

SIXTY-SIXTH DAY

FRIDAY, MAY 9, 2003

PROCEEDINGS

The Senate met at 10:00 a.m. pursuant to adjournment and was called to order by Senator Lucio.

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

Absent-excused: Carona, Estes, Gallegos.

The Presiding Officer announced that a quorum of the Senate was present.

The Reverend Glynn B. Roland, Jr., Saint Mary's Cathedral, Austin, offered the invocation as follows:

Almighty and eternal God, let the light of Your divine wisdom direct the deliberations of the Members who serve in this Texas Senate. May they legislate justly on behalf of the common good. May they discharge their duties with honesty and ability. We pray to You, who are Lord and God, 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.

LEAVES OF ABSENCE

On motion of Senator Whitmire, Senator Carona was granted leave of absence for today on account of important business.

On motion of Senator Ellis, Senator Estes was granted leave of absence for today on account of important business.

On motion of Senator Whitmire, Senator Gallegos was granted leave of absence for today on account of business in his district.

CO-AUTHOR OF SENATE BILL 156

On motion of Senator Nelson, Senator Harris will be shown as Co-author of **SB 156**.

CO-AUTHOR OF SENATE BILL 835

On motion of Senator Williams, Senator Harris will be shown as Co-author of **SB 835**.

CO-AUTHORS OF SENATE BILL 1948

On motion of Senator Whitmire, Senators Hinojosa, Van de Putte, and Williams will be shown as Co-authors of **SB 1948**.

**INTRODUCTION OF
BILLS AND RESOLUTIONS POSTPONED**

The Presiding Officer announced that the introduction of bills and resolutions on first reading would be postponed until the end of today's session.

MESSAGE FROM THE GOVERNOR

The following Message from the Governor was read and was referred to the Committee on Nominations:

Austin, Texas
May 8, 2003

TO THE SENATE OF THE SEVENTY-EIGHTH LEGISLATURE, REGULAR SESSION:

I ask the advice, consent and confirmation of the Senate with respect to the following appointments:

TO BE A MEMBER OF THE ON-SITE WASTEWATER TREATMENT RESEARCH COUNCIL for a term to expire September 1, 2004:

Karen S. Berryman
901 Mountain View Drive
Pflugerville, Texas 78660

(Ms. Berryman is being reappointed)

TO BE MEMBERS OF THE TEXAS COMMISSION OF LICENSING AND REGULATION for terms to expire as indicated:

To Expire February 1, 2007:

Bill C. Pittman
4805 Fern Hollow
Austin, Texas 78731

(replacing William Fowler of Valley Springs who resigned)

To Expire February 1, 2009:

Frank S. Denton
11587 Willow Ridge Circle
Conroe, Texas 77304

(Mr. Denton is being reappointed)

Fred N. Moses
4581 Hallmark Drive
Plano, Texas 75024

(replacing Mickey Christakos of Allen whose term expired)

TO BE MEMBERS OF THE MUNICIPAL RETIREMENT SYSTEM BOARD OF TRUSTEES for terms to expire February 1, 2009:

H. Frank Simpson
City of Webster
101 Pennsylvania
Webster, Texas 77598

(replacing Charles Windwehen of Victoria whose term expired)

Kathryn M. Usrey
City of Carrollton
1945 Jackson Road
Carrollton, Texas 75006

(replacing Victoria LaFollett of Nacogdoches whose term expired)

TO BE MEMBERS OF THE COASTAL COORDINATION COUNCIL for terms to expire as indicated:

To Expire May 31, 2003:

Jack Wayne Gibson
606 Seashell
Surfside Beach, Texas 77541

(replacing Robert Dunkin of San Benito whose term expired)

To Expire May 31, 2004:

Robert Elliott Jones
4626 Jarvis Street
Corpus Christi, Texas 78412

(replacing Elizabeth Nisbet of Corpus Christi whose term expired)

TO BE A MEMBER OF THE STATEWIDE HEALTH COORDINATING COUNCIL for a term to expire August 1, 2005:

Russell K. Tolman
4512 Briarhaven Road
Fort Worth, Texas 76109-4605

(Mr. Tolman is replacing Peggy Troy of Bellaire who resigned)

Respectfully submitted,

/s/Rick Perry
Governor

SENATE BILL 358 WITH HOUSE AMENDMENT

Senator Shapiro called **SB 358** from the President's table for consideration of the House amendment to the bill.

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

Floor Amendment No. 1

Amend **SB 358** by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . Section 26.201, Government Code, is repealed.

The amendment was read.

Senator Shapiro moved to concur in the House amendment to **SB 358**.

The motion prevailed by a viva voce vote.

SENATE BILL 408 WITH HOUSE AMENDMENT

Senator Deuell called **SB 408** from the President's table for consideration of the House amendment to the bill.

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

Floor Amendment No. 1

Amend **SB 408** as follows:

(1) In SECTION 1 of the bill, in amended Section 22.07(b), Penal Code (page 1, line 10), strike "actor's" and substitute "person's".

(2) In SECTION 1 of the bill, in amended Section 22.07(b), Penal Code (page 1, line 11), between "or" and "against", insert "otherwise constitutes family violence or if the offense is committed".

(3) In SECTION 1 of the bill, in added Section 22.07(c), Penal Code (page 1, between lines 17 and 18), immediately following Subdivision (1), insert the following:

(2) "Family violence" has the meaning assigned by Section 71.004, Family Code.

(4) In SECTION 1 of the bill, in added Section 22.07(c), Penal Code (page 1, line 18), strike "(2)" and substitute "(3)".

The amendment was read.

Senator Deuell moved to concur in the House amendment to **SB 408**.

The motion prevailed by a viva voce vote.

SENATE BILL 749 WITH HOUSE AMENDMENT

Senator Madla called **SB 749** 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 749** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to continuing education requirements for certain court clerks.

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

SECTION 1. Section 51.605(c), Government Code, is amended to read as follows:

(c) A clerk must annually complete 20 hours of continuing education courses including at least one hour [~~three hours~~] of continuing education courses regarding registry funds handled under Chapter 117, Local Government Code, in the

performance of the duties of office. The 20 hours of required continuing education courses must include at least one hour of continuing education regarding fraudulent court documents and fraudulent document filings.

SECTION 2. This Act takes effect January 1, 2004.

The amendment was read.

Senator Madla moved to concur in the House amendment to **SB 749**.

The motion prevailed by a viva voce vote.

SENATE BILL 40 WITH HOUSE AMENDMENT

Senator Zaffirini called **SB 40** from the President's table for consideration of the House amendment to the bill.

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

Floor Amendment No. 1 on Third Reading

Amend **SB 40** on third reading in SECTION 1 of the bill, in proposed Section 161.010, Health and Safety Code (House committee printing page 1, lines 8-10), by striking proposed Subsection (a) and substituting:

(a) The department shall establish a continuous statewide education program to educate the public about the importance of immunizing children and the risks and contraindications of an immunization.

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 40**.

The motion prevailed by a viva voce vote.

SENATE BILL 1666 WITH HOUSE AMENDMENT

Senator Averitt called **SB 1666** 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 1666** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the definition of a financial institution for purposes of law governing savings banks.

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

SECTION 1. Section 91.002(14), Finance Code, is amended to read as follows:

(14) "Financial institution" has the meaning assigned by Section 201.101 ~~[means a state or federal savings bank, a state or federal savings and loan association, or a state or national bank].~~

SECTION 2. This Act takes effect September 1, 2003.

The amendment was read.

Senator Averitt moved to concur in the House amendment to **SB 1666**.

The motion prevailed by a viva voce vote.

SENATE RULE 3.01 SUSPENDED
(Senate Decorum)

On motion of Senator Barrientos and by unanimous consent, Senate Rule 3.01 was suspended to grant floor privileges to his guest who was not properly attired with a coat and tie.

SENATE BILL 521 WITH HOUSE AMENDMENTS

Senator Staples called **SB 521** from the President's table for consideration of the House amendments to the bill.

The Presiding Officer, Senator Lucio in Chair, laid the bill and the House amendments before the Senate.

Floor Amendment No. 1

Amend **SB 521** (House committee printing) as follows:

(1) In SECTION 18 of the bill, in proposed Subsection (e), Section 623.104, Transportation Code (page 21, lines 5 and 6), strike "under Subsection (a)" and substitute "punishable under Subsection (d)".

(2) In SECTION 18 of the bill, strike proposed Subsection (f), Section 623.104, Transportation Code (page 21, lines 12-15), substitute the following appropriately numbered SECTION, and renumber subsequent SECTIONS accordingly:

SECTION _____. Subchapter E, Chapter 623, Transportation Code, is amended by adding Section 623.105 to read as follows:

Sec. 623.105. PENALTY FOR COMPENSATING CERTAIN UNLAWFUL ACTIONS. (a) A person commits an offense if the person:

(1) provides compensation to another for the movement of a manufactured home over a highway, road, or street in this state; and

(2) knows the other person is not authorized by law to move the home.

(b) An offense under this section is a misdemeanor punishable by a fine of \$1,000.

Floor Amendment No. 2

Amend **SB 521** (House committee printing) as follows:

(1) Between the enacting clause and SECTION 1 of the bill (page 1, between lines 4 and 5), insert new SECTIONS 1-4 to read as follows and renumber subsequent SECTIONS accordingly:

SECTION 1. Section 1201.003, Occupations Code, is amended by adding Subdivisions (2-a) and (23-a) to read as follows:

(2-a) "Attached" in reference to a manufactured home means that the home has been:

(A) installed in compliance with the rules of the department; and

(B) connected to a utility, including a utility providing water, electric, natural gas, propane or butane gas, or wastewater service.

(23-a) "Statement of ownership and location" means a statement issued by the department and setting forth:

(A) the ownership and location of a manufactured home that has been sold at a retail sale or installed in this state as provided by Section 1201.205; and

(B) other information required by this chapter.

SECTION 2. Subsection (a), Section 1201.055, Occupations Code, is amended to read as follows:

(a) With guidance from the federal Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.) and from the rules and regulations adopted under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.), the board shall establish fees as follows:

(1) if the department acts as a design approval primary inspection agency, a schedule of fees for the review of HUD-code manufactured home blueprints and supporting information, to be paid by the manufacturer seeking approval of the blueprints and supporting information;

(2) except as provided by Subsection (e), a fee for the inspection of each HUD-code manufactured home manufactured or assembled in this state, to be paid by the manufacturer of the home;

(3) a fee for the inspection of an alteration made to the structure or plumbing, heating, or electrical system of a HUD-code manufactured home, to be charged on an hourly basis and to be paid by the person making the alteration;

(4) a fee for the inspection of the rebuilding of a salvaged manufactured home, to be paid by the rebuilder;

(5) a fee for the inspection of a used manufactured home [~~for which the title has been canceled,~~] to determine whether the home is habitable for the issuance of a new statement of ownership and location [~~title~~]; and

(6) a fee for the issuance of a seal for a used mobile or HUD-code manufactured home.

SECTION 3. Section 1201.059, Occupations Code, is amended to read as follows:

Sec. 1201.059. [~~TITLE~~] FEES FOR STATEMENTS OF OWNERSHIP AND LOCATION. (a) The board shall set fees for issuing statements of ownership and location [~~and canceling titles to manufactured housing~~].

(b) Ten dollars of the fee for each purchase, exchange, or lease-purchase of a manufactured home [~~title transaction~~] shall be deposited to the credit of the trust fund and used for the protection programs described by Subchapter I.

SECTION 4. Subsection (g), Section 1201.101, Occupations Code, is amended to read as follows:

(g) A person may not make an announcement concerning the sale, exchange, or lease-purchase of, or offer to sell, exchange, or lease-purchase, a manufactured home to a consumer in this state through an advertisement unless the person holds a manufacturer's, retailer's, or broker's license. This subsection does not apply to:

(1) a person to whom a statement of ownership and location [~~certificate or other document of title~~] has been issued showing the person to be the owner of the home if the person does not offer to sell, exchange, or lease-purchase two or more manufactured homes in a 12-month period; or

(2) an advertisement concerning real property to which a manufactured home has been permanently attached.

(2) Between SECTION 1 and SECTION 2 of the bill (page 2, between lines 16 and 17), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION _____. Subsection (a), Section 1201.153, Occupations Code, is amended to read as follows:

(a) A retailer or manufacturer may not transfer ownership of [~~title to~~] a HUD-code manufactured home or otherwise sell, assign, or convey a HUD-code manufactured home to a consumer unless the retailer or manufacturer delivers to the consumer a formaldehyde health notice, subject to the director's rules concerning the notice.

SECTION _____. Section 1201.159, Occupations Code, is amended to read as follows:

Sec. 1201.159. BROKER. (a) A broker may but is not required to be the agent of a party involved in the sale, exchange, or lease-purchase of a manufactured home for which a statement of ownership and location [~~certificate or other document of title~~] has been issued and is outstanding.

(b) A person is not required to be a broker licensed under this chapter but may be required to be a real estate broker or salesperson licensed under Chapter 1101 if:

- (1) the manufactured home is attached [~~to a permanent foundation~~]; and
- (2) [~~the manufacturer's certificate or the document of title is canceled; and~~ ~~(3)~~] the home is offered as real property.

(3) In SECTION 4 of the bill, in the introductory language (page 9, lines 3 and 4), strike "and 1201.164" and substitute "1201.164, and 1201.165".

(4) In SECTION 4 of the bill, between proposed Sections 1201.1521 and 1201.163, Occupations Code (page 9, between lines 19 and 20), insert a new Section 1201.163, Occupations Code, to read as follows:

Sec. 1201.163. CHATTEL MORTGAGE TRANSACTION: CONSUMER PROTECTION DISCLOSURES. (a) In addition to the disclosure statement required by Section 1201.162, the department shall adopt rules addressing consumer protection disclosures required in chattel mortgage transactions and prescribe the form for the disclosure statement. A consumer protection disclosure statement under this subsection must include the following:

(1) a statement of the significant differences between chattel mortgages and real estate mortgages;

(2) an itemization of estimated closing costs, if any;

(3) an estimate of the total amount of monthly payments, including:

(A) principal and interest payments;

(B) costs of any required insurance; and

(C) costs for payment of ad valorem taxes, based on the current tax rate of each taxing unit in which the manufactured home will be located as applied to the sales price of the manufactured home;

(4) a statement of the roles of the retailer and any affiliated parties in the financing of the first retail sale, as defined by Section 1201.201, and the estimated compensation that they will receive for providing or arranging the financing; and

(5) any other disclosures required by state or federal law, including the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. Section 2601 et seq.) and the Truth in Lending Act (15 U.S.C. Section 1601 et seq.).

(b) A retailer shall provide the consumer protection disclosure statement to the consumer at least 24 hours before the installment contract is fully executed, as provided by Section 1201.164.

(c) On receipt of the consumer protection disclosure statement, the consumer shall execute a written acknowledgment that the consumer has received the statement.

(d) In addition to other rights of rescission provided by this chapter, the installment contract is subject to rescission by the consumer until the earlier of:

(1) the expiration of the two-year period following the date the contract was fully executed; or

(2) the consumer's execution of a written acknowledgment that the consumer has received the consumer protection disclosure statement required by this section.

(e) If the payment was made under the contract, a consumer who rescinds an installment contract as provided by this section is entitled to receive a refund of all money paid to any person by the consumer, except money paid to obtain a credit report.

(f) This section does not apply to a real estate transaction.

(5) In SECTION 4 of the bill, in proposed Section 1201.163, Occupations Code (page 9, lines 20 and 21), strike "1201.163. ADVANCE COPY OF INSTALLMENT CONTRACT AND DISCLOSURE STATEMENT; OFFER BY RETAILER. In" and substitute "1201.164. ADVANCE COPY OF INSTALLMENT CONTRACT AND DISCLOSURE STATEMENTS; OFFER BY RETAILER. (a) In".

(6) In SECTION 4 of the bill, in proposed Section 1201.163, Occupations Code (page 9, line 24), strike "statement" and substitute "statements".

(7) In SECTION 4 of the bill, in proposed Section 1201.163, Occupations Code (page 9, line 26), strike "statement" and substitute "statements".

(8) In SECTION 4 of the bill, between proposed Sections 1201.163 and 1201.164, Occupations Code (page 10, between lines 3 and 4), insert the following:

(b) A consumer may not waive the right to receive the disclosure statements under this section.

(9) In SECTION 4 of the bill, in proposed Section 1201.164, Occupations Code (page 10, line 4), strike "1201.164" and substitute "1201.165".

(10) Between SECTIONS 4 and 5 of the bill (page 10, between lines 8 and 9), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION _____. Amend the heading to Subchapter E, Chapter 1201, Occupations Code, to read as follows:

SUBCHAPTER E. MANUFACTURED HOME STATEMENTS OF OWNERSHIP AND LOCATION [TITLES]

SECTION _____. Subdivisions (2), (3), and (11), Section 1201.201, Occupations Code, are amended to read as follows:

(2) "Document of title" means a written instrument issued solely by and under the authority of the director before September 1, 2003, that provides the information required by Section 1201.205, as that section existed before that date. Beginning September 1, 2003, a document of title is considered to be a statement of ownership and location and may be exchanged for a statement of ownership and location as provided by Section 1201.214.

(3) "First retail sale" means a consumer's initial acquisition of a new manufactured home from a retailer by purchase, exchange, or lease-purchase. The term includes a bargain, sale, transfer, or delivery of a manufactured home for which the director has not previously issued a statement of ownership and location [document of title], with intent to pass an interest in the home, other than a lien.

(11) "Subsequent sale" means a bargain, sale, transfer, or delivery of a manufactured home, with intent to pass an interest in the home, other than a lien, from one person to another after the first retail sale and initial issuance of a statement of ownership and location [document of title].

SECTION ____ . Sections 1201.203, 1201.204, and 1201.205, Occupations Code, are amended to read as follows:

Sec. 1201.203. FORMS; RULES. (a) The director shall prescribe forms and adopt rules relating to:

- (1) the manufacturer's certificate;
- (2) the statement of ownership and location;
- (3) the application for a statement of ownership and location [document of title]; and
- (4) ~~(3)~~ the issuance of a statement of ownership and location [document of title] at the first retail sale and for a subsequent sale or transfer of a manufactured home.

(b) The director shall adopt rules for the documenting of the ownership and location [titling] of a manufactured home that has been previously owned [registered or titled] in this state or another state. The rules must protect a lienholder recorded on a statement of ownership and location, a certificate, or other document of title.

Sec. 1201.204. MANUFACTURER'S CERTIFICATE. (a) A manufacturer's certificate must show:

- (1) on a form prescribed by the director or on another document, the original transfer of a manufactured home from the manufacturer to the retailer; and
- (2) on a form prescribed by the director, each subsequent transfer of a manufactured home between retailers and from retailer to owner, if the transfer from retailer to owner involves a completed [presented with an] application for the issuance of a statement of ownership and location [document of title].

(b) At the first retail sale of a manufactured home, a manufacturer's certificate automatically ceases to be a document of title. A security interest in inventory evidenced by the manufacturer's certificate automatically converts to a security interest in proceeds and cash proceeds.

(c) After the first retail sale of a manufactured home, the retailer may submit the manufacturer's certificate for that home to the department.

Sec. 1201.205. STATEMENT OF OWNERSHIP AND LOCATION [~~DOCUMENT OF TITLE CONTENTS~~]. A statement of ownership and location [~~document of title~~] must provide:

- (1) the names and addresses of[~~:-~~
 - ~~[(A) the purchaser and seller [at the first retail sale; or~~
 - ~~[(B) the transferee and transferor at any subsequent sale or transfer];~~
- (2) the manufacturer's name and address and any model designation;
- (3) in accordance with the director's rules:
 - (A) the outside dimensions of the manufactured home when installed for occupancy, as measured to the nearest one-half foot at the base of the home, exclusive of the tongue or other towing device; and
 - (B) the approximate square footage of the home when installed for occupancy;
- (4) the identification number for each section or module of the home;
- (5) the county of this state in which the home is installed for occupancy;
- (6) in chronological order of recordation, the date of each lien on the home and the name and address of each lienholder, or, if a lien is not recorded, a statement of that fact;
- (7) the signature of the owner in ink, given on receipt of the document;
- (8) a statement that if two or more eligible persons, as determined by Section 1201.213, file with the application for the issuance of a statement of ownership and location [~~document of title~~] an agreement signed by all the persons providing that the home is to be held jointly with a right of survivorship, the director shall issue the statement of ownership and location [~~document of title~~] in all the names; [~~and~~]
 - (9) the location of the home;
 - (10) a statement of whether the owner has elected to treat the home as real property or personal property;
 - (11) statements of whether the home is a salvaged manufactured home and whether the home is reserved for business use only; and
 - (12) any other information the director requires.

SECTION _____. Subchapter E, Occupations Code, is amended by adding Section 1201.2055 to read as follows:

Sec. 1201.2055. ELECTION BY OWNER. (a) In completing an application for the issuance of a statement of ownership and location, an owner of a manufactured home shall indicate whether the owner elects to treat the home as personal property or real property. An owner may elect to treat a manufactured home as real property only if the home is attached to:

- (1) real property that is owned by the owner of the home; or
- (2) land leased to the owner of the home under a long-term lease, as defined by department rule.

(b) A statement of election under Subsection (a) must be made by affidavit.

(c) If the department issues a statement of ownership and location to an owner who has elected to treat a manufactured home as personal property, the statement of ownership and location on file with the department is evidence of ownership of the home. A lien, charge, or other encumbrance on a home treated as personal property may be made only by filing the appropriate document with the department.

(d) If the department issues a statement of ownership and location to an owner who has elected to treat a manufactured home as real property, the manufactured home is not considered to be real property until a certified copy of the statement of ownership and location has been filed in the real property records of the county in which the home is located. After the certified copy has been filed in the real property records of the county, the home is considered to be real property in the form of an improvement to the underlying real property on which the home is located. If a real property election has been made but a certified copy of the statement of ownership and location has not been filed as required by this subsection, the home continues to be treated as personal property until the certified copy is filed.

SECTION _____. Sections 1201.206 and 1201.207, Occupations Code, are amended to read as follows:

Sec. 1201.206. APPLICATION FOR ISSUANCE OF STATEMENT OF OWNERSHIP AND LOCATION [~~TITLE~~]. (a) Before the first retail sale of a manufactured home, the retailer shall timely provide to the consumer an application for the issuance of a statement of ownership and location and any information necessary to complete the application.

(b) At the first retail sale of a manufactured home, the retailer shall provide for the installation of the home and ensure that the application for the issuance of a statement of ownership and location is properly completed. The consumer shall return the completed application to the retailer.

(c) Not later than the 30th day after the date of the retail sale, the retailer shall provide to the department the completed application for the issuance of a statement of ownership and location [~~and purchaser shall apply for the issuance of a document of title. As part of the application, the retailer must surrender the original manufacturer's certificate~~].

(d) [~~(b)~~] At a subsequent sale or transfer of the home, the [~~seller and~~] purchaser or [~~the transferor and~~] transferee [~~, as applicable,~~] shall apply for the issuance of a new statement of ownership and location [~~document of title. As part of the application, the seller or transferor must surrender the original document of title~~].

(e) Ownership of a manufactured home does not pass or vest at a sale or transfer of the home until a completed application for the issuance of a statement of ownership and location is filed with the department.

(f) If the owner of a manufactured home relocates the home, the owner shall apply for the issuance of a new statement of ownership and location not later than the 30th day after the date the home is relocated. The department shall require that the owner submit evidence that the home was relocated in accordance with the requirements of the Texas Department of Transportation.

Sec. 1201.207. ISSUANCE OF STATEMENT OF OWNERSHIP AND LOCATION [~~TITLE~~]. (a) The department shall process any completed application for the issuance of a statement of ownership and location not later than the 10th working

day after the date the application is received by the department. If the department rejects an application, the department shall provide a clear and complete explanation of the reason for the rejection and instructions on how to cure any defects, if possible.

(b) If the department issues a statement of ownership and location for a manufactured home, the department shall place in its files the original statement of ownership and location and shall mail a certified copy to the owner of the home and to any lienholder.

(c) Except with respect to any change in use, but subject to Section 1201.2075, if the department has issued a statement of ownership and location for a manufactured home, the department may issue a subsequent statement of ownership and location for the home only if all parties reflected in the department's records as having an interest in the manufactured home give their written consent or release their interest, either in writing or by operation of law [Except as otherwise provided by this subchapter, if a lien is not recorded, the department shall:

[~~(1) issue a document of title marked "ORIGINAL" on the face of the document of title; and~~

~~(2) send the original by first class mail to the purchaser or transferee at the address on the application.~~

[(b) Except as otherwise provided by this subchapter, if a lien is shown in the application or recorded with the department, the department shall:

[~~(1) issue a document of title marked "ORIGINAL" on the face of the document of title and send the original by first class mail to the first lienholder; and~~

[~~(2) send a copy of the document of title conspicuously marked "NONTRANSFERABLE COPY" on the face of the document of title by first class mail to the purchaser or transferee and any other lienholder at the address on the application].~~

SECTION _____. Subchapter E, Chapter 1201, Occupations Code, is amended by adding Section 1201.2075 to read as follows:

Sec. 1201.2075. CONVERSION FROM PERSONAL PROPERTY TO REAL PROPERTY. (a) Except as provided by Subsection (b), the department may not issue a statement of ownership and location for a manufactured home that is being converted from personal property to real property until:

(1) each lien on the home is released by the lienholder; or

(2) each lienholder gives written consent, to be placed on file with the department.

(b) The department may issue a statement of ownership and location before the release of any liens or the consent of any lienholders as required by this section only if the department releases a certified copy of the statement to:

(1) a licensed title insurance company that has issued a title insurance policy covering all prior liens on the home; or

(2) a federally insured financial institution or licensed attorney who has obtained from a licensed title insurance company a title insurance policy covering all prior liens on the home.

SECTION _____. The heading to Section 1201.208, Occupations Code, is amended to read as follows:

Sec. 1201.208. PAYMENT OF TAXES REQUIRED FOR ISSUANCE OF STATEMENT OF OWNERSHIP AND LOCATION [~~TITLE~~].

SECTION _____. Subsection (a), Section 1201.208, Occupations Code, is amended to read as follows:

(a) The department may not issue a statement of ownership and location [~~document of title~~] for a new manufactured home installed for occupancy in this state unless the state sales and use tax has been paid.

SECTION _____. Section 1201.209, Occupations Code, is amended to read as follows:

Sec. 1201.209. GROUNDS FOR REFUSAL TO ISSUE OR FOR SUSPENSION OR REVOCATION OF STATEMENT OF OWNERSHIP AND LOCATION [~~TITLE~~]. The department may not refuse to issue a statement of ownership and location [~~document of title~~] and may not suspend or revoke a statement of ownership and location [~~document of title~~] unless:

(1) the application for issuance of the statement of ownership and location [~~document of title~~] contains a false or fraudulent statement, the applicant failed to provide information required by the director, or the applicant is not entitled to issuance of the statement of ownership and location [~~document of title~~];

(2) the director has reason to believe that the manufactured home is stolen or unlawfully converted, or the issuance of a statement of ownership and location [~~document of title~~] would defraud the owner or a lienholder of the manufactured home;

(3) the director has reason to believe that the manufactured home is salvaged, and an application for the issuance of a new statement of ownership and location that indicates that the home is salvaged [~~salvage title~~] has not been filed;

(4) the required fee has not been paid;

(5) the state sales and use tax has not been paid in accordance with Chapter 158, Tax Code, and Section 1201.208; or

(6) a local tax lien was filed before September 1, 2001, and recorded under Section 32.015, Tax Code, as that section existed on the date the lien was filed, and the lien has not been extinguished.

SECTION _____. The heading to Section 1201.210, Occupations Code, is amended to read as follows:

Sec. 1201.210. PROCEDURE FOR REFUSAL TO ISSUE OR SUSPENSION OR REVOCATION OF STATEMENT OF OWNERSHIP AND LOCATION [~~TITLE~~].

SECTION _____. Subsection (a), Section 1201.210, Occupations Code, is amended to read as follows:

(a) If the director refuses to issue or suspends or revokes a statement of ownership and location [~~document of title~~], the director shall give, by certified mail, written notice of that action to:

(1) the seller and purchaser or transferor and transferee, as applicable; and

(2) the holder of a lien or security interest of record.

SECTION _____. Section 1201.212, Occupations Code, is amended to read as follows:

Sec. 1201.212. TRANSFER OF OWNERSHIP [~~TITLE~~] BY OPERATION OF LAW. (a) If the ownership of a manufactured home in this state is transferred by inheritance, devise, or bequest, by bankruptcy, receivership, judicial sale, or other involuntary divestiture of ownership, or by any other operation of law, the department shall issue a new statement of ownership and location [~~document of title~~] after receiving a certified copy of:

- (1) the order or bill of sale from an officer making a judicial sale;
- (2) the order appointing a temporary administrator;
- (3) the probate proceedings;
- (4) the letters testamentary or the letters of administration; or
- (5) if administration of an estate is not necessary, an affidavit by all of the

heirs at law showing:

(A) that administration is not necessary; and

(B) the name in which the statement of ownership and location [~~certificate~~] should be issued.

(b) The department may issue a new statement of ownership and location [~~document of title~~] in the name of the purchaser at a foreclosure sale:

(1) for a lien or security interest foreclosed according to law by nonjudicial means, if the lienholder or secured party files an affidavit showing the nonjudicial foreclosure according to law; or

(2) for a foreclosed constitutional or statutory lien, if the person entitled to the lien files an affidavit showing the creation of the lien and the resulting divestiture of title according to law.

(c) The department shall issue a new statement of ownership and location [~~document of title~~] to a survivor if:

(1) an agreement providing for a right of survivorship is signed by two or more eligible persons, as determined under Section 1201.213; and

(2) on the death of one of the persons, the department is provided with a copy of the death certificate of that person.

SECTION _____. Subsection (b), Section 1201.213, Occupations Code, is amended to read as follows:

(b) If the statement of ownership and location [~~title~~] is being issued in connection with the sale of the home, the seller is not eligible to sign a right of survivorship agreement under this subchapter unless the seller is the child, grandchild, parent, grandparent, or sibling of each other person signing the agreement. A family relationship required by this subsection may be a relationship established by adoption.

SECTION _____. Sections 1201.214, 1201.215, and 1201.216, Occupations Code, are amended to read as follows:

Sec. 1201.214. [~~LOST OR DESTROYED~~] DOCUMENT OF TITLE. (a) Effective September 1, 2003, all outstanding documents of title are considered to be statements of ownership and location.

(b) An owner or lienholder may provide to the department the document of title and any additional information required by the department and request that the department issue a statement of ownership and location to replace the document of title. The department shall mail to the owner or lienholder a certified copy of the statement of ownership and location issued under this subsection.

(c) An owner or lienholder who applies for the issuance of a statement of ownership and location to replace a [If an original document of title is] lost or destroyed document of title must execute[, the owner or lienholder may obtain a certified copy of the original from the department by making] an affidavit on a form prescribed by the director. [The department may issue the certified copy only to the first lienholder if a lien is disclosed on the original. The certified copy must be conspicuously marked "CERTIFIED COPY OF ORIGINAL" on the face of the copy.]

(d) ~~(b)~~ If the original document of title is recovered, the owner or lienholder shall immediately surrender the original to the department [with the certified copy of the original, and the department shall issue a new original document of title].

Sec. 1201.215. PREVIOUS OWNER OR LIENHOLDER UNAVAILABLE. If information establishing ownership [an original document of title] is unavailable because a previous owner or lienholder cannot be located or because a manufactured home has been abandoned, a person may apply to the department for the issuance of a statement of ownership and location and may receive a certified copy of that statement only [replacement title] by presenting:

(1) evidence satisfactory to the department that the effort to locate the previous owner or lienholder has been unsuccessful; and

(2) an affidavit stating that to the best of the applicant's knowledge, the applicant is entitled to a good and marketable title to the manufactured home.

Sec. 1201.216. CHANGE IN USE. (a) The department shall indicate on the statement of ownership and location for [cancel a title to] a manufactured home whether the home [that] has been sold, exchanged, or lease-purchased to a purchaser for the purchaser's business use. For a home sold, exchanged, or lease-purchased as described by this subsection, the department shall issue a new statement of ownership and location that indicates that the home is reserved for business use.

(b) On application, the department may issue a new statement of ownership and location for [title to] the home after an inspection and determination that the home is habitable. The statement must indicate that the home is no longer reserved for business use.

(c) The department shall issue a statement of ownership and location that indicates that a home is salvaged [salvage title] for a salvaged manufactured home.

(d) For a salvaged manufactured home that is rebuilt according to the director's rules, the department shall [and may] issue a new statement of ownership and location, which must indicate that the home is no longer salvaged [title for a new home rebuilt according to the director's rules].

(11) Strike SECTIONS 5 and 6 of the bill (page 10, line 9, through page 11, line 26) and renumber subsequent SECTIONS accordingly.

(12) Between SECTION 6 and SECTION 7 of the bill (page 11, between lines 26 and 27), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION _____. Subsection (d), Section 1201.219, Occupations Code, is amended to read as follows:

(d) The department shall print on each statement of ownership and location [document of title] issued under this subchapter a notice that:

(1) the statement of ownership and location [~~document of title~~] may not reflect the existence of a tax lien notice filed for the manufactured home after the date the statement of ownership and location [~~document of title~~] was issued; and

(2) information about a tax lien for which notice has been filed may be obtained from the department on written request.

SECTION _____. Subsection (a), Section 1201.220, Occupations Code, is amended to read as follows:

(a) The department shall provide to each county tax assessor-collector in this state a monthly report that, for each manufactured home installed in the county during the preceding month and for each manufactured home previously installed in the county for which a transfer of ownership was recorded by the issuance of a statement of ownership and location [~~document of title~~] during the preceding month, lists:

- (1) the name of the owner of the home;
- (2) the name of the manufacturer of the home;
- (3) the model designation of the home;
- (4) the identification number of each section or module of the home;
- (5) the address or location where the home is installed; and
- (6) the date of the installation of the home.

SECTION _____. Subsection (b), Section 1201.221, Occupations Code, is amended to read as follows:

(b) A request under Subsection (a) must contain:

- (1) the name of the owner of the home as reflected on the statement of ownership and location [~~who has a document of title~~]; or
- (2) the identification number of the home.

(13) In SECTION 7 of the bill (page 12, line 5, through page 13, line 6), strike amended Subsections (a), (b), and (c), Section 1201.222, Occupations Code, and substitute the following:

(a) A manufactured home [~~that~~] is treated [~~permanently attached to real property is classified and taxed~~] as real property only if:

(1) the owner of the home has elected to treat the home as real property as provided by Section 1201.2055; and

(2) a certified copy of the statement of ownership and location for the home has been filed in the real property records of the county in which the home is located [~~the real property to which the home is attached is titled in the name of the consumer under a deed or contract for sale. A manufactured home is considered permanently attached to real property if the home is secured to a foundation and connected to a utility, including a utility providing water, electric, natural gas, propane or butane gas, or wastewater service~~].

(b) The closing of a transaction for the acquisition of a manufactured home considered to be real property under this chapter [~~section~~] must occur at the office of a federally insured financial institution, a title insurance company [~~insurer~~], or an attorney at law. If the real property is purchased under a contract for deed [~~of sale~~], the contract must be filed in the real property records of the county in which the home is installed.

(c) Installation of a manufactured home considered to be real property under this ~~chapter~~ ~~[section]~~ must occur in a manner that satisfies the lending requirements of the Federal Housing Administration (FHA), Fannie Mae, or Freddie Mac for long-term mortgage loans or for FHA insurance. The installation of a new manufactured home must meet, in addition to applicable state standards, the manufacturer's specifications required to validate the manufacturer's warranty.

(14) In SECTION 8 of the bill, in the introductory language (page 13, lines 9 and 10), strike "(a), (b), and (c)" and substitute "(a) and (b)".

(15) In SECTION 8 of the bill (page 13, line 13, through page 14, line 15), strike amended Subsections (a), (b), and (c), Section 19A, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), and substitute the following:

(a) A manufactured home ~~[that]~~ is treated ~~[permanently attached to real property is classified and taxed]~~ as real property only if:

(1) the owner of the home has elected to treat the home as real property as provided by Section 1201.2055, Occupations Code; and

(2) a certified copy of the statement of ownership and location for the home has been filed in the real property records of the county in which the home is located ~~[the real property to which the home is attached is titled in the name of the consumer under a deed or contract for sale. A manufactured home is considered permanently attached to real property if the home is secured to a foundation and connected to a utility, including a utility providing water, electric, natural gas, propane or butane gas, or wastewater service].~~

(b) The closing of a transaction for the acquisition of a manufactured home considered to be real property under this section must occur at the office of a federally insured financial institution, a title insurance company, or an attorney at law. If the real property is purchased under a contract for deed ~~[of sale]~~, the contract must be filed in the real property records of the county in which the home is installed.

(16) Between SECTION 8 and SECTION 9 of the bill (page 14, between lines 15 and 16), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION _____. Subsection (a), Section 1201.360, Occupations Code, is amended to read as follows:

(a) The seller of real property to which a new HUD-code manufactured home is permanently attached may give the initial purchaser a written warranty that combines the manufacturer's warranty and the retailer's warranty required by this subchapter if:

(1) the statement of ownership and location reflects that the owner has elected to treat the home as real property ~~[the manufacturer's certificate under Section 1201.204 is surrendered for cancellation]; [and]~~

(2) the home is actually located where the statement of ownership and location reflects that it is located; and

(3) a certified copy of the statement of ownership and location has been filed in the real property records for the county in which the home is located ~~[a notice of attachment or certificate of attachment is filed in the real property records of the county].~~

SECTION _____. Subsection (b), Section 1201.451, Occupations Code, is amended to read as follows:

(b) Not later than the 30th day after the effective date of the transfer of ownership or the date the seller or transferor obtains possession of the necessary and properly executed documents, the seller or transferor shall forward to the purchaser or transferee the necessary, executed [department properly completed] documents. On receipt of the documents, the purchaser or transferee shall apply for the issuance of a statement of ownership and location [for the transfer of title].

SECTION _____. Section 1201.457, Occupations Code, is amended to read as follows:

Sec. 1201.457. HABITABILITY: CHANGE TO OR FROM BUSINESS USE.

(a) If the sale, exchange, or lease-purchase of a used manufactured home is to a purchaser for the purchaser's business use, the home is not required to be habitable. The purchaser of the home shall file with the department an application for the issuance of a statement of ownership and location indicating that the home is reserved for business use [The seller must surrender the title to the home to the department for cancellation].

(b) The purchaser of a used manufactured home for business use may not sell, exchange, or lease-purchase the home for use as a dwelling unless the director issues a new statement of ownership and location indicating that the home is no longer reserved for business use [title to the home]. On the purchaser's application to the department for issuance of a new statement of ownership and location [title], the department shall inspect the home and, if the department determines that the home is habitable, issue the statement of ownership and location [title].

SECTION _____. Subsection (c), Section 1201.459, Occupations Code, is amended to read as follows:

(c) The seal issued to the tax collector is for identification purposes only and does not imply that:

(1) the home is habitable; or

(2) a purchaser of the home at a tax sale may obtain a new statement of ownership and location [document of title] from the department without an inspection for habitability.

SECTION _____. Subsections (a) and (c), Section 1201.460, Occupations Code, are amended to read as follows:

(a) A holder of a lien recorded on the statement of ownership and location of a [department issued] manufactured home that has not been converted to real property [document of title] who sells, exchanges, or lease-purchases a repossessed manufactured home covered by that statement of ownership and location [document of title] is not required to comply with this chapter if the sale, exchange, or lease-purchase is:

(1) to or through a licensed retailer; or

(2) to a purchaser for the purchaser's business use.

(c) If the sale, exchange, or lease-purchase of the repossessed manufactured home is to a purchaser for the purchaser's business use, the lienholder shall apply to the department for the issuance of a new statement of ownership and location indicating that the home is reserved for business use [~~surrender the title to the department for cancellation~~].

SECTION _____. Subsections (b), (c), (d), and (f), Section 1201.461, Occupations Code, are amended to read as follows:

(b) A person who owns [~~possesses the original document of title to~~] a used manufactured home that is salvaged shall apply [~~surrender the document of title~~] to the director for the issuance of a new statement of ownership and location that indicates that the home is salvaged [~~cancellation of the title and issuance of a salvage title~~].

(c) If a new manufactured home is salvaged, the retailer shall remove the label and surrender the label and the manufacturer's certificate under Section 1201.204 to the director for issuance of a statement of ownership and location that indicates that the home is salvaged [~~salvage title~~].

(d) A person may not sell, convey, or otherwise transfer to a consumer in this state a manufactured home that is salvaged [~~for which a salvage title has been issued~~]. A salvaged manufactured home may be sold only to a licensed retailer or licensed rebuilder.

(f) If a salvaged manufactured home is rebuilt in accordance with this chapter and the rules of the director, the director shall, on application, issue a new statement of ownership and location that indicates that the home is no longer salvaged [~~document of title to replace the salvage title~~].

(17) Between SECTION 9 and SECTION 10 (page 14, between lines 21 and 22), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION _____. Subsection (a), Section 1201.511, Occupations Code, is amended to read as follows:

(a) This section applies to a transaction in which a manufactured home is sold as personal property [~~and titled under Subchapter E. This section does not apply to a real estate transaction in which a manufactured home is real property under Section 2.001, Property Code~~].

SECTION _____. Subsection (a), Section 1201.551, Occupations Code, is amended to read as follows:

(a) The director, after notice as provided for under Section 1201.054 and a hearing as provided by Sections 1201.054 and 1201.060, may deny, permanently revoke, or suspend for a definite period and specified sales location or geographic area a license if the director determines that the applicant or license holder:

(1) knowingly and wilfully violated this chapter or a rule adopted or order issued under this chapter;

(2) unlawfully retained or converted money, property, or any other thing of value from a consumer in the form of a down payment, sales or use tax, deposit, or insurance premium;

(3) failed to timely provide to a consumer an application for a statement of ownership and location and any information necessary to complete the application [~~deliver a proper certificate or other document of title to a consumer~~];

(4) failed to give or breached a manufactured home warranty required by this chapter or by the Federal Trade Commission;

(5) engaged in a false, misleading, or deceptive act or practice as described by Subchapter E, Chapter 17, Business & Commerce Code;

(6) failed to provide or file a report required by the department for the administration or enforcement of this chapter;

(7) provided false information on an application, report, or other document filed with the department;

(8) acquired a criminal record during the five-year period preceding the application date that, in the opinion of the director, makes the applicant unfit for licensing; or

(9) failed to file a bond or other security for each location as required by Subchapter C.

(18) In SECTION 13 of the bill (page 16, lines 3-16), strike reenacted and amended Subsection (b), Section 2.001, Property Code, and substitute the following:

(b) A manufactured home is real property if:

(1) the statement of ownership and location for the home issued under Section 1201.207, Occupations Code, reflects that the owner has elected to treat the home as real property; and

(2) a certified copy of the statement of ownership and location has been filed in the real property records in the county in which the home is located [~~±~~

~~(1) the home is permanently attached to real property; and~~

~~(2) the manufacturer's certificate of origin or the original document of title is surrendered for cancellation and a notice of attachment or a certificate of attachment, as described by the Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), is filed in the real property records of the county in which the home is located].~~

(19) In SECTION 14 of the bill, in the introductory language (page 16, lines 17 and 18), strike "Section 2.001, Property Code, is amended by amending Subsections (c), (e), and (i) and adding Subsection (e-1)" and substitute "Subsections (c) and (i), Section 2.001, Property Code, are amended".

(20) In SECTION 14 of the bill, in amended Section 2.001, Property Code (page 16, line 25, through page 17, line 22), strike amended Subsection (e) and proposed Subsection (e-1), Section 2.001, Property Code.

(21) Between SECTION 14 and SECTION 15 of the bill (page 17, between lines 26 and 27), insert the following appropriately numbered SECTION and renumber subsequent SECTIONS accordingly:

SECTION _____. Section 11.432, Tax Code, is amended to read as follows:

Sec. 11.432. HOMESTEAD EXEMPTION FOR MANUFACTURED HOME.

(a) For a manufactured home to qualify for an exemption under Section 11.13 of this code, the application for the exemption must be accompanied by a copy of the statement of ownership and location for [~~a document of title to~~] the manufactured home issued by the manufactured housing division of the Texas Department of

Housing and Community Affairs under Section 1201.207 [~~Subchapter E, Chapter 1201~~], Occupations Code, showing that the individual applying for the exemption is the owner of the manufactured home or be accompanied by a verified copy of the purchase contract showing that the applicant is the purchaser of the manufactured home.

(b) The land on which a manufactured home is located qualifies for an exemption under Section 11.13 only if:

(1) the manufactured home qualifies for an exemption as provided by Subsection (a); and

(2) the manufactured home is listed together with the land on which it is located under Section 25.08.

(c) In this section, "manufactured home" has the meaning assigned by Section 1201.003, Occupations Code; ~~however, the term does not apply to any manufactured home which has been attached to real estate and for which the document of title has been canceled pursuant to Section 1201.217 of that code.~~

(22) In SECTION 15 of the bill (page 18, lines 6-26), strike proposed Subsections (e) and (f), Section 25.08, Tax Code, and substitute the following:

(e) A manufactured home shall be listed together with the land on which the home is located if:

(1) the statement of ownership and location for the home issued under Section 1201.207, Occupations Code, reflects that the owner has elected to treat the home as real property; and

(2) a certified copy of the statement of ownership and location has been filed in the real property records in the county in which the home is located.

(f) A manufactured home shall be listed separately from the land on which the home is located if either of the conditions provided by Subsection (e) is not satisfied.

(23) In SECTION 16 of the bill, in the introductory language (page 19, line 1), strike "Subsection (d)" and substitute "Subsections (d) and (e)".

(24) In SECTION 16 of the bill, in amended Subsection (a), Section 32.014, Tax Code (page 19, line 4), strike "affixed" and substitute "located under Section 25.08".

(25) In SECTION 16 of the bill, in amended Subsection (a), Section 32.014, Tax Code (page 19, lines 9-10), strike "affixed [~~located~~] regardless of the classification of the manufactured home under the Property Code." and substitute "located [~~regardless of the classification of the manufactured home under the Property Code~~].".

(26) In SECTION 16 of the bill, in amended Subsection (b), Section 32.014, Tax Code (page 19, line 12), strike "affixed" and substitute "located".

(27) In SECTION 16 of the bill, in amended Subsection (b), Section 32.014, Tax Code (page 19, line 19), strike "affixed" and substitute "located".

(28) In SECTION 16 of the bill, between amended Subsection (b) and proposed Subsection (d), Section 32.014, Tax Code (page 19, between lines 20 and 21), insert the following:

(d) If a manufactured home is listed together with the land on which the manufactured home is located, a taxing unit with jurisdiction to impose taxes on the land may place a lien on the manufactured home to secure payment of those taxes to the same extent that it can place a lien on the land. If a home is moved from its location and a new statement of ownership and location is not issued under Section

1201.207, Occupations Code, a taxing unit with jurisdiction to impose taxes on the land on which the manufactured home was located retains the right to record and enforce liens on that home to secure the payment of taxes, regardless of where the home is currently located.

(29) In SECTION 16 of the bill, in proposed Subsection (d), Section 32.014, Tax Code (page 19, line 21), strike "(d)" and substitute "(e)".

(30) In SECTION 19 of the bill (page 21, line 19), strike "1201.113 and 1201.217" and substitute "1201.003, 1201.113, 1201.209, 1201.220, 1201.360, and 1201.511".

(31) In SECTION 20 of the bill (page 22, line 3), between "Code," and "are", insert "and Subsection (e), Section 1201.222, Occupations Code,".

(32) In SECTION 20 of the bill (page 22, line 4), between "effect," and "Subsections", insert "Subsection (e), Section 19A, and".

(33) Strike SECTION 21 of the bill (page 22, lines 7 and 8) and substitute the following:

SECTION _____. The following laws are repealed:

(1) Sections 1201.211, 1201.217, and 1201.218, Occupations Code; and

(2) Subsections (d)-(h), Section 2.001, Property Code.

(34) In SECTION 23 of the bill (page 23, lines 4 and 5), strike Subsection (b) and substitute the following:

(b) The changes in law made by this Act to Section 1201.113, Occupations Code, and Sections 11.432, 25.08, 32.014, and 32.03, Tax Code, take effect January 1, 2004.

Floor Amendment No. 3

Amend Floor Amendment No. 2 by Solomons to **SB 521** as follows:

(1) On page 8, line 14, strike "ceases to be a document of title" and substitute "converts to a document, which does not evidence any ownership interest in the manufactured home described therein."

Floor Amendment No. 4

Amend **SB 521** (House committee printing) as follows:

(1) In SECTION 2 of the bill, in amended Section 1201.162, Occupations Code (page 4, line 18), between "lender" and "does", insert "is a federally insured financial institution and".

(2) In SECTION 3 of the bill, in amended Section 21, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes) (page 7, line 25), between "lender" and "does", insert "is a federally insured financial institution and".

(3) In SECTION 11 of the bill, in amended Section 347.254, Finance Code (page 15, line 19), strike "real property".

(4) In SECTION 11 of the bill, in amended Section 347.254, Finance Code (page 15, line 20), between "creditor" and "does", insert "is a federally insured financial institution and".

Floor Amendment No. 5

Amend **SB 521** (House committee printing) between SECTIONS 11 and 12 of the bill (page 15, between lines 22 and 23) by inserting the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS accordingly:

SECTION _____. Chapter 232, Local Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. DEVELOPMENT REGULATIONS
IN CERTAIN COUNTIES

Sec. 232.151. APPLICABILITY. This subchapter applies only to a county that:

- (1) has a population of 125,000 or more;
- (2) is in the same metropolitan statistical area as a county with a population of one million or more; and
- (3) has within its boundaries at least one state park or recreation area.

Sec. 232.152. AREAS SUBJECT TO REGULATION. (a) This subchapter applies only to the unincorporated areas of the county.

(b) A regulation adopted under this subchapter does not apply to a tract of land that the appraisal district appraises as agricultural or open-space land under Subchapter C or D, Chapter 23, Tax Code.

Sec. 232.153. DEVELOPMENT REGULATIONS GENERALLY. The commissioners court of the county may regulate:

- (1) the percentage of a lot that may be occupied or developed;
- (2) population density;
- (3) the size, design, and construction of buildings;
- (4) the location, design, construction, extension, and size of streets and roads;
- (5) the location, design, construction, extension, size, and installation of water and wastewater facilities, including the requirements for connecting to a centralized water or wastewater system;
- (6) the location, design, construction, extension, size, and installation of drainage facilities and other required public facilities;
- (7) the location, design, and construction of parks, playgrounds, and recreational areas; and
- (8) the abatement of harm resulting from inadequate water or wastewater facilities.

Sec. 232.154. COMPLIANCE WITH COUNTY PLAN. Development regulations must be:

- (1) adopted in accordance with a county plan for growth and development of the county; and
- (2) coordinated with the comprehensive plans of municipalities located in the county.

Sec. 232.155. DISTRICTS. (a) The commissioners court may divide the unincorporated area of the county into districts of a number, shape, and size the court considers best for carrying out this subchapter.

(b) Development regulations may vary from district to district.

Sec. 232.156. PROCEDURE GOVERNING ADOPTION OF REGULATIONS AND DISTRICT BOUNDARIES. (a) A development regulation adopted under this subchapter is not effective until it is adopted by the commissioners court after a public hearing. Before the 15th day before the date of the hearing, the commissioners court must publish notice of the hearing in a newspaper of general circulation in the county.

(b) The commissioners court may establish or amend a development regulation only by an order passed by a majority vote of the full membership of the court.

Sec. 232.157. DEVELOPMENT COMMISSION. (a) The commissioners court may appoint a development commission to assist in the implementation and enforcement of development regulations adopted under this subchapter.

(b) The development commission must consist of an ex officio presiding officer who must be a public official in the county and four additional members.

(c) The development commission is advisory only and may recommend appropriate development regulations for the county.

(d) The members of the development commission are subject to the same requirements relating to conflicts of interest that are applicable to the commissioners court under Chapter 171.

Sec. 232.158. FEES. The commissioners court may set reasonable fees related to the implementation and enforcement of this subchapter.

Sec. 232.159. SPECIAL EXCEPTION. (a) A person aggrieved by a development regulation adopted under this subchapter may petition the commissioners court or the development commission, if the commissioners court has established a development commission, for a special exception to a development regulation adopted by the commissioners court.

(b) The commissioners court shall adopt procedures governing applications, notice, hearings, and other matters relating to the grant of a special exception.

Sec. 232.160. ENFORCEMENT; PENALTY. (a) The commissioners court may adopt orders to enforce this subchapter or an order or development regulation adopted under this subchapter.

(b) A person commits an offense if the person violates this subchapter or an order or development regulation adopted under this subchapter. An offense under this subsection is a misdemeanor punishable by a fine of not less than \$500 or more than \$1,000. Each day that a violation occurs constitutes a separate offense. Trial shall be in the district court.

Sec. 232.161. COOPERATION WITH MUNICIPALITIES. The commissioners court by order may enter into agreements with any municipality located in the county to assist in the implementation and enforcement of development regulations adopted under this subchapter.

Sec. 232.162. CONFLICT WITH OTHER LAWS. If a development regulation adopted under this subchapter imposes higher standards than those required under another statute or local order or regulation, the regulation adopted under this subchapter controls. If the other statute or local order or regulation imposes higher standards, that statute, order, or regulation controls.

SECTION _____. The heading to Chapter 232, Local Government Code, is amended to read as follows:

CHAPTER 232. COUNTY REGULATION OF SUBDIVISIONS
AND PROPERTY DEVELOPMENT

Floor Amendment No. 8

Amend **SB 521** on page 22, between lines 8 and 9, by adding new appropriately numbered Sections to read as follows and renumbering the remaining sections accordingly:

"Section _____. If the Act of the 78th Legislature, Regular Session, 2003, relating to nonsubstantive additions to and corrections in enacted codes takes effect, Subsections (a) and (b), Section 1201.152, Occupations Code, are amended to read as follows:

"(a) If a retailer purchases a new manufactured home from an unlicensed manufacturer in violation of Section 1201.505, a consumer's contract with the retailer for the purchase, exchange, or lease-purchase of the home is voidable [~~until the second anniversary of the date of purchase, exchange, or lease-purchase of the home~~].

"(b) If an unlicensed retailer, broker, or installer enters into a contract with a consumer concerning a manufactured home, the consumer may void the contract [~~until the second anniversary of the date of purchase of the home~~]."

"Section _____. If the Act of the 78th Legislature, Regular Session, 2003, relating to nonsubstantive additions to and corrections in enacted codes does not take effect, Subsection (d), Section 18, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), is amended to read as follows:

"(d) If a retailer, broker, or installer does not possess a valid license at the time of entering into any contract with a consumer, the contract between the consumer and the retailer, broker, or installer is voidable [~~within two years from the date of the purchase of the manufactured home~~] at the option of the consumer. A consumer's contract for the purchase, exchange, or lease-purchase of a new manufactured home is also voidable [~~within two years from the date of the purchase of the manufactured home~~,] if the retailer purchased the home from an unlicensed manufacturer in violation of Section 6, Subsection (h) of this Act.

Floor Amendment No. 10

Amend **SB 521** on page 22, between lines 8 and 9, by adding new appropriately numbered Sections to read as follows and renumbering the remaining sections accordingly:

"Section _____. If the Act of the 78th Legislature, Regular Session, 2003, relating to nonsubstantive additions to and corrections in enacted codes takes effect, Subsection (4), Section 1201.003, Occupations Code, is amended to read as follows:

"(4) 'Broker' means a person engaged by one or more other persons to close, negotiate, or offer to negotiate a bargain or contract for the sale, exchange, or lease-purchase of a manufactured home for which a certificate or other document of title has been issued and is outstanding. The term does not include a person who maintains a location for the display of manufactured homes."

"Section _____. If the Act of the 78th Legislature, Regular Session, 2003, relating to nonsubstantive additions to and corrections in enacted codes does not take effect, Subsection (4), Section 3, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), is amended to read as follows:

"(4) 'Broker' means a person engaged by one or more other persons to close, negotiate, or offer to negotiate a bargain or contract for the sale, exchange, or lease-purchase of a manufactured home for which a certificate or other document of title has been issued and is outstanding. The term does not include a person who maintains a location for the display of manufactured homes."

Floor Amendment No. 1 on Third Reading

Amend **SB 521**, on third reading, immediately before the SECTION providing the effective date of the bill, by inserting the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION _____. (a) If in a final judgement a court finds that the sections of this Act that amend the Local Government Code constitute a subject separate from the other sections of this Act and, therefore, cause a violation of Section 35(a), Article III, Texas Constitution, the court shall sever the sections amending the Local Government Code and shall give effect only to the remaining sections of the Act.

(b) For purposes of this section, a judgment is final on the date on which all appeals of the judgment have been exhausted or waived.

Floor Amendment No. 2 on Third Reading

Amend **SB 521**, on third reading, as follows:

(1) Strike the SECTION that amends Section 1201.303(b), Occupations Code, and substitute the following:

SECTION _____. Section 1201.303(b), Occupations Code, is amended to read as follows:

(b) The department shall establish an installation inspection program in which each [at least 25 percent of installed] manufactured home newly installed in a Wind Zone II county is [homes are] inspected [on a sample basis] for compliance with the standards and rules adopted and orders issued by the director. As funding becomes available, the department shall expand the program to include all newly installed manufactured homes. [The program must place priority on inspecting multisection homes and homes installed in Wind Zone II counties.]

(2) Strike the SECTION that amends Section 4(d), Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), and renumber existing SECTIONS accordingly.

(3) Strike the SECTION providing the effective date of the bill and substitute the following:

SECTION _____. (a) Except as provided by Subsection (b) of this section:

(1) this Act takes effect June 1, 2003, if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

(b) The changes in law made by this Act to Section 1201.113, Occupations Code, and Sections 11.432, 25.08, 32.014, and 32.03, Tax Code, take effect January 1, 2004.

The amendments were read.

Senator Staples moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 521** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate on the bill: Senator Staples, Chair; Estes, Lucio, Armbrister, and Brimer.

SENATE BILL 1667 WITH HOUSE AMENDMENT

Senator Averitt called **SB 1667** from the President's table for consideration of the House amendment to the bill.

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

Amendment

Amend **SB 1667** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to obtaining criminal history record information on an applicant for or holder of a mortgage broker or loan officer license.

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

SECTION 1. Section 156.206(b), Finance Code, as amended by Chapters 337, 407, and 867, Acts of the 77th Legislature, Regular Session, 2001, is reenacted and amended to read as follows:

(b) The commissioner shall obtain criminal history record information on an applicant that is maintained by the Department of Public Safety and shall obtain criminal history record information from ~~[on an applicant maintained by]~~ the Federal Bureau of Investigation on each applicant. Each applicant must submit with the application fingerprint and other information necessary to implement this section. The commissioner may submit the fingerprint and other information to the Federal Bureau of Investigation, and the Department of Public Safety is designated to be the recipient of the criminal history record information. [By rule, the finance commission may require applicants to submit information and fingerprints necessary for the commissioner to obtain criminal background information from the Federal Bureau of Investigation.] The commissioner may also obtain criminal history record information from any court or any local, state, or national governmental agency.

SECTION 2. Section 156.206, Finance Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding Subsection (c), criminal history record information obtained from the Federal Bureau of Investigation may be released or disclosed only to a governmental entity or as authorized by federal statute, federal rule, or federal executive order.

SECTION 3. Subchapter F, Chapter 411, Government Code, is amended by adding Section 411.1385 to read as follows:

Sec. 411.1385. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION: SAVINGS AND LOAN COMMISSIONER. (a) The savings and loan commissioner is entitled to obtain from the department criminal history record information maintained by the department that relates to a person who is an applicant for or holder of a mortgage broker or loan officer license issued under Chapter 156, Finance Code.

(b) Criminal history record information obtained by the savings and loan commissioner under Subsection (a) may be released or disclosed only as provided by Section 156.206, Finance Code.

SECTION 4. This Act takes effect September 1, 2003.

The amendment was read.

Senator Averitt moved to concur in the House amendment to **SB 1667**.

The motion prevailed by a viva voce vote.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

May 9, 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 193, Relating to the number of members of an appraisal review board.

HB 397, Relating to the procedure for the issuance by a municipality or county of certain certificates of obligation.

HB 420, Relating to the punishment for certain property offenses committed against an elderly individual.

HB 498, Relating to certain reduced fees for a license to carry a concealed handgun.

HB 559, Relating to the disposition of certain contraband.

HB 1026, Relating to regulating the use of social security numbers by institutions of higher education.

HB 1090, Relating to the authority of the Texas Department on Aging to establish a prescription drug information and assistance program.

HB 1108, Relating to the term of office of certain members of an emergency services district.

HB 1366, Relating to the environmental regulation and remediation of certain dry cleaning facilities; providing penalties.

HB 1483, Relating to the regulation of the practice of nursing and midwifery by the Board of Nurse Examiners and to the abolition of the Board of Vocational Nurse Examiners and the transfer of the functions of that agency to the Board of Nurse Examiners.

HB 1606, Relating to ethics of public servants, including the functions and duties of the Texas Ethics Commission; the regulation of political contributions, political advertising, lobbying, and conduct of public servants; and the reporting of political contributions and personal financial information; providing civil and criminal penalties.

HB 1704, Relating to certain eligibility requirements for a license to carry a concealed handgun.

HB 1869, Relating to the admission of certain video testimony into evidence in a proceeding regarding the abuse or neglect of a child.

HB 2519, Relating to the regulation of bingo; imposing a tax.

HB 2522, Relating to authorizing the issuance of revenue bonds for the Southwest Texas State University Multi-Institution Teaching Center to finance facilities to address the Central Texas high growth corridor and exempting facilities financed by the bonds from prior approval by the Texas Higher Education Coordinating Board.

HB 2554, Relating to the application of new requirements for commercial nonhazardous industrial solid waste landfill facilities to be adopted by the Texas Commission on Environmental Quality.

HB 2593, Relating to winery permits.

HB 2846, Relating to the authority of the State Office of Administrative Hearings to conduct certain hearings over which the Railroad Commission of Texas has jurisdiction.

HB 2898, Relating to the publication of notice in a newspaper in certain counties.

HB 2970, Relating to the state program of temporary assistance and related support services for needy persons.

HB 3152, Relating to the potability of and requirements for removing contaminants from groundwater.

HB 3221, Relating to subdivision platting requirements in certain counties near an international border.

HB 3477, Relating to the issuance of concealed handgun licenses to residents of certain other states and to reciprocity agreements with other states concerning concealed handgun licenses.

HB 3554, Relating to motor vehicle inspection facilities near the border of this state and Mexico.

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

HB 587 (non-record vote)

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

HB 1567 (non-record vote)

House Conferees: West, George "Buddy" - Chair/Bonnen/Chisum/Kuempel/Smith,Wayne/

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

GUESTS PRESENTED

Senator Zaffirini was recognized and introduced to the Senate students from Ringgold Middle School in Rio Grande City, accompanied by their sponsor.

The Senate welcomed its guests.

SENATE RESOLUTION 797

Senator Van de Putte offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to pay tribute to Hector V. Barreto, administrator of the United States Small Business Administration, for his outstanding leadership and services on behalf of small businesses in Texas and throughout the nation; and

WHEREAS, After his nomination by President George W. Bush, Mr. Barreto was confirmed on July 25, 2001, by a unanimous vote by the United States Senate as the 21st administrator of the Small Business Administration, the nation's largest single financial backer of small business and disaster loans worth more than \$45 billion; and

WHEREAS, As a young man, Hector helped his father manage a family restaurant, an export/import business, and a construction company; after receiving his bachelor's degree in business administration from Rockhurst University in Kansas City, Missouri, he worked as the South Texas area manager for the Miller Brewing Company; and

WHEREAS, He moved to California in 1986 and founded an insurance and financial services business and later a securities business; he was chairman of the board for the Latin Business Association in Los Angeles, which increased its membership by 50 percent and doubled its revenues during his tenure; and

WHEREAS, Recognized by *Hispanic Business Magazine* as one of America's 100 Most Influential Hispanics, Hector Barreto deserves recognition for his leadership and his many contributions to the small businesses and entrepreneurs of our country; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 78th Legislature, hereby commend Hector V. Barreto for his notable accomplishments and congratulate him on his outstanding service as administrator of the United States Small Business Administration; and, be it further

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

The resolution was read and was adopted by a viva voce vote.

GUESTS PRESENTED

Senator Van de Putte was recognized and introduced to the Senate Hector V. Barreto, administrator of the United States Small Business Administration, accompanied by Jeff Moseley, Executive Director, Texas Department of Economic Development, and Limas Jefferson, Chair, Texas Department of Economic Development Governing Board.

The Senate welcomed its guests.

PHYSICIAN OF THE DAY

Senator Jackson was recognized and presented Dr. P. J. Mock of La Porte as the Physician of the Day, accompanied by his wife, Pat.

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

SENATE BILL 558 WITH HOUSE AMENDMENT

Senator Madla called **SB 558** from the President's table for consideration of the House amendment to the bill.

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

Committee Amendment No. 1

Amend **SB 558** (engrossed version) as follows:

(1) In SECTION 1 of the bill, in proposed Section 12.0127, Health and Safety Code (page 1, line 6), between "PHYSICIANS." and "The" insert "(a)".

(2) In SECTION 1 of the bill, in proposed Section 12.0127, Health and Safety Code (page 1, between lines 14 and 15), insert a new Subsection (b) to read as follows:

(b) The department may charge a fee to cover the costs incurred by the department in administering the visa waiver program established under this section.

(3) In SECTION 2 of the bill, in amended Subsection (a), Section 155.1025, Occupations Code (page 1, line 24), strike "(2) the applicant intends to practice medicine [÷]" and substitute the following:

(2) the applicant:

(A) has requested and is eligible for an immigration visa waiver as described by Section 12.0127, Health and Safety Code; and

(B) intends to practice medicine [÷]

The amendment was read.

Senator Madla moved to concur in the House amendment to **SB 558**.

The motion prevailed by a viva voce vote.

SENATE BILL 850 WITH HOUSE AMENDMENT

Senator Lindsay called **SB 850** 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 850** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to allowing local governments and school districts to prohibit contracts or other transactions with delinquent taxpayers.

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

SECTION 1. Subchapter C, Chapter 252, Local Government Code, is amended by adding Section 252.0436 to read as follows:

Sec. 252.0436. CONTRACT WITH PERSON INDEBTED TO MUNICIPALITY. (a) A municipality by ordinance may establish regulations permitting the municipality to refuse to enter into a contract or other transaction with a person indebted to the municipality.

(b) It is not a violation of this chapter for a municipality, under regulations adopted under Subsection (a), to refuse to award a contract to or enter into a transaction with an apparent low bidder or successful proposer that is indebted to the municipality.

(c) In this section, "person" includes an individual, sole proprietorship, corporation, nonprofit corporation, partnership, joint venture, limited liability company, and any other entity that proposes or otherwise seeks to enter into a contract or other transaction with the municipality requiring approval by the governing body of the municipality.

SECTION 2. Subchapter C, Chapter 262, Local Government Code, is amended by adding Section 262.0276 to read as follows:

Sec. 262.0276. CONTRACT WITH PERSON INDEBTED TO COUNTY. (a) By an order adopted and entered in the minutes of the commissioners court and after notice is published in a newspaper of general circulation in the county, the commissioners court may adopt rules permitting the county to refuse to enter into a contract or other transaction with a person indebted to the county.

(b) It is not a violation of this subchapter for a county, under rules adopted under Subsection (a), to refuse to award a contract to or enter into a transaction with an apparent low bidder or successful proposer that is indebted to the county.

(c) In this section, "person" includes an individual, sole proprietorship, corporation, nonprofit corporation, partnership, joint venture, limited liability company, and any other entity that proposes or otherwise seeks to enter into a contract or other transaction with the county requiring approval by the commissioners court.

SECTION 3. Subchapter B, Chapter 44, Education Code, is amended by adding Section 44.044 to read as follows:

Sec. 44.044. CONTRACT WITH PERSON INDEBTED TO SCHOOL DISTRICT. (a) The board of trustees of a school district by resolution may establish regulations permitting the school district to refuse to enter into a contract or other transaction with a person indebted to the school district.

(b) It is not a violation of this subchapter for a school district, under regulations adopted under Subsection (a), to refuse to award a contract to or enter into a transaction with an apparent low bidder or successful proposer that is indebted to the school district.

(c) In this section, "person" includes an individual, sole proprietorship, corporation, nonprofit corporation, partnership, joint venture, limited liability company, and any other entity that proposes or otherwise seeks to enter into a contract or other transaction with the school district requiring approval by the board.

SECTION 4. This Act takes effect September 1, 2003.

The amendment was read.

Senator Lindsay moved to concur in the House amendment to **SB 850**.

The motion prevailed by a viva voce vote.

SENATE BILL 1564 WITH HOUSE AMENDMENT

Senator Madla called **SB 1564** from the President's table for consideration of the House amendment to the bill.

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

Committee Amendment No. 1

Amend **SB 1564** in SECTION 1 of the bill in added Section 292.0025(b), Local Government Code (Engrossed version, page 1, line 15), immediately after "bonds" by inserting "or other evidences of indebtedness".

The amendment was read.

Senator Madla moved to concur in the House amendment to **SB 1564**.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

SENATE BILL 716 WITH HOUSE AMENDMENTS

Senator Lindsay called **SB 716** from the President's table for consideration of the House amendments to the bill.

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

Committee Amendment No. 1

Amend **SB 716** as follows:

(1) Page 2, add subsection (e) to SECTION 3.

(e) 0.2% of the toll revenue shall be shared equally between the Permanent School Fund and the General Land Office. The General Land Office shall use its share for the acquisition of real property in a natural state in the county of the project. The acquired land shall be maintained in a natural state.

Committee Amendment No. 2

Amend **SB 716** as follows:

- (1) Page 2, line 6, strike "or"
- (2) Page 2, line 8, strike "." and insert "; or"
- (3) Page 2, line 9, add new subsection 284.003 (4) as follows:
 - (4) "construct a bridge over a deep water navigation channel if the bridge does not hinder maritime transportation."

The amendments were read.

Senator Lindsay moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 716** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate on the bill: Senators Lindsay, Chair; Ogden, Ellis, Janek, and Madla.

SENATE BILL 718 WITH HOUSE AMENDMENT

Senator Madla called **SB 718** from the President's table for consideration of the House amendment to the bill.

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

Floor Amendment No. 1

Amend **SB 718** (Senate engrossment printing) as follows:

(1) In SECTION 1 of the bill, strike added Section 301.1605(c), Occupations Code (page 1, line 16, through page 2, line 3), and substitute the following:

(c) In approving a pilot program, the board may grant the program an exception to the mandatory reporting requirements of Sections 301.401-301.409 or to a rule adopted under this chapter or Chapter 303 that relates to the practice of professional nursing, including education and reporting requirements for registered nurses. The board may not grant an exception to:

(1) the continuing education requirements of this chapter unless the program includes alternate but substantially equivalent requirements; or

(2) the mandatory reporting requirements unless the program:

(A) is designed to evaluate the efficiency of alternative reporting methods; and

(B) provides consumers adequate protection from registered nurses whose continued practice is a threat to public safety.

(2) In SECTION 5 of the bill, in amended Section 301.351(b), Occupations Code (page 5, line 7), strike "and".

(3) In SECTION 5 of the bill, in amended Section 301.351(b), Occupations Code (page 5, line 9), strike the period and substitute "½".

(4) In SECTION 5 of the bill, in amended Section 301.351(b), Occupations Code (page 5, between lines 9 and 10), insert:

(4) a picture of the nurse; or

(5) any other information authorized by the board.

(5) Strike the recital to SECTION 10 of the bill (page 7, lines 6-7), and substitute the following:

SECTION 10. Section 303.005, Occupations Code, is amended by amending Subsections (a), (b), (c), (d), and (f) and adding Subsection (h) to read as follows:

(6) After SECTION 10 of the bill, immediately following amended Section 303.005, Occupations Code (page 8, between lines 12 and 13), insert the following:

(h) A person is not required to provide a peer review determination under this section for a request made by:

(1) a registered nurse, unless the person regularly employs, hires, or otherwise contracts for the services of at least five registered nurses; or

(2) a licensed vocational nurse, unless the person regularly employs, hires, or otherwise contracts for the services of at least five licensed vocational nurses.

The amendment was read.

Senator Madla moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 718** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate on the bill: Senators Madla, Chair; Harris, Lucio, Lindsay, and Deuell.

SENATE BILL 641 WITH HOUSE AMENDMENT

Senator West called **SB 641** from the President's table for consideration of the House amendment to the bill.

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

Floor Amendment No. 1 on Third Reading

Amend **SB 641** on third reading as follows:

In Section 1, on page 1, lines 7-11, strike subsection (a) and substitute new subsection (a) as follows:

"(a) STATE LAND RECORDS. In a dispute between the State of Texas and an upland owner of property fronting on the Gulf of Mexico and the arms of the Gulf of Mexico within the boundaries of the State of Texas, the maps, surveys and property descriptions filed in the General Land Office in connection with any conveyance by the State or any predecessor government by patent, deed, lease, or other authorized forms of grant shall be presumed to accurately depict the boundary between adjacent upland owners and the state-owned submerged lands."

In Section 1, on page 1, lines 13 and 14, strike "licensed, or registered, and qualified" and substitute "or licensed, and qualified."

The amendment was read.

Senator West moved to concur in the House amendment to **SB 641**.

The motion prevailed by a viva voce vote.

SENATE BILL 640 WITH HOUSE AMENDMENT

Senator West called **SB 640** from the President's table for consideration of the House amendment to the bill.

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

Floor Amendment No. 1

Amend **SB 640** as follows:

On page 1, line 9, delete "incident" and replace it with "action of the board".

The amendment was read.

Senator West moved to concur in the House amendment to **SB 640**.

The motion prevailed by a viva voce vote.

SENATE BILL 984 WITH HOUSE AMENDMENT

Senator Wentworth called **SB 984** 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 984** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to excepting certain governmental bodies from deliberating in an open meeting certain matters that involve the medical or psychiatric records of an individual.

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

SECTION 1. Subchapter D, Chapter 551, Government Code, is amended by adding Section 551.0785 to read as follows:

Sec. 551.0785. DELIBERATIONS INVOLVING MEDICAL OR PSYCHIATRIC RECORDS OF INDIVIDUALS. This chapter does not require a benefits appeals committee for a public self-funded health plan or a governmental body that administers a public insurance, health, or retirement plan to conduct an open meeting to deliberate:

(1) the medical records or psychiatric records of an individual applicant for a benefit from the plan; or

(2) a matter that includes a consideration of information in the medical or psychiatric records of an individual applicant for a benefit from the plan.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.

The amendment was read.

Senator Wentworth moved to concur in the House amendment to **SB 984**.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

SENATE BILL 83 WITH HOUSE AMENDMENT

Senator Wentworth called **SB 83** from the President's table for consideration of the House amendment to the bill.

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

Floor Amendment No. 2 on Third Reading

Amend **SB 83**, on third reading, on page 1, line 13, by striking "during each school day" and substituting "once during each school day".

The amendment was read.

Senator Wentworth moved to concur in the House amendment to **SB 83**.

The motion prevailed by a viva voce vote.

SENATE BILL 880 WITH HOUSE AMENDMENT

Senator Whitmire called **SB 880** 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 880** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the time allowed for disposition of certain charges regarding a violation of parole or other forms of release from prison.

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

SECTION 1. Subsections (a) and (b), Section 508.282, Government Code, are amended to read as follows:

(a) Except as provided by Subsection (b), a parole panel, a designee of the board, or the department shall dispose of the charges against an inmate or person described by Section 508.281(a):

(1) before the 31st [~~61st~~] day after the date on which:

(A) a warrant issued as provided by Section 508.251 is executed, if the inmate or person is arrested only on a charge that the inmate or person has committed an administrative violation of a condition of release, and the inmate or person is not charged before the 31st [~~61st~~] day with the commission of an offense described by Section 508.2811(2)(B); or

(B) the sheriff having custody of an inmate or person alleged to have committed an offense after release notifies the department that:

(i) the inmate or person has discharged the sentence for the offense; or

(ii) the prosecution of the alleged offense has been dismissed by the attorney representing the state in the manner provided by Article 32.02, Code of Criminal Procedure; or

(2) within a reasonable time after the date on which the inmate or person is returned to the custody of the department, if:

(A) immediately before the return the inmate or person was in custody in another state or in a federal correctional system; or

(B) the inmate or person is transferred to the custody of the department under Section 508.284.

(b) A parole panel, a designee of the board, or the department is not required to dispose of the charges against an inmate or person within the period required by Subsection (a) if:

(1) the inmate or person is in custody in another state or a federal correctional institution;

(2) the parole panel or a designee of the board is not provided a place by the sheriff to hold the hearing, in which event the department, parole panel, or designee is not required to dispose of the charges against the inmate or person until the 30th [~~60th~~] day after the date on which the sheriff provides a place to hold the hearing; or

(3) the inmate or person is granted a continuance by a parole panel or a designee of the board in the inmate's or person's hearing under Section 508.281(a), but in no event may a parole panel, a designee of the board, or the department dispose of the charges against the person later than the 10th [~~30th~~] day after the date on which the parole panel, designee, or department would otherwise be required to dispose of the charges under this section, unless the inmate or person is released from custody and a summons is issued under Section 508.251 requiring the inmate or person to appear for a hearing under Section 508.281.

SECTION 2. (a) This Act takes effect September 1, 2003.

(b) The change in law made by this Act applies only to:

(1) a person who although ineligible for release is released from the institutional division of the Texas Department of Criminal Justice on or after the effective date of this Act; and

(2) a person released on parole, mandatory supervision, or conditional pardon who, on or after the effective date of this Act, is accused of a violation of a condition of the person's release.

(c) A person improperly released or a person charged with an alleged violation occurring before the effective date of this Act is covered by the law in effect when the improper release or the alleged violation occurred, and the former law is continued in effect for that purpose.

The amendment was read.

Senator Whitmire moved that the Senate do not concur in the House amendment, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed.

The Presiding Officer asked if there were any motions to instruct the conference committee on **SB 880** before appointment.

There were no motions offered.

The Presiding Officer announced the appointment of the following conferees on the part of the Senate on the bill: Senators Whitmire, Chair; Ellis, Williams, Hinojosa, and Gallegos.

CONCLUSION OF MORNING CALL

The Presiding Officer, Senator Lucio in Chair, at 10:45 a.m. announced the conclusion of morning call.

COMMITTEE SUBSTITUTE SENATE BILL 688 ON SECOND READING

Senator West moved to suspend the regular order of business to take up for consideration **CSSB 688** at this time on its second reading:

CSSB 688, Relating to the boards of trustees of certain school districts.

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 688 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 688** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 0. (Same as previous roll call)

COMMITTEE SUBSTITUTE
SENATE BILL 970 ON SECOND READING

Senator Shapleigh moved to suspend the regular order of business to take up for consideration **CSSB 970** at this time on its second reading:

CSSB 970, Relating to the sale or transport of certain desert plants; providing a 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 970 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 970** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

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

COMMITTEE SUBSTITUTE
SENATE BILL 1903 ON SECOND READING

Senator Fraser moved to suspend the regular order of business to take up for consideration **CSSB 1903** at this time on its second reading:

CSSB 1903, Relating to the creation and authority of municipal development districts.

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 1903 ON THIRD READING

Senator Fraser moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 1903** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

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

(President in Chair)**SENATE RESOLUTION 776**

Senator Barrientos offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize Willie Nelson, one of our nation's most beloved songwriters, on the grand occasion of his 70th birthday; and

WHEREAS, Fondly known by all as the "redheaded stranger," Willie Hugh Nelson was born April 30, 1933, in Abbott, Texas; he was raised by his grandparents, William Alfred and Nancy Nelson, who inspired him to play the guitar; growing up in the midst of a farming community, he picked cotton as a child; his early experiences made him empathetic to the plight that family farmers have endured in recent years and inspired him to organize numerous Farm Aid concerts to bring attention to their struggles and needs; and

WHEREAS, One of the world's most acclaimed performers, Willie Nelson bought his famous and now well-worn guitar, "Trigger," sight unseen in 1969, and it remains his most precious possession; and

WHEREAS, He is considered a uniquely gifted and original American songwriter, whose lyrics are known for their grace, sensitivity, and compassion and whose music reaches all types of people; his many accolades throughout his career include his selection as a 1998 Kennedy Center Performing Arts Honoree; and

WHEREAS, A great musical ambassador for Austin and the State of Texas, Willie Nelson has taken Texas country music to the world, gaining fans everywhere through his inimitable style, voice, melodies, and themes; and

WHEREAS, He has been blessed with two families; he is the father of six, the grandfather of six, and the great-grandfather of four; his other family, known as "the Family," consists of his very dedicated, longtime band members; and

WHEREAS, Known for his trademark red bandana headbands, braids, and running shoes, Willie takes great pleasure in living his nomadic life to the fullest, playing for his legions of fans in every corner of our nation; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 78th Legislature, hereby proclaim Willie Hugh Nelson a treasure of Austin and the State of Texas and extend congratulations and best wishes to him on his 70th birthday; and, be it further

RESOLVED, That a copy of this Resolution be prepared for him as a memento of this special day.

The resolution was again read.

The resolution was previously adopted on Wednesday, May 7, 2003.

GUESTS PRESENTED

Senator Barrientos was recognized and introduced to the Senate country music singer Willie Nelson, accompanied by his daughter, Lana Nelson; his manager, David Anderson; his bodyguard, Larry Gorham; and his longtime friend and band assistant, Ruth Boggs.

The Senate welcomed its guests.

AT EASE

The President at 11:05 a.m. announced the Senate would stand At Ease pending the departure of its guests.

IN LEGISLATIVE SESSION

Senator Lucio at 11:24 a.m. called the Senate to order as In Legislative Session.

GUESTS PRESENTED

Senator Lindsay was recognized and introduced to the Senate students from Spring Forest Middle School in Houston, accompanied by Marianne Cribbin, Principal, and Linda Fields, Administrator for Social Studies and Instructional Support.

The Senate welcomed its guests.

SENATE BILL 963 ON SECOND READING

Senator Shapleigh moved to suspend the regular order of business to take up for consideration **SB 963** at this time on its second reading:

SB 963, Relating to an international trade corridor plan.

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 963 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 **SB 963** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

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

COMMITTEE SUBSTITUTE**SENATE BILL 206 ON SECOND READING**

Senator Ellis moved to suspend the regular order of business to take up for consideration **CSSB 206** at this time on its second reading:

CSSB 206, Relating to the composition of the permanent school fund and the available school fund and to transfers from the permanent school fund to the available school fund.

The motion prevailed by a viva voce vote.

RECORD OF VOTE

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

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

RECORD OF VOTE

Senator Nelson asked to be recorded as voting "Nay" on the passage of **CSSB 206** to engrossment.

**COMMITTEE SUBSTITUTE
SENATE BILL 206 ON THIRD READING**

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 206** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 1.

Nays: Nelson.

Absent-excused: Carona, Estes, Gallegos.

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

RECORD OF VOTE

Senator Nelson asked to be recorded as voting "Nay" on the final passage of **CSSB 206**.

**COMMITTEE SUBSTITUTE
SENATE JOINT RESOLUTION 13 ON SECOND READING**

Senator Ellis moved to suspend the regular order of business to take up for consideration **CSSJR 13** at this time on its second reading:

CSSJR 13, Proposing a constitutional amendment relating to the use of income and appreciation of the permanent school fund.

The motion prevailed by a viva voce vote.

RECORD OF VOTE

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

The resolution was read second time.

Senator Ellis offered the following amendment to the resolution:

Floor Amendment No. 1

Amend **CSSJR 13** (committee printing) on page 1, line 46, by inserting "appropriation from" between "by" and "the".

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

RECORD OF VOTE

Senator Nelson asked to be recorded as voting "Nay" on the adoption of Floor Amendment No. 1.

Senator Ellis offered the following amendment to the resolution:

Floor Amendment No. 2

Amend **CSSJR 13** (committee printing) as follows:

(1) On page 1, line 31, insert the following after "fund" and before the comma: "that is managed, sold, or acquired under Section 4 of this article".

(2) On page 2, line 39, insert the following after "fund" and before the comma: "that is managed, sold, or acquired under Section 4 of this article".

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

RECORD OF VOTE

Senator Nelson asked to be recorded as voting "Nay" on the adoption of Floor Amendment No. 2.

Senator Ratliff offered the following amendment to the resolution:

Floor Amendment No. 3

Amend **CSSJR 13** (committee printing) as follows:

(1) On page 1, line 40, strike "and".

(2) On page 1, line 44 strike the period and substitute "; and".

(3) On page 1, between lines 44 and 45, insert the following:

"(3) may not exceed a portion of the total return on all investment assets of the permanent school fund such that the portion of the total return retained in the permanent school fund is sufficient, as determined by the comptroller of public accounts, to preserve the purchasing power of the permanent school fund for the current fiscal year and the next nine fiscal years."

The floor amendment was read and was adopted without objection.

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

CSSJR 13 as amended was passed to engrossment by a viva voce vote.

RECORD OF VOTE

Senator Nelson asked to be recorded as voting "Nay" on the passage of **CSSJR 13** to engrossment.

COMMITTEE SUBSTITUTE

SENATE JOINT RESOLUTION 13 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSJR 13** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 1.

Nays: Nelson.

Absent-excused: Carona, Estes, Gallegos.

The resolution was read third time and was passed by the following vote: Yeas 27, Nays 1. (Same as previous roll call)

SENATE BILL 1743 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **SB 1743** at this time on its second reading:

SB 1743, Relating to medical assistance in certain alternative community-based care settings.

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 1743 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 **SB 1743** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

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

SENATE BILL 1014 ON THIRD READING

Senator Wentworth moved to suspend the regular order of business to take up for consideration **SB 1014** at this time on its third reading and final passage:

SB 1014, Relating to the regulation of the subdivision of land under the jurisdiction of counties.

The motion prevailed by a viva voce vote.

RECORD OF VOTES

Senators Fraser, Harris, and Staples asked to be recorded as voting "Nay" on the suspension of the regular order of business

The bill was read third time.

Senator Wentworth offered the following amendment to the bill:

Floor Amendment No. 1 on Third Reading

Amend **SB 1014** in SECTION 5 of the bill, in Subsection (b) of amended Section 232.038, Local Government Code, by striking "or in a district court in Travis County" and substituting "[~~or in a district court in Travis County~~]".

The floor amendment was read and was adopted without objection.

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 2 on Third Reading

Amend **SB 1014** as follows:

(1) In SECTION 1 of the bill, in Subdivision (2), Subsection (a), Section 232.022, Local Government Code (committee printing page 1, lines 16 and 17) strike "a county that has elected by an order adopted by the commissioners court to operate

under this subchapter" and substitute "a county in which an election has been held under Section 232.0221 on the question of whether the county shall operate under this subchapter and the majority of the votes cast in the election were in the affirmative".

(2) Add a new appropriately numbered SECTION and renumber the subsequent SECTIONS of the bill accordingly:

SECTION _____. Subchapter B, Chapter 232, Local Government Code, is amended by adding Section 232.0221 to read as follows:

Sec. 232.0221. ELECTION. (a) The commissioners court of a county may order and hold an election in the county on the question of granting the commissioners court the authority to regulate the subdivision of land under this subchapter.

(b) For an election under this section, the ballot shall be prepared to permit voting for or against the proposition: "Granting (name of county) the authority to regulate the subdivision of land in the unincorporated area of the county."

The floor amendment was read and was adopted without objection.

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

SB 1014 as amended was finally passed by a viva voce vote.

RECORD OF VOTES

Senators Fraser, Harris, and Staples asked to be recorded as voting "Nay" on the final passage of **SB 1014**.

GUESTS PRESENTED

Senator Zaffirini was recognized and introduced to the Senate a delegation of child-care workers from the City of Beeville.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Ratliff was recognized and introduced to the Senate fifth-grade students from The Trinity School of Texas in Longview.

The Senate welcomed its guests.

COMMITTEE SUBSTITUTE SENATE BILL 56 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **CSSB 56** at this time on its second reading:

CSSB 56, Relating to the creation of comprehensive access points for health care.

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 56 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 56** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

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

SENATE BILL 378 WITH HOUSE AMENDMENT

Senator Armbrister called **SB 378** from the President's table for consideration of the House amendment to the bill.

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

Committee Amendment No. 1

Amend **SB 378** as follows:

(1) On page 2, create a new subsection "(e)" to read as follows:

"This section creates no duty and imposes no obligation upon anyone other than the business that is the subject of the advertisement or listing."

Re-number subsequent sections accordingly.

The amendment was read.

Senator Armbrister moved to concur in the House amendment to **SB 378**.

The motion prevailed by a viva voce vote.

SENATE BILL 324 WITH HOUSE AMENDMENT

Senator Armbrister called **SB 324** from the President's table for consideration of the House amendment to the bill.

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

Floor Amendment No. 1 on Third Reading

Amend **SB 324** on third reading by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS accordingly:

SECTION _____. Section 156.202, Finance Code, is amended to read as follows:

Sec. 156.202. EXEMPTIONS. This chapter does not apply to:

(1) any of the following entities or an employee of any of the following entities provided the employee is acting for the benefit of the employer:

(A) a bank, savings bank, or savings and loan association, or a subsidiary or an affiliate of a bank, savings bank, or savings and loan association;

(B) a state or federal credit union;

(C) an insurance company licensed or authorized to do business in this state under the Insurance Code;

(D) a mortgage banker;

(E) an organization that qualifies for an exemption from state franchise and sales tax as a 501(c)(3) organization; ~~[or]~~

(F) a Farm Credit System institution; or

(G) a political subdivision of this state involved in affordable home ownership programs;

(2) an individual who makes a mortgage loan from the individual's own funds to a spouse, former spouse, or persons in the lineal line of consanguinity of the individual lending the money;

(3) an owner of real property who makes a mortgage loan to a purchaser of the property for all or part of the purchase price of the real estate against which the mortgage is secured; or

(4) an individual who:

(A) makes a mortgage loan from the individual's own funds;

(B) is not an authorized lender under Chapter 342, Finance Code; and

(C) does not regularly engage in the business of making or brokering mortgage loans.

The amendment was read.

Senator Armbrister moved to concur in the House amendment to **SB 324**.

The motion prevailed by a viva voce vote.

COMMITTEE SUBSTITUTE SENATE BILL 1297 ON SECOND READING

Senator Ogden moved to suspend the regular order of business to take up for consideration **CSSB 1297** at this time on its second reading:

CSSB 1297, Relating to financing authority for certain institutions of higher education for facilities.

The motion prevailed by a viva voce vote.

The bill was read second time.

Senator Armbrister offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSSB 1297** on page 1, lines 46 and 47, by striking "No general revenue funds may be used for this purpose.".

The floor amendment was read and was adopted without objection.

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

CSSB 1297 as amended was passed to engrossment by a viva voce vote.

COMMITTEE SUBSTITUTE SENATE BILL 1297 ON THIRD READING

Senator Ogden moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 1297** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 0. (Same as previous roll call)

HOUSE BILL 1022 ON SECOND READING

Senator Williams moved to suspend the regular order of business to take up for consideration **HB 1022** at this time on its second reading:

HB 1022, Relating to employment status and contract entitlements of public school educators who fail to obtain appropriate certification.

The motion prevailed by a viva voce vote.

The bill was read second time.

Senator Williams offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 1022** as follows:

Section 21.0031, by adding subsection (e)

(e) This section does not apply to certified teachers assigned to teach a subject for which they are not certified.

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

Senator Williams offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 1022** as follows:

(1) In SECTION 1 of the bill, in proposed Section 21.0031(b), Education Code (Senate committee printing, page 1, line 24), strike "On the date on which an" and substitute "After an employee receives notice that the".

(2) In SECTION 1 of the bill, in proposed Section 21.0031(c), Education Code (Senate committee printing, page 1, lines 36-37), strike "Sections 21.206 and 21.207 do not apply to the decision" and substitute "the notice and hearing requirements of this chapter do not apply to the decision".

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

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

HB 1022 as amended was passed to third reading by a viva voce vote.

HOUSE BILL 1022 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1022** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

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

SENATE BILL 1007 ON SECOND READING

Senator West moved to suspend the regular order of business to take up for consideration **SB 1007** at this time on its second reading:

SB 1007, Relating to student eligibility for a TEXAS grant based on preliminary high school transcripts.

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 1007** as follows:

On page 2, between lines 15 and 16, insert the following new SECTION 2 and renumber the subsequent sections accordingly:

"SECTION 2. Section 56.305(g), Education Code, as added by Chapter 1590, Acts of the 76th Legislature, Regular Session, 1999, is amended to read as follows:

(g) The coordinating board shall adopt rules to allow a person who is otherwise eligible to receive a TEXAS grant, in the event of a hardship or for other good cause shown, including a showing of a severe illness or other debilitating condition that may affect the person's academic performance or that the person is responsible for the care of a sick, injured, or needy person and that the person's provision of care may affect the person's academic performance, to receive a TEXAS grant:

(1) while enrolled in a number of semester credit hours that is less than the number of semester credit hours required under Subsection (a)(3); or

(2) if the student's grade point average or completion rate falls below the satisfactory academic progress requirements of Subsection (e). [~~The coordinating board may not allow a person to receive a TEXAS grant while enrolled in fewer than six semester credit hours.~~]"

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

RECORD OF VOTE

Senator Nelson asked to be recorded as voting "Nay" on the adoption of Committee Amendment No. 1.

Senator West offered the following committee amendment to the bill:

Committee Amendment No. 2

Amend **SB 1007** as follows:

On page 2, between lines 15 and 16, insert the following new SECTION ____ and renumber the subsequent sections accordingly:

"SECTION ____ . Section 56.307(f), Education Code, as added by Chapter 1590, Acts of the 76th Legislature, Regular Session, 1999, is amended to read as follows:

(f) The amount of a TEXAS grant may not be reduced by any gift aid for which the person receiving the grant is eligible, unless the total amount of a person's grant plus any gift aid received exceeds the student's financial need [~~total cost of attendance at an eligible institution~~]."

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 1007 as amended was passed to engrossment by a viva voce vote.

SENATE BILL 1007 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 1007** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 0. (Same as previous roll call)

(President in Chair)

CONFERENCE COMMITTEE ON HOUSE BILL 1365

Senator Harris called from the President's table, for consideration at this time, the request of the House for a conference committee to adjust the differences between the two Houses on **HB 1365** and moved that the request be granted.

The motion prevailed without objection.

The President asked if there were any motions to instruct the conference committee on **HB 1365** before appointment.

There were no motions offered.

Accordingly, the President announced the appointment of the following conferees on the part of the Senate on the bill: Senators Harris, Chair; Armbrister, Averitt, Jackson, and Ogden.

SENATE RESOLUTION 792

Senator Zaffirini offered the following resolution:

WHEREAS, In observance of Mother's Day, May 11, 2003, the Senate of the State of Texas takes great pride in recognizing the mothers of the members of this distinguished body, mothers who work at the Senate, mothers of all Senate staff members and mothers across the state; and

WHEREAS, Tributes to mothers have spanned many cultures throughout human history; the Greeks dedicated their annual spring festival to Rhea, mother of many deities, and the Romans made offerings to the Great Mother of Gods, Cybele; in England, the Christian commemoration of Mary, mother of Christ, was expanded to include all mothers and was called Mothering Day; and

WHEREAS, In our nation, Mother's Day had its beginnings nearly 150 years ago when an Appalachian homemaker, Anna Jarvis, organized a Mother's Work Day; after her death in 1905, her daughter, also named Anna, distributed white carnations to honor her mother during a church service; she lobbied politicians to create a special day in honor of mothers, and in 1914, President Woodrow Wilson signed a bill recognizing Mother's Day as a national holiday; and

WHEREAS, The second Sunday of May was established as Mother's Day, and celebrations and activities in honor of the day flourished in our country; and

WHEREAS, It is indeed fitting for the senators to honor their mothers, all mothers associated with the Senate and mothers throughout the state on Mother's Day in recognition of the extraordinary contributions mothers make to society; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 78th Legislature, hereby pay tribute to our own mothers and mothers and mothers-to-be all across the state on the grand occasion of Mother's Day.

ZAFFIRINI
NELSON
SHAPIRO
VAN DE PUTTE

The resolution was read and was adopted without objection.

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator Staples 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 the following bills today: **SB 319, SB 1243.**

PERMISSION TO INTRODUCE BILL

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 bill: **SB 1949.**

The motion prevailed by the following vote: Yeas 28, Nays 0.

Absent-excused: Carona, Estes, Gallegos.

**SENATE RULE 7.12(a) SUSPENDED
(Printing of Bills)**

On motion of Senator Harris and by unanimous consent, Senate Rule 7.12(a) was suspended for the following bill and the committee report was ordered not printed: **HB 1156**.

HOUSE BILL 1378 RECOMMITTED

On motion of Senator Armbrister and by unanimous consent, **HB 1378** was recommitted to the Committee on Natural Resources.

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator Armbrister and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Natural Resources might meet and consider **SB 1947** today.

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator Fraser and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Business and Commerce might meet and consider **SB 675** today.

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator Harris and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Administration might meet and consider **SB 1942** today.

MOTION TO ADJOURN

On motion of Senator Whitmire and by unanimous consent, the Senate at 12:28 p.m. agreed to adjourn, upon completion of the introduction of bills and resolutions on first reading, until 1:30 p.m. Monday, May 12, 2003.

**SENATE RULE 11.13 SUSPENDED
(Consideration of Bills in Committees)**

On motion of Senator Wentworth and by unanimous consent, Senate Rule 11.13 was suspended to grant all committees permission to meet while the Senate was meeting today.

SENATE BILL ON FIRST READING

The following bill was introduced, read first time, and referred to the committee indicated:

SB 1949 by Harris

Relating to the cancer registry.

To Committee on Health and Human Services.

HOUSE BILLS AND RESOLUTIONS ON FIRST READING

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

- HB 249** to Committee on Intergovernmental Relations.
- HB 469** to Committee on Education.
- HB 494** to Committee on Jurisprudence.
- HB 532** to Committee on Criminal Justice.
- HB 573** to Committee on Veteran Affairs and Military Installations.
- HB 577** to Committee on Education.
- HB 599** to Committee on Government Organization.
- HB 638** to Committee on Natural Resources.
- HB 722** to Committee on Intergovernmental Relations.
- HB 749** to Committee on Infrastructure Development and Security.
- HB 820** to Committee on Jurisprudence.
- HB 875** to Committee on Criminal Justice.
- HB 924** to Committee on Natural Resources.
- HB 942** to Committee on Natural Resources.
- HB 943** to Committee on Infrastructure Development and Security.
- HB 1036** to Committee on Criminal Justice.
- HB 1087** to Committee on Intergovernmental Relations.
- HB 1129** to Committee on Intergovernmental Relations.
- HB 1338** to Committee on Business and Commerce.
- HB 1387** to Committee on Intergovernmental Relations.
- HB 1422** to Committee on Infrastructure Development and Security.
- HB 1460** to Committee on Intergovernmental Relations.
- HB 1538** to Committee on Government Organization.
- HB 1583** to Committee on Jurisprudence.
- HB 1594** to Committee on Natural Resources.
- HB 1619** to Committee on Education.
- HB 1622** to Committee on Infrastructure Development and Security.
- HB 1633** to Committee on Administration.
- HB 1653** to Committee on International Relations and Trade.
- HB 1702** to Committee on Administration.
- HB 1730** to Committee on Administration.
- HB 1733** to Committee on Infrastructure Development and Security.
- HB 1765** to Committee on Natural Resources.
- HB 1773** to Committee on Intergovernmental Relations.
- HB 1797** to Committee on State Affairs.
- HB 1798** to Committee on State Affairs.
- HB 1799** to Committee on State Affairs.
- HB 1800** to Committee on State Affairs.
- HB 1838** to Committee on Criminal Justice.
- HB 1873** to Committee on Intergovernmental Relations.
- HB 1875** to Committee on Administration.
- HB 1945** to Committee on Jurisprudence.
- HB 2029** to Committee on Intergovernmental Relations.

HB 2044 to Committee on Natural Resources.
HB 2063 to Committee on Intergovernmental Relations.
HB 2076 to Committee on Intergovernmental Relations.
HB 2085 to Committee on State Affairs.
HB 2129 to Committee on Infrastructure Development and Security.
HB 2147 to Committee on Intergovernmental Relations.
HB 2242 to Committee on Administration.
HB 2252 to Committee on Natural Resources.
HB 2299 to Committee on Infrastructure Development and Security.
HB 2313 to Committee on Intergovernmental Relations.
HB 2377 to Committee on Infrastructure Development and Security.
HB 2386 to Committee on Intergovernmental Relations.
HB 2414 to Committee on Finance.
HB 2453 to Committee on Intergovernmental Relations.
HB 2472 to Committee on Infrastructure Development and Security.
HB 2493 to Committee on Administration.
HB 2500 to Committee on Infrastructure Development and Security.
HB 2582 to Committee on Administration.
HB 2588 to Committee on Jurisprudence.
HB 2609 to Committee on Health and Human Services.
HB 2662 to Committee on Natural Resources.
HB 2678 to Committee on Intergovernmental Relations.
HB 2679 to Committee on Administration.
HB 2692 to Committee on Health and Human Services.
HB 2701 to Committee on Business and Commerce.
HB 2764 to Committee on Intergovernmental Relations.
HB 2765 to Committee on Administration.
HB 2785 to Subcommittee on Agriculture.
HB 2799 to Committee on Intergovernmental Relations.
HB 2829 to Committee on Criminal Justice.
HB 2905 to Committee on Infrastructure Development and Security.
HB 2924 to Committee on Intergovernmental Relations.
HB 2937 to Committee on Jurisprudence.
HB 2952 to Committee on Administration.
HB 2961 to Committee on Intergovernmental Relations.
HB 2971 to Committee on Infrastructure Development and Security.
HB 3028 to Committee on Natural Resources.
HB 3030 to Committee on Natural Resources.
HB 3070 to Committee on Jurisprudence.
HB 3102 to Committee on Intergovernmental Relations.
HB 3109 to Committee on State Affairs.
HB 3174 to Committee on Health and Human Services.
HB 3191 to Committee on Infrastructure Development and Security.
HB 3193 to Committee on Health and Human Services.
HB 3214 to Committee on Natural Resources.
HB 3237 to Committee on State Affairs.

HB 3304 to Committee on Jurisprudence.
HB 3322 to Committee on Jurisprudence.
HB 3371 to Committee on Intergovernmental Relations.
HB 3384 to Committee on Jurisprudence.
HB 3460 to Committee on Health and Human Services.
HB 3468 to Committee on Criminal Justice.
HB 3491 to Committee on Administration.
HB 3503 to Committee on Jurisprudence.
HB 3520 to Committee on Criminal Justice.
HB 3555 to Committee on Administration.
HB 3559 to Committee on Natural Resources.
HB 3560 to Committee on Natural Resources.
HB 3561 to Committee on Intergovernmental Relations.
HB 3563 to Committee on Natural Resources.
HB 3564 to Committee on Infrastructure Development and Security.
HB 3592 to Committee on Intergovernmental Relations.
HB 3603 to Committee on Jurisprudence.
HCR 103 to Committee on Health and Human Services.
HCR 156 to Committee on Veteran Affairs and Military Installations.
HJR 85 to Committee on Business and Commerce.

HOUSE BILL 1887 REREFERRED

Senator Ratliff submitted a Motion In Writing requesting that **HB 1887** be withdrawn from the Subcommittee on Higher Education and rereferred to the Committee on Education.

The Motion In Writing prevailed without objection.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolution

SR 790 by Wentworth, In memory of Everett Lawley, Jr., of San Antonio.

Congratulatory Resolutions

SR 781 by Estes, Congratulating William K. Daniel of Wichita Falls for his induction into the Texas Restaurant Association Hall of Honor.

SR 782 by Nelson, Commending David Doyle and other members of the armed forces who are serving in Operation Iraqi Freedom.

SR 783 by Nelson, Commending Chasen Shirley and other members of the armed forces who are serving in Operation Iraqi Freedom.

SR 784 by Nelson, Commending Brian Wesley and other members of the armed forces who are serving in Operation Iraqi Freedom.

SR 785 by Nelson, Commending Spencer Beatty and other members of the armed forces who are serving in Operation Iraqi Freedom.

SR 786 by Nelson, Commending Robbie Eugene Achee and other members of the armed forces who are serving in Operation Iraqi Freedom.

SR 787 by Nelson, Commending Edward R. Palacios and other members of the armed forces who are serving in Operation Iraqi Freedom.

SR 788 by Nelson, Congratulating Roy Stewart of Grapevine for his selection for the Distinguished Friend award.

SR 789 by Wentworth, Commending Joe Marshall Ernst for his military service.

SR 791 by Deuell, Congratulating Abisha Percharia Birdwell, Shaunsa Laquaya Jackson, and Kamesha Lecole Mitchell for being the first debutantes in the Northeast Texas Debutante Presentation.

SR 793 by Gallegos, Recognizing Area 5 Democrats in Pasadena on its 50th anniversary.

SR 794 by Nelson, Commending public health workers for improving the lives of Texans.

SR 796 by Gallegos, Congratulating Benjamin and Teresa de los Santos on their 30th anniversary.

HCR 10 (Carona), Honoring the wrestling team of St. Mark's School of Texas in Dallas on its 500th dual meet win.

(Senator Bivins in Chair)

ADJOURNMENT

Pursuant to a previously adopted motion, the Senate at 12:40 p.m. adjourned until 1:30 p.m. Monday, May 12, 2003.

APPENDIX

COMMITTEE REPORTS

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

May 9, 2003

INTERNATIONAL RELATIONS AND TRADE — **HCR 151**

EDUCATION — **CSSB 474, CSSB 815, CSSB 1444, CSSB 1476, SB 1521**

ADMINISTRATION — **HB 295, HB 655, HB 1156, HB 2031**

GOVERNMENT ORGANIZATION — **CSSB 1819**

BUSINESS AND COMMERCE — **CSHB 1637, CSSB 1176**

CRIMINAL JUSTICE — **CSHB 1849, CSSB 1092, CSSB 1411, CSSB 1678, CSSB 1919, CSSB 1932**

NATURAL RESOURCES — **CSSB 23, CSSB 554, CSSB 1275, CSSB 1480, CSSB 1582, CSSB 1933, CSSB 1935**

BUSINESS AND COMMERCE — **CSSB 1944**

CRIMINAL JUSTICE — **CSSB 1252, CSSB 1406**

JURISPRUDENCE — **HB 883** (Amended), **CSHB 980, CSSB 1551, SB 1923** (Amended), **HB 346** (Amended), **SB 1478** (Amended)

INFRASTRUCTURE DEVELOPMENT AND SECURITY — **HCR 82** (Amended)

STATE AFFAIRS — **SB 1387, SB 588, SR 373, SB 728, SCR 24**

ADMINISTRATION — **HB 3149** (Amended), **HB 1306** (Amended)

VETERAN AFFAIRS AND MILITARY INSTALLATIONS — **CSHB 545**

BUSINESS AND COMMERCE — **HB 941**

ADMINISTRATION — **SB 1942**

