENATE RULE 11.18(a) SUSPENDED
(Public Hearings)

On motion of Senator Armbrister and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Natural Resources might consider SB 23 today.
SENATE RULE 11.18(a) SUSPENDED  
(Public Hearings)

On motion of Senator Fraser and by unanimous consent, Senate Rule 11.18(a) was suspended in order that the Committee on Business and Commerce might consider SB 1067 today.

SENATE RULES SUSPENDED  
(Posting Rules)

On motion of Senator Ratliff and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on State Affairs might meet and consider HB 4 tomorrow.

MOTION TO ADJOURN

On motion of Senator Whitmire and by unanimous consent, the Senate at 7:10 p.m. agreed to adjourn, upon completion of the introduction of bills and resolutions on first reading, until 11:00 a.m. tomorrow.

HOUSE BILLS ON FIRST READING

The following bills received from the House were read first time and referred to the committees indicated:

- HB 15 to Committee on State Affairs.
- HB 85 to Committee on Education.
- HB 104 to Committee on Finance.
- HB 172 to Committee on Criminal Justice.
- HB 182 to Committee on Criminal Justice.
- HB 217 to Committee on Finance.
- HB 235 to Committee on Criminal Justice.
- HB 236 to Committee on Criminal Justice.
- HB 275 to Committee on Criminal Justice.
- HB 311 to Committee on Health and Human Services.
- HB 329 to Committee on Business and Commerce.
- HB 424 to Committee on Intergovernmental Relations.
- HB 457 to Committee on Criminal Justice.
- HB 471 to Committee on Infrastructure Development and Security.
- HB 529 to Committee on Jurisprudence.
- HB 560 to Committee on Intergovernmental Relations.
- HB 565 to Committee on Criminal Justice.
- HB 645 to Committee on Natural Resources.
- HB 716 to Committee on Criminal Justice.
- HB 729 to Committee on Jurisprudence.
- HB 755 to Committee on Natural Resources.
- HB 778 to Committee on Administration.
- HB 803 to Committee on Jurisprudence.
- HB 885 to Committee on Jurisprudence.
- HB 1112 to Committee on Education.
- HB 1113 to Committee on Education.
HB 1192 to Committee on Natural Resources.
HB 1207 to Committee on Intergovernmental Relations.
HB 1225 to Committee on Education.
HB 1247 to Committee on Intergovernmental Relations.
HB 1267 to Committee on State Affairs.
HB 1268 to Committee on State Affairs.
HB 1297 to Committee on State Affairs.
HB 1300 to Committee on Criminal Justice.
HB 1326 to Committee on Criminal Justice.
HB 1339 to Committee on Education.
HB 1391 to Committee on Jurisprudence.
HB 1406 to Committee on Education.
HB 1444 to Committee on Finance.
HB 1481 to Committee on Natural Resources.
HB 1518 to Committee on Education.
HB 1529 to Committee on Natural Resources.
HB 1537 to Committee on Education.
HB 1544 to Subcommittee on Higher Education.
HB 1609 to Committee on Criminal Justice.
HB 1614 to Committee on Health and Human Services.
HB 1634 to Committee on Criminal Justice.
HB 1670 to Committee on Criminal Justice.
HB 1691 to Committee on Education.
HB 1695 to Committee on State Affairs.
HB 1723 to Committee on Health and Human Services.
HB 1736 to Committee on Health and Human Services.
HB 1744 to Committee on State Affairs.
HB 1749 to Committee on Veteran Affairs and Military Installations.
HB 1808 to Committee on Business and Commerce.
HB 1815 to Committee on Jurisprudence.
HB 1817 to Committee on Education.
HB 1839 to Committee on Business and Commerce.
HB 1840 to Committee on Business and Commerce.
HB 1872 to Committee on Criminal Justice.
HB 1877 to Committee on Intergovernmental Relations.
HB 1878 to Committee on Administration.
HB 1910 to Committee on Finance.
HB 1931 to Committee on Natural Resources.
HB 1989 to Committee on Natural Resources.
HB 1997 to Committee on Intergovernmental Relations.
HB 2002 to Committee on Criminal Justice.
HB 2020 to Committee on Natural Resources.
HB 2038 to Committee on Intergovernmental Relations.
HB 2053 to Committee on State Affairs.
RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 757 by Barrientos, In memory of Rush Truett Turner of Austin.

SR 759 by Armbrister, In memory of George Allen Sizemore of Hilltop Lakes.

Congratulatory Resolutions

SR 752 by Ogden, Commending Willie Jerry Jones, Sr., for his service to the National Association for the Advancement of Colored People.

SR 753 by Gallegos, Recognizing the Houston East End Lions Club on its 75th anniversary.

SR 755 by Estes, Commending Wendy Mohr for earning the Weatherford Chamber of Commerce Miss Anna Hackett Award.

SR 756 by Barrientos, Recognizing Gregory Phillip Norwood of Austin on his 50th birthday.

SR 758 by Ellis, Commending Adam Little of Houston for achieving the rank of Eagle Scout.

SR 760 by Armbrister, Commending Kenneth Earl Blaschke of Smithville for his leadership in his community.

SR 761 by Janek, Congratulating Kirk Dressendorfer on his induction into the Longhorn Hall of Honor and the Pearland Baseball Hall of Honor.

SR 762 by Shapleigh, Commending the members of Company E, 2nd Battalion, 141st Infantry Regiment, 36th Infantry Division, for their service to our country.

SR 763 by Armbrister, Congratulating Robert and Mary Sue Gottschall of Victoria on their 60th wedding anniversary.

SR 764 by West, Commending Lindsay Trammell for earning the Girl Scout Gold Award.

SR 765 by West, Commending Heather Renee Valdez for earning the Girl Scout Gold Award.

SR 767 by Fraser, Congratulating Ross Snodgrass on his 100th birthday.

(Senator Ogden in Chair)

ADJOURNMENT

Pursuant to a previously adopted motion, the Senate at 7:12 p.m. adjourned until 11:00 a.m. tomorrow.
COMMITTEE REPORTS

The following committee reports were received by the Secretary of the Senate in the order listed:

May 6, 2003

INTERNATIONAL RELATIONS AND TRADE — SB 1909

ADMINISTRATION — HB 261, HB 338, HB 808, HB 1370, HB 2001, HB 2234, HB 2383

BUSINESS AND COMMERCE — SB 770

INTERGOVERNMENTAL RELATIONS — SB 1019, CSSB 1658, CSSB 1903, CSSB 1907, CSSB 1937, SB 1936, SB 1918

INFRASTRUCTURE DEVELOPMENT AND SECURITY — CSSB 978, HB 156

ADMINISTRATION — HB 2133 (Amended)

EDUCATION — CSSB 688, SB 1007 (Amended), CSSB 1210, CSSB 1230, CSSB 1297, CSSB 1652