

# SENATE JOURNAL

EIGHTY-FIFTH LEGISLATURE — FIRST CALLED SESSION

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AUSTIN, TEXAS

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PROCEEDINGS

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**FOURTH DAY**

(Monday, July 24, 2017)

The Senate met at 9:07 a.m. pursuant to adjournment and was called to order by the President.

The roll was called and the following Senators were present: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

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

Dr. Rick Scarborough, Vision America, Lufkin, offered the invocation as follows:

Our Father which art in heaven, blessed be Your name. We approach Your throne to request Your presence over the affairs which this august body of elected Senators will discuss and debate this day. We beseech Thee for Your favor and wisdom and guidance, that what transpires might reflect our sincere desire to be a pleasure to You. Father, I succinctly request that Texas continue to be an example to the nation and world of a people who honor You, protect the most innocent and helpless among us, and flourishes in the prosperity which flows from Your divine favor and grace. May we like Jabez of old see Your blessings flow in abundance, our wealth and influence increase, and our hearts reflect that we know and understand it all comes from You. In Jesus' name, I pray. Amen.

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

The motion prevailed without objection.

## **PHYSICIAN OF THE DAY**

Senator Watson was recognized and presented Dr. Larry Kravitz of Austin, accompanied by Kevin Shi, as the Physician of the Day.

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

### GUESTS PRESENTED

Senator Campbell was recognized and introduced to the Senate Texas Society, Sons of the American Revolution representatives: President John Beard, Patrick Henry Chapter Past President Wayne Courreges, Patrick Henry Chapter Past President James Nelson, William Hightower Chapter President Stu Hoyt, Patrick Henry Chapter Color Guard Commander Robert Hites, and Patrick Henry Chapter President James Clements.

The Senate welcomed its guests.

### GUESTS PRESENTED

Senator Watson, joined by Senators Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, West, Whitmire, and Zaffirini, was recognized and introduced to the Senate family members of Bakari Henderson: mother, Jill Henderson; father, Philbert Henderson; brother, Philbert Henderson Jr.; sister, Jory Henderson; and grandmother, Shirley Dawkins, joined by aunts, uncles, cousins, and friends.

The Senate welcomed its guests and extended its sympathy.

### REMARKS ORDERED PRINTED

On motion of Senator Whitmire and by unanimous consent, the remarks by Senator Watson regarding Bakari Henderson were ordered reduced to writing and printed in the *Senate Journal* as follows:

Thank you, Mr. President. Mr. President and Members, I'd like to take a moment today so that we can talk about Bakari Henderson. I'm sure that many of you, if not all of you, saw the reports recently where this young man was tragically killed in Greece, tragically and brutally lost his life just a few short weeks ago in Greece. In fact, Bakari passed on July 7th of this year at the age of 22. Bakari was one of our own. In fact, he served the State of Texas, both as a messenger here in the Senate and also as an intern for Speaker Joe Straus. He was born April 13, 1995, here in Austin. He attended Austin's Anderson High School and went on to become a distinguished graduate at Hyde Park Baptist High School in 2013 with a grade point average of 4.0. He was a star athlete. He was an avid sportsman. He excelled in tennis and soccer, and he was recognized for First Team All-District honors in basketball. He was also a leader in promoting youth basketball in our area, and he served as a referee in football and basketball leagues for various age groups. As I go through this, you will see this was a model young man. He received a full National Achievement Academic Scholarship to attend the University of Arizona, where he was in the Eller College of Management, the Honors College, and he was an accomplished member of the National Honor Society and earned a Bachelor of Science degree in Business Finance and Entrepreneurship and a Certificate of Sports Management on May 12th of this year. His

scholarship, his ambition, his sense of honor, his pursuit of excellence were recognized and embraced. He was quickly selected during his freshman year to become a member of the brotherhood of Phi Gamma Delta, and he was an active and exemplary FIJI throughout his tenure at the University of Arizona. The truth is, Bakari had just begun to make his plans for his future. He consistently volunteered his time to support the Capital Area Food Bank here in Austin, the Ronald McDonald House, and he shared his passion for the game of basketball by serving as a practice player for the University of Arizona Wildcats Pac-12 Conference women's basketball team. He distinguished himself as a big thinker. He was selected for numerous initiatives, including the Stanford University LEAD America Business Entrepreneur Program, where he collaborated with top-level executives in the Silicon Valley. And he was also selected to be part of the China-Europe International Business School Pre-MBA Boot Camp, which afforded him the opportunity to develop business strategies in support of his international career aspirations. And he did have international career aspirations. He had an ultimate plan of building a multifaceted, international business enterprise. And he was an enthusiastic traveler, who at that young age had been to China, where he visited Shanghai and Beijing, to Europe, where he had visited England, France, Germany, Greece, Italy, Monaco, and Spain. And during his travels, he enjoyed meeting all the people he could, making business connections that he intended to use in the future. And you know, at one point, he even experienced the exhilaration of being at Wimbledon and the Union of European Football Associations Champions League soccer finals. Bakari was part of a very strong family who loved him deeply. We are joined today in the gallery by many members of his family. His mother, Jill Henderson, is here with us; his father, Phil Henderson; a brother, P. J. Henderson, is with us; his sister, Jory Henderson; grandmother, Shirley Dawkins; many aunts, uncles, cousins, and friends are here. We do this to honor your son, your brother, your cousin, your loved one. And on behalf of the entire Senate, let me say that we feel your pain, and we, as the Senate of the State of Texas, are with you in this time of great grief. And when we adjourn this legislative day, finally, we will adjourn in honor of Bakari Henderson, because it's the right thing for us to do. Members, I hope you will join me in welcoming this wonderful family and honoring Bakari Henderson.

### SENATE RESOLUTION 43

Senator Huffines offered the following resolution:

**SR 43**, In memory of Joshua Michael Snowden.

The resolution was read.

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

On motion of Senator Huffines, **SR 43** was adopted by a rising vote of the Senate.

In honor of the memory of Joshua Michael Snowden, the text of the resolution will be printed in the *Senate Journal* upon adjournment of this legislative day.

### RECESS

On motion of Senator Whitmire, the Senate at 9:29 a.m. recessed until 10:30 a.m. today.

### AFTER RECESS

The Senate met at 12:51 p.m. and was called to order by the President.

### INTRODUCTION OF BILLS AND RESOLUTIONS POSTPONED

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

There was no objection.

### CONCLUSION OF MORNING CALL

The President at 12:54 p.m. announced the conclusion of morning call.

### SENATE BILL 17 ON SECOND READING

The President laid before the Senate **SB 17** by Senator Kolkhorst at this time on its second reading:

**SB 17**, Relating to maternal health and safety, pregnancy-related deaths, and maternal morbidity, including postpartum depression.

The bill was read second time.

### (Senator Hancock in Chair)

Senator Menéndez offered the following amendment to the bill:

#### Floor Amendment No. 1

Amend **SB 17** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in amended Section 34.005(1)(C), Health and Safety Code, strike "34.015; and" and substitute "34.015;".

(2) In SECTION 1 of the bill, immediately following amended Section 34.005(1)(D), Health and Safety Code, insert the following:

and

(E) expanding health benefit plan coverage to include maternal morbidity and severe maternal morbidity;

The amendment to **SB 17** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

**Floor Amendment No. 2**

Amend **SB 17** (senate committee report) as follows:

(1) In the recital to SECTION 4 of the bill, between "Sections" and "34.0155", insert "34.0145,".

(2) In SECTION 4 of the bill, between the recital and added Section 34.0155, Health and Safety Code, insert the following:

Sec. 34.0145. STAFFING. The commission shall provide the personnel necessary, as determined by the task force, for the task force to accomplish the duties assigned by this chapter.

The amendment to **SB 17** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Miles offered the following amendment to the bill:

**Floor Amendment No. 3**

Amend **SB 17** (introduced version) by adding the following appropriately numbered SECTIONS to the bill and renumbering SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Chapter 34, Health and Safety Code, is amended by adding Section 34.0055 to read as follows:

Sec. 34.0055. SCREENING AND EDUCATIONAL MATERIALS FOR SUBSTANCE USE. (a) The task force, in coordination with the department, shall:

(1) make available to physicians and other persons licensed or certified to conduct a substance use screening of pregnant women information that includes:

(A) guidance regarding best practices for verbally screening a pregnant woman for substance use using a validated screening tool; and

(B) a list of substance use treatment resources in each geographic region of this state; and

(2) Review and promote the use of educational materials on the consequences of opioid drug use during pregnancy.

(b) The department shall make the information and educational materials described by Subsection (a) available on the department's Internet website.

SECTION \_\_\_\_\_. Not later than June 1, 2018, the Maternal Mortality and Morbidity Task Force, in coordination with the Department of State Health Services, shall develop and make available the information and educational materials described by Section 34.0055, Health and Safety Code, as added by this Act.

The amendment to **SB 17** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

Senator Rodríguez offered the following amendment to the bill:

**Floor Amendment No. 4**

Amend **SB 17** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 32.024, Human Resources Code, is amended by adding Subsection (1-1) to read as follows:

(1-1) The commission shall continue to provide medical assistance to a woman who is eligible for medical assistance for pregnant women for a period of not less than 12 months following the date the woman delivers or experiences an involuntary miscarriage.

The amendment to **SB 17** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

**Floor Amendment No. 5**

Amend **SB 17** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Subchapter B, Chapter 531, Government Code, is amended by adding Section 531.02222 to read as follows:

Sec. 531.02222. REPORT ON PROVIDERS PARTICIPATING IN WOMEN'S HEALTH PROGRAMS. (a) In this section:

(1) "Breast and cervical cancer services program" means a program operated by the commission that provides screening, diagnostic, and other services related to breast and cervical cancer to women in this state.

(2) "Family planning program" means a program operated by the commission that provides health care and core family planning services to individuals in this state.

(3) "Texas women's health program" means a program operated by the commission that is substantially similar to the demonstration project operated under former Section 32.0248, Human Resources Code, and that is intended to expand access to preventive health and family planning services for women in this state.

(b) Not later than December 31 of each even-numbered year, the commission shall prepare and submit a report to the legislature on the registered provider locations participating in the breast and cervical cancer services program, the family planning program, and the Texas women's health program. The report must:

(1) cover the period beginning June 1 occurring three years preceding the year in which the report is due and ending May 31 occurring the year before the year in which the report is due; and

(2) include, for each registered provider location during the period covered by the report:

(A) the number of physicians participating in each program at that location;

(B) the number of individuals seen by each physician participating in a program at that location and the program in which the individuals were treated; and

(C) the number of times a specific individual was treated at that location by a participating physician in each program.

(c) If the breast and cervical cancer services program, the family planning program, or the Texas women's health program is consolidated with another program or otherwise modified, the commission shall include in the report under Subsection (b) the required information for each successor program that provides the same or similar services.

(d) The information provided under Subsection (b) may not include any personally identifying information about an individual.

SECTION \_\_\_\_\_. Not later than December 31, 2018, the Health and Human Services Commission shall provide to the legislature the initial report for the period of June 1, 2015, through May 31, 2017, as required by Section 531.02222, Government Code, as added by this Act, notwithstanding Section 531.02222(b)(1), Government Code, as added by this Act.

The amendment to **SB 17** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodriguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

### **Floor Amendment No. 6**

Amend **SB 17** (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Subchapter A, Chapter 32, Health and Safety Code, is amended by adding Section 32.022 to read as follows:

Sec. 32.022. CESAREAN SECTION GUIDELINES AND TRAINING. (a) The commission, in coordination with the department, shall develop guidelines and training relating to the performance of cesarean sections on pregnant women to reduce the number of unnecessary cesarean section procedures performed in this state.

(b) The commission may make any change to the medical assistance program established under Chapter 32, Human Resources Code, the commission determines necessary to implement the guidelines and training established under Subsection (a).

(c) The commission may require a health care provider to report to the commission the number of cesarean section procedures performed by the provider.

(d) In developing the guidelines and training under Subsection (a), the commission shall consult with:

(1) at least one community organization that primarily assists with the reproductive health issues of women recognized as a racial or ethnic minority or as economically disadvantaged;

(2) a professional organization of physicians;

(3) a professional organization of nurses;

(4) a professional organization of midwives;

(5) an organization of hospitals; and

(6) the Maternal Mortality and Morbidity Task Force.

The amendment to **SB 17** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

#### **Floor Amendment No. 7**

Amend **SB 17** (senate committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Subchapter B, Chapter 32, Health and Safety Code, is amended by adding Section 32.046 to read as follows:

Sec. 32.046. POSTPARTUM DEPRESSION STRATEGIC PLAN. (a) In this section, "postpartum depression" means a disorder with postpartum onset that is categorized as a mood disorder by the American Psychiatric Association in the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), or a subsequent edition adopted by rule by the executive commissioner.

(b) The executive commissioner shall develop and the department shall implement a five-year strategic plan to improve access to postpartum depression screening, referral, treatment, and support services. Not later than September 1 of the last fiscal year in each five-year period, the executive commissioner shall develop a new strategic plan for the next five fiscal years beginning with the following fiscal year.

(c) The strategic plan required under this section must provide strategies to:

(1) increase awareness among state-administered program providers who may serve women who are at risk of or are experiencing postpartum depression about the prevalence and effects of postpartum depression on outcomes for women and children;

(2) establish a referral network of community-based mental health providers and support services addressing postpartum depression;



(3) increase women's access to formal and informal peer support services, including access to certified peer specialists who have received additional training related to postpartum depression;

(4) raise public awareness of and reduce the stigma related to postpartum depression; and

(5) leverage sources of funding to support existing community-based postpartum depression screening, referral, treatment, and support services.

(d) The executive commissioner shall coordinate with the statewide health coordinating council, the office of mental health coordination, and the statewide behavioral health coordinating council in developing the strategic plan under this section.

(e) The executive commissioner shall update annually the strategic plan developed under this section.

SECTION \_\_\_\_\_. Not later than September 1, 2018, the executive commissioner of the Health and Human Services Commission shall develop the initial strategic plan required by Section 32.046, Health and Safety Code, as added by this Act.

The amendment to **SB 17** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

### **Floor Amendment No. 8**

Amend **SB 17** (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering accordingly the SECTIONS of the bill:

SECTION \_\_\_\_\_. Subchapter D, Chapter 1001, Health and Safety Code, is amended by adding Section 1001.0712 to read as follows:

Sec. 1001.0712. CAUSE OF DEATH DATA IMPROVEMENT. (a) Not later than December 1 of each even-numbered year, the department shall submit to the governor, lieutenant governor, speaker of the house of representatives, and appropriate standing committees of the legislature a report on the processes and procedures for collecting cause of death information, including any challenges to collecting accurate information relating to maternal mortality.

(b) In preparing the report, the department may examine:

(1) issues relating to the quality of the death information being collected, including the accuracy and completeness of the information;

(2) the role of medical certifiers in death information collection;

(3) the perceptions of the individuals collecting the death information regarding the information's integrity;

(4) the training required for the individuals collecting death information;

and

(5) the structural, procedural, and technological issues of collecting the information.

(c) The department, in consultation with the Maternal Mortality and Morbidity Task Force, shall examine national standards regarding the collection of death information and may convene a panel of experts to advise the department and the task force in developing recommendations for improving the collection of accurate information related to cause of death.

(d) The report may be included as part of another report the department is required to submit to the legislature.

(e) This section expires September 1, 2021.

The amendment to **SB 17** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 8.

Senator Rodríguez offered the following amendment to the bill:

### **Floor Amendment No. 9**

Amend **SB 17** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_. Chapter 62, Health and Safety Code, is amended by adding Subchapter E to read as follows:

#### SUBCHAPTER E. CHIP PERINATAL PROGRAM

Sec. 62.201. DEFINITION. In this subchapter, "postpartum depression" means a disorder with postpartum onset that is categorized as a mood disorder by the American Psychiatric Association in the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), or a subsequent edition adopted by rule by the executive commissioner.

Sec. 62.202. COVERAGE FOR CERTAIN SERVICES REQUIRED. (a) The covered services under the CHIP perinatal program must include, for each woman who gives birth to a child who is enrolled in the CHIP perinatal program before birth, screening and treatment for postpartum depression for the 12-month period after the date the woman gives birth to the child.

(b) The coverage for postpartum depression provided under Subsection (a):

(1) must provide mental health services to a woman regardless of whether the woman has been found to be a danger to herself or others; and

(2) may not place an arbitrary or artificial limit on the amount of services that may be provided.

(c) The executive commissioner shall adopt rules necessary to implement this section.

SECTION \_\_\_\_. Section 32.024, Human Resources Code, is amended by adding Subsection (1-1) to read as follows:

(1-1) The commission shall continue to provide medical assistance to a woman who is eligible for medical assistance for pregnant women for a period of not less than 12 months following the date the woman gives birth.

SECTION \_\_\_\_\_. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.02491 to read as follows:

Sec. 32.02491. SERVICES RELATED TO POSTPARTUM DEPRESSION. (a) For purposes of this section, "postpartum depression" means a disorder with postpartum onset that is categorized as a mood disorder by the American Psychiatric Association in the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5), or a subsequent edition adopted by rule by the executive commissioner.

(b) The commission shall provide to a woman who receives medical assistance benefits during a pregnancy screening and treatment for postpartum depression for the 12-month period after the date the woman gives birth.

(c) The commission shall provide mental health services to a woman under Subsection (b) regardless of whether the woman has been found to be a danger to herself or others.

(d) The commission may not place an arbitrary or artificial limit on the amount of services that may be provided under Subsection (b).

(e) The executive commissioner shall adopt rules necessary to implement this section.

SECTION \_\_\_\_\_. As soon as practicable after the effective date of this Act, the executive commissioner of the Health and Human Services Commission shall develop and seek a waiver or other appropriate authorization from the Centers for Medicare and Medicaid Services to extend the number of postpartum visits a woman may receive under the CHIP perinatal program in order to implement Section 62.202, Health and Safety Code, as added by this Act.

#### **(President in Chair)**

The amendment to **SB 17** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

**SB 17** as amended was passed to engrossment by the following vote: Yeas 31, Nays 0.

#### **MOTION TO PLACE SENATE BILL 17 ON THIRD READING**

Senator Kolkhorst moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **SB 17** be placed on its third reading and final passage.

The motion was lost by the following vote: Yeas 20, Nays 11. (Not receiving four-fifths vote of Members present)

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Nays: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

### SENATE BILL 2 ON SECOND READING

The President laid before the Senate **SB 2** by Senator Taylor of Galveston at this time on its second reading:

**SB 2**, Relating to public school finance, including the establishment of a tax credit scholarship and educational expense assistance program.

The bill was read second time.

**(Senator Huffman in Chair)**

**(Senator Taylor of Collin in Chair)**

**(Senator Huffman in Chair)**

**(President in Chair)**

Senator Taylor of Galveston offered the following amendment to the bill:

#### Floor Amendment No. 1

Amend **SB 2** (senate committee report) in SECTION 2 of the bill as follows:

(1) In added Section 42.455, Education Code (page 2, line 52), between "in" and "average", insert "weighted".

(2) In added Section 42.455, Education Code (page 2, line 54), strike "110" and substitute "120".

(3) In added Section 42.455, Education Code (page 2, line 56), between "in" and "average", insert "weighted".

The amendment to **SB 2** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Taylor of Galveston offered the following amendment to the bill:

#### Floor Amendment No. 2

Amend **SB 2** (senate committee report) in SECTION 2 of the bill as follows:

(1) In added Section 42.452, Education Code (page 2, between lines 41 and 42), insert the following:

(e) If the commissioner reapplies the formula in accordance with Subsection (d), a school district that was ineligible under Section 42.455 for a grant during the initial application of the formula for that school year is eligible to receive a grant as a result of the formula reapplication.

(2) In added Section 42.455, Education Code (page 2, line 49), strike "A" and substitute "Except as provided by Section 42.452(e), a".

The amendment to **SB 2** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Garcia offered the following amendment to the bill:

### Floor Amendment No. 3

Amend **SB 2** (senate committee report) in SECTION 1 of the bill as follows:

(1) In the recital (page 1, line 25), strike "Subsection (d)" and substitute "Subsections (d) and (e)".

(2) In added Section 12.106(d), Education Code (page 1, line 27), strike "In" and substitute "Subject to Subsection (e), in".

(3) Immediately following added Section 12.106(d), Education Code (page 1, between lines 37 and 38), insert the following:

(e) A charter holder is entitled to receive funding under Subsection (d) only if the most recent overall performance rating assigned to the open-enrollment charter school under Subchapter C, Chapter 39, reflects at least acceptable performance.

The amendment to **SB 2** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

Senator Rodríguez offered the following amendment to the bill:

### Floor Amendment No. 4

Amend **SB 2** (senate committee printing) as follows:

(1) Strike SECTIONS 4, 5, 6, 7, and 8 of the bill (page 3, line 38, through page 10, line 66).

(2) Strike SECTION 10 of the bill (page 11, lines 17-24) and substitute the following appropriately numbered SECTION:

SECTION \_\_\_\_\_. Except as otherwise provided by this Act:

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

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect December 1, 2017.

(3) Renumber the SECTIONS of the bill accordingly.

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Nichols, Perry, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

### Floor Amendment No. 5

Amend **SB 2** (senate committee printing) as follows:

(1) In SECTION 4 of the bill, strike added Section 230.001(1), Insurance Code (page 3, lines 44-61) and substitute the following:

(1) "Educational assistance organization" means an organization that:

(A) has the ability according to the organization's charter to pay educational expenses for eligible students in public elementary or secondary schools located in this state; and

(B) uses part of its annual revenue for the purpose provided by Paragraph (A).

(2) In SECTION 4 of the bill, in the heading to added Subchapter B, Chapter 230, Insurance Code (page 4, line 11), strike "SCHOLARSHIP AND".

(3) In SECTION 4 of the bill, strike added Section 230.051(b), Insurance Code (page 4, line 18, through page 5, line 11), and substitute the following:

(b) To be eligible for certification, the organization:

(1) must:

(A) be exempt from federal tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(3) of that code;

(B) be in good standing with the state;

(C) be located in the state;

(D) allocate at least 90 percent of its annual revenue from contributions that are designated for educational expense assistance for eligible students under this chapter for assistance for educational expenses, including tuition, transportation, instructional materials, and other supplies, and for other related educational expense assistance as described by this section;

(E) award assistance for qualifying educational expenses to eligible students who demonstrate the greatest financial and academic need;

(F) agree to give each donor a receipt for money contributed to the organization that includes the name of the organization, the name of the donor, the amount of the contribution, the information required by Section 230.054(c), and any other information required by the comptroller;

(G) demonstrate experience and technical expertise in accepting, processing, and tracking applications for educational expense assistance;

(H) agree to be independently audited on an annual basis and file the audit with the comptroller; and

(I) disburse within two academic years of receipt contributions received from and designated by entities for educational expense assistance under this chapter; and

(2) may not:

(A) pay educational expenses incurred only at a particular school; and

(B) provide to a student educational expense assistance in excess of the amount provided under Section 230.055, unless the money used to provide the portion of the assistance in excess of that amount was contributed by a person other than an entity that notifies the organization under Section 230.054(c) that the entity may apply for a tax credit for the contribution, including assistance for:

(i) facility fees;

(ii) instructional materials;

(iii) school supplies;

(iv) tutoring;

(v) academic after-school programs;

(vi) school or lab fees;

(vii) before-school or after-school child care; and

(viii) transportation expenses, including the cost to transfer from one public school to another.

(4) In SECTION 4 of the bill, strike added Sections 230.0512, 230.052, and 230.053, Insurance Code (page 5, line 54, through page 6, line 54).

(5) In SECTION 4 of the bill, strike added Section 230.0532, Insurance Code (page 7, lines 4-30).

(6) In SECTION 4 of the bill, in added Section 230.054(a), Insurance Code (page 7, line 34), strike "scholarships or".

(7) In SECTION 4 of the bill, in added Section 230.054(b)(2), Insurance Code (page 7, lines 41 and 42), strike "a scholarship or".

(8) In SECTION 4 of the bill, strike added Section 230.055, Insurance Code (page 7, lines 53-69), and substitute the following:

Sec. 230.055. LIMIT ON AMOUNT OF EDUCATIONAL EXPENSE ASSISTANCE. The maximum educational expense assistance the certified educational assistance organization may award to a student under this chapter using money contributed by an entity that notifies the organization under Section 230.054(c) that the entity may apply for a tax credit for the contribution may not exceed \$500 for the 2019 state fiscal year, increased by five percent each subsequent year.

(9) In SECTION 4 of the bill, strike added Section 230.057, Insurance Code (page 8, lines 36-49).

(10) Strike SECTION 7 of the bill (page 10, lines 59-63) and renumber the SECTIONS of the bill accordingly.

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodriguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

### **Floor Amendment No. 6**

Amend **SB 2** (senate committee printing), in SECTION 4 of the bill, as follows:

(1) In added Section 230.052, Insurance Code (page 5, line 62), strike "REQUIREMENTS." and substitute "REQUIREMENTS AND ACCOUNTABILITY. (a)".

(2) In added Section 230.052, Insurance Code (page 6, lines 4-7), strike Subdivision (2) and substitute the following:

(2) annual administration of the appropriate assessment instruments required under Section 39.023, Education Code, and receipt of an acceptable annual campus performance rating assigned by the commissioner of education under Section 39.054, Education Code;

(3) In added Section 230.052, Insurance Code (page 6, between lines 14 and 15), insert the following:

(b) A nonpublic school that enrolls a student who receives a scholarship under this chapter must:

(1) submit to the Texas Education Agency any information necessary to permit the commissioner of education to assign the school an annual campus performance rating under Section 39.054, Education Code; and

(2) comply with any requirement of the commissioner of education or the Texas Education Agency for the assignment of the campus performance rating in the manner in which an independent school district or public school must comply with the requirement.

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Menéndez offered the following amendment to the bill:

#### **Floor Amendment No. 7**

Amend **SB 2** (senate committee printing) in SECTION 4 of the bill as follows:

(1) Strike added Sections 230.052(3) and (4), Insurance Code (page 6, lines 8 through 14), and substitute the following:

(3) valid certificate of occupancy;

(4) policy statements regarding:

(A) admissions;

(B) curriculum;

(C) safety;

(D) food service inspection; and

(E) student to teacher ratios; and

(5) in regard to students receiving scholarships and attending the school, the school's agreement to comply with federal and state laws regarding the provision of educational services to students with disabilities in the same manner that a public school is required to comply.

(2) Strike added Section 230.0532, Insurance Code (page 7, lines 4 through 30), and substitute the following:

Sec. 230.0532. NOTICE TO CERTAIN PARENTS. The certified educational assistance organization shall ensure that information about assistance under this chapter is readily available to the public through various sources, including the organization's Internet website. The information made available through the organization's Internet website must include a notice that:

(1) states that a nonpublic school that accepts a student receiving a scholarship agrees to comply with laws regarding the provision of educational services to students with disabilities in the same manner that a public school is



required to comply, and a student with a disability receiving a scholarship and attending a nonpublic school is entitled to receive the same services a student with a disability attending a public school is entitled to receive under federal and state law; and

(2) provides information regarding rights to which a student with a disability is entitled under federal and state law if the student attends a public school or the student receives a scholarship and attends a nonpublic school, including:

(A) rights provided under the Individuals with Disabilities Education Act (20 U.S.C. Section 1400 et seq.), including:

(i) an individualized education program;

(ii) educational services provided in the least restrictive environment;

(iii) instruction from certified teachers;

(iv) due process hearings to ensure proper and full implementation of an individualized education program;

(v) transition and planning services; and

(vi) supplementary aids and services;

(B) rights provided under Subchapter A, Chapter 29, Education Code; and

(C) other rights provided under federal or state law.

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Garcia offered the following amendment to the bill:

### **Floor Amendment No. 8**

Amend **SB 2** (senate committee printing) in SECTION 4 of the bill, following added Section 230.053(e), Insurance Code (page 6, between lines 54 and 55), by inserting the following:

(f) A nonpublic school may not enroll a student who is awarded a scholarship under this chapter unless the nonpublic school:

(1) provides to the student's parent a written notice, in the primary language spoken by the parent, describing all expenses other than tuition required for the student to attend the nonpublic school; and

(2) receives from the parent a signed copy of the notice under Subdivision (1).

The amendment to **SB 2** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 8.

Senator Garcia offered the following amendment to the bill:

**Floor Amendment No. 9**

Amend **SB 2** (senate committee printing) in SECTION 4 of the bill, following added Section 230.0532, Insurance Code (page 7, between lines 30 and 31), by inserting the following:

Sec. 230.0533. RANDOM AUDITING OF SCHOLARSHIP AND EDUCATIONAL EXPENSE ASSISTANCE RECIPIENTS. (a) The comptroller shall contract with a private entity to randomly audit recipients of scholarships and educational expense assistance as necessary to ensure compliance with applicable law and the requirements of this chapter.

(b) In auditing a scholarship or educational expense assistance recipient, the comptroller or private entity may require that the recipient provide additional information and documentation regarding any payment made using scholarship or educational expense assistance funds.

(c) The private entity shall report to the comptroller any violation of this chapter or other relevant law found by the entity during an audit conducted under this section.

The amendment to **SB 2** was read.

Senator Garcia withdrew Floor Amendment No. 9.

Senator Garcia offered the following amendment to the bill:

**Floor Amendment No. 10**

Amend **SB 2** (senate committee printing) in SECTION 4 of the bill as follows:

(1) Strike added Section 230.057, Insurance Code (page 8, lines 36 through 49), and substitute the following:

Sec. 230.057. REPORT OF NET COST IMPACT ON PUBLIC EDUCATION.

(a) In this section, "net cost impact" means any difference in a state fiscal year between:

(1) the amount by which state spending on public education for that year is affected as a result of students receiving scholarships and educational expense assistance from the certified educational assistance organization under this chapter; and

(2) the amount by which state revenue derived from Chapters 221, 222, and 224 is affected as a result of tax credits under this chapter.

(b) Not later than December 31 of each even-numbered year, the comptroller shall determine the amount of net cost impact for the previous state fiscal biennium and make available to the public a report of that amount.

(c) If the difference under Subsection (a) is:

(1) positive, the report shall indicate a net savings to public education for the state fiscal year; or

(2) negative, the report shall indicate a net cost to public education for the state fiscal year.

(2) In SECTION 7 of the bill (page 10, line 60), strike "savings" and substitute "cost impact".

(3) In SECTION 7 of the bill (page 10, line 61), strike "savings" and substitute "impact".

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

**Floor Amendment No. 11**

Amend **SB 2** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 42.153(a), Education Code, is amended to read as follows:

(a) For each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.11 ~~[0.1]~~.

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

**Floor Amendment No. 12**

Amend **SB 2** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. The heading to Chapter 41, Education Code, is amended to read as follows:

CHAPTER 41. FOUNDATION SCHOOL PROGRAM ADMINISTRATION  
~~[EQUALIZED WEALTH LEVEL]~~

SECTION \_\_\_\_\_. Section 41.001, Education Code, is amended to read as follows:

Sec. 41.001. DEFINITION ~~[DEFINITIONS]~~. In this chapter, weighted[-

~~[(1) "Equalized wealth level" means the wealth per student provided by Section 41.002.~~

~~[(2) "Wealth per student" means the taxable value of property, as determined under Subchapter M, Chapter 403, Government Code, divided by the number of students in weighted average daily attendance.~~

~~[(3) "Weighted]~~ average daily attendance" has the meaning assigned by Section 42.302.

SECTION \_\_\_\_\_. Section 42.004, Education Code, is transferred to Subchapter A, Chapter 41, Education Code, redesignated as Section 41.002, Education Code, and amended to read as follows:

Sec. 41.002 [~~42.004~~]. ADMINISTRATION OF THE PROGRAM. (a) The commissioner, in accordance with the rules of the State Board of Education, shall take such action and require such reports consistent with this chapter as may be necessary to implement and administer the Foundation School Program.

(b) Except as provided by Subsection (c), the commissioner may adopt rules as necessary to implement this chapter.

(c) The commissioner may not adopt any rule that allows a district to retain state and local revenue under Sections 42.253(a)(2) and (3) in excess of the amount of the district's entitlement under Section 42.253(a)(1).

SECTION \_\_\_\_\_. Section 42.003, Education Code, is transferred to Subchapter A, Chapter 41, Education Code, and redesignated as Section 41.003, Education Code, to read as follows:

Sec. 41.003 [~~42.003~~]. STUDENT ELIGIBILITY. (a) A student is entitled to the benefits of the Foundation School Program if, on September 1 of the school year, the student:

(1) is 5 years of age or older and under 21 years of age and has not graduated from high school, or is at least 21 years of age and under 26 years of age and has been admitted by a school district to complete the requirements for a high school diploma; or

(2) is at least 19 years of age and under 26 years of age and is enrolled in an adult high school diploma and industry certification charter school pilot program under Section 29.259.

(b) A student to whom Subsection (a) does not apply is entitled to the benefits of the Foundation School Program if the student is enrolled in a prekindergarten class under Section 29.153 or Subchapter E-1, Chapter 29.

(c) A child may be enrolled in the first grade if the child is at least six years of age at the beginning of the school year of the district or has been enrolled in the first grade or has completed kindergarten in the public schools in another state before transferring to a public school in this state.

(d) Notwithstanding Subsection (a), a student younger than five years of age is entitled to the benefits of the Foundation School Program if:

(1) the student performs satisfactorily on the assessment instrument administered under Section 39.023(a) to students in the third grade; and

(2) the district has adopted a policy for admitting students younger than five years of age.

SECTION \_\_\_\_\_. Sections 42.005, 42.0051, 42.0052, 42.006, and 42.007, Education Code, are transferred to Subchapter A, Chapter 41, Education Code, redesignated as Sections 41.004, 41.005, 41.006, 41.007, and 41.008, Education Code, and amended to read as follows:

Sec. 41.004 [~~42.005~~]. AVERAGE DAILY ATTENDANCE. (a) In this chapter, average daily attendance is:

(1) the quotient of the sum of attendance for each day of the minimum number of days of instruction as described under Section 25.081(a) divided by the minimum number of days of instruction;

(2) for a district that operates under a flexible year program under Section 29.0821, the quotient of the sum of attendance for each actual day of instruction as permitted by Section 29.0821(b)(1) divided by the number of actual days of instruction as permitted by Section 29.0821(b)(1); or

(3) for a district that operates under a flexible school day program under Section 29.0822, the average daily attendance as calculated by the commissioner in accordance with Sections 29.0822(d) and (d-1).

(b) A school district that experiences a decline of two percent or more in average daily attendance shall be funded on the basis of:

(1) the actual average daily attendance of the preceding school year, if the decline is the result of the closing or reduction in personnel of a military base; or

(2) ~~[subject to Subsection (c);]~~ an average daily attendance not to exceed 98 percent of the actual average daily attendance of the preceding school year, if the decline is not the result of the closing or reduction in personnel of a military base.

(c) The commissioner shall adjust the average daily attendance of a school district that has a significant percentage of students who are migratory children as defined by 20 U.S.C. Section 6399.

(d) Except as provided by Section 41.005(e), the ~~[The]~~ commissioner may adjust the average daily attendance of a school district in which a disaster, flood, extreme weather condition, fuel curtailment, or other calamity has a significant effect on the district's attendance.

(e) ~~[For each school year, the commissioner shall adjust the average daily attendance of school districts that are entitled to funding on the basis of an adjusted average daily attendance under Subsection (b)(2) so that:~~

~~[(1) all districts are funded on the basis of the same percentage of the preceding year's actual average daily attendance; and~~

~~[(2) the total cost to the state does not exceed the amount specifically appropriated for that year for purposes of Subsection (b)(2).]~~

~~[(f)]~~ An open-enrollment charter school is not entitled to funding based on an adjustment under Subsection (b)(2).

(f) ~~[(g)]~~ If a student may receive course credit toward the student's high school academic requirements and toward the student's higher education academic requirements for a single course, including a course provided under Section 28.009 by a public institution of higher education, the time during which the student attends the course shall be counted as part of the minimum number of instructional hours required for a student to be considered a full-time student in average daily attendance for purposes of this section.

(g) ~~[(h)]~~ Subject to rules adopted by the commissioner under Section 41.006(b) ~~[42.0052(b)]~~, time that a student participates in an off-campus instructional program approved under Section 41.006(a) ~~[42.0052(a)]~~ shall be counted as part of the minimum number of instructional hours required for a student to be considered a full-time student in average daily attendance for purposes of this section.

Sec. 41.005 [~~42.0051~~]. AVERAGE DAILY ATTENDANCE FOR DISTRICTS IN DISASTER AREA. (a) From funds specifically appropriated for the purpose or other funds available to the commissioner for that purpose, the commissioner shall adjust the average daily attendance of a school district all or part of which is located in an area declared a disaster area by the governor under Chapter 418, Government Code, if the district experiences a decline in average daily attendance that is reasonably attributable to the impact of the disaster.

(b) The adjustment must be sufficient to ensure that the district receives funding comparable to the funding that the district would have received if the decline in average daily attendance reasonably attributable to the impact of the disaster had not occurred.

(c) The commissioner shall make the adjustment required by this section for the two-year period following the date of the governor's initial proclamation or executive order declaring the state of disaster.

(d) Section 41.004(b)(2) [~~42.005(b)(2)~~] does not apply to a district that receives an adjustment under this section.

(e) A district that receives an adjustment under this section may not receive any additional adjustment under Section 41.004(d) [~~42.005(d)~~] for the decline in average daily attendance on which the adjustment under this section is based.

(f) For purposes of this title, a district's adjusted average daily attendance under this section is considered to be the district's average daily attendance as determined under Section 41.004 [~~42.005~~].

Sec. 41.006 [~~42.0052~~]. OFF-CAMPUS PROGRAMS APPROVED FOR PURPOSES OF AVERAGE DAILY ATTENDANCE. (a) The commissioner may, based on criteria developed by the commissioner, approve instructional programs provided off campus by an entity other than a school district or open-enrollment charter school as a program in which participation by a student of a district or charter school may be counted for purposes of determining average daily attendance in accordance with Section 41.004(g) [~~42.005(h)~~].

(b) The commissioner shall adopt by rule verification and reporting procedures concerning time spent by students participating in instructional programs approved under Subsection (a).

Sec. 41.007 [~~42.006~~]. PUBLIC EDUCATION INFORMATION MANAGEMENT SYSTEM (PEIMS). (a) Each school district shall participate in the Public Education Information Management System (PEIMS) and shall provide through that system information required for the administration of this chapter and of other appropriate provisions of this code.

(b) [~~(a-1)~~] The commissioner by rule shall require each school district and open-enrollment charter school to report through the Public Education Information Management System information regarding the number of students enrolled in the district or school who are identified as having dyslexia. The agency shall maintain the information provided in accordance with this subsection.

(c) [~~(b)~~] Each school district shall use a uniform accounting system adopted by the commissioner for the data required to be reported for the Public Education Information Management System.

(d) [(e)] Annually, the commissioner shall review the Public Education Information Management System and shall repeal or amend rules that require school districts to provide information through the Public Education Information Management System that is not necessary. In reviewing and revising the Public Education Information Management System, the commissioner shall develop rules to ensure that the system:

(1) provides useful, accurate, and timely information on student demographics and academic performance, personnel, and school district finances;

(2) contains only the data necessary for the legislature and the agency to perform their legally authorized functions in overseeing the public education system; and

(3) does not contain any information related to instructional methods, except as provided by Section 29.066 or required by federal law.

(e) [(d)] The commissioner's rules must ensure that the Public Education Information Management System links student performance data to other related information for purposes of efficient and effective allocation of scarce school resources, to the extent practicable using existing agency resources and appropriations.

Sec. 41.008 [~~42.007~~]. EQUALIZED FUNDING ELEMENTS. (a) The Legislative Budget Board shall adopt rules, subject to appropriate notice and opportunity for public comment, for the calculation for each year of a biennium of the qualified funding elements, in accordance with Subsection (c), necessary to achieve the state policy under Section 42.001.

(b) Before each regular session of the legislature, the board shall, as determined by the board, report the equalized funding elements to the commissioner and the legislature.

(c) The funding elements must include:

(1) a basic allotment for the purposes of Section 42.101 that [~~when combined with the guaranteed yield component provided by Subchapter F,~~] represents the cost per student of a regular education program that meets all mandates of law and regulation;

(2) adjustments designed to reflect the variation in known resource costs and costs of education beyond the control of school districts;

(3) appropriate program cost differentials and other funding elements for the programs authorized under Subchapter C, Chapter 42, with the program funding level expressed as dollar amounts and as weights applied to the adjusted [~~basic~~] allotment for the appropriate year;

(4) [~~the maximum guaranteed level of qualified state and local funds per student for the purposes of Subchapter F;~~

[(5) ~~the enrichment and facilities tax rate under Subchapter F;~~

[(6) ~~the computation of students in weighted average daily attendance under Section 42.302; and~~

(5) [(7)] the amount to be appropriated for the school facilities assistance program under Chapter 46.

SECTION \_\_\_\_\_. Sections 41.003 and 41.004, Education Code, are redesignated as Sections 41.009 and 41.010, Education Code, and amended to read as follows:

Sec. 41.009 ~~[41.003]~~. OPTIONS TO ENSURE EFFICIENCY OF FOUNDATION SCHOOL PROGRAM ~~[ACHIEVE EQUALIZED WEALTH LEVEL]~~. A district to which Section 42.254(a) applies ~~[with a wealth per student that exceeds the equalized wealth level]~~ may take any combination of the following actions to comply with the requirements of Section 42.254 ~~[achieve the equalized wealth level]~~:

- (1) consolidation with another district as provided by Subchapter B;
- (2) detachment of territory as provided by Subchapter C;
- (3) payment to the state for the efficiency of the Foundation School Program ~~[purchase of average daily attendance credit]~~ as provided by Subchapter D;
- or
- (4) ~~[education of nonresident students as provided by Subchapter E; or~~
- ~~(5)]~~ tax base consolidation with another district as provided by Subchapter F.

Sec. 41.010 ~~[41.004]~~. DETERMINATION OF FUNDING LEVELS ~~[ANNUAL REVIEW OF PROPERTY WEALTH]~~. (a) Not later than July 1 of each year, the commissioner shall determine the estimated amount of state and local funding for each school district for the following school year under Section 42.253.

(b) Not later than July 15 of each year, [using the estimate of enrollment under Section 42.254,] the commissioner shall review the estimated entitlements and local revenue [wealth per student] of school districts in the state and shall notify:

- (1) each district to which Section 42.254(a) applies [with wealth per student exceeding the equalized wealth level];
- (2) each district to which the commissioner proposes to annex property detached from a district notified under Subdivision (1), if necessary, under Subchapter G; and
- (3) each district to which the commissioner proposes to consolidate a district notified under Subdivision (1), if necessary, under Subchapter H.

(c) ~~(b)~~ If, before the dates provided by this subsection, a district notified under Subsection (b)(1) ~~[(a)(1)]~~ has not successfully exercised one or more options under Section 41.009 to comply with Section 42.254(a) ~~[41.003 that reduce the district's wealth per student to a level equal to or less than the equalized wealth level]~~, the commissioner shall order the detachment of property from that district as provided by Subchapter G. If that detachment will not bring the district into full compliance with Section 42.254(a) ~~[reduce the district's wealth per student to a level equal to or less than the equalized wealth level]~~, the commissioner may not detach property under Subchapter G but shall order the consolidation of the district with one or more other districts as provided by Subchapter H. An agreement under Section 41.009(1) or (2) ~~[41.003(1) or (2)]~~ must be executed not later than September 1 immediately following the notice under Subsection (b) ~~[(a)]~~. An election for an option under Section 41.009(3) or (4) ~~[41.003(3), (4), or (5)]~~ must be ordered before September 1 immediately following the notice under Subsection (b) ~~[(a)]~~.

(d) ~~(c)~~ A district notified under Subsection (b) ~~[(a)]~~ may not adopt a tax rate for the tax year in which the district receives the notice until the commissioner certifies that the district is in compliance with Section 42.254(a) ~~[has achieved the equalized wealth level]~~.



(e) ~~(d)~~ A detachment and annexation or consolidation under this chapter:

(1) is effective for Foundation School Program funding purposes for the school year that begins in the calendar year in which the detachment and annexation or consolidation is agreed to or ordered; and

(2) applies to the ad valorem taxation of property beginning with the tax year in which the agreement or order is effective.

SECTION \_\_\_\_\_. Section 41.005, Education Code, is redesignated as Section 41.011, Education Code, to read as follows:

Sec. 41.011 ~~[41.005]~~. COMPTROLLER AND APPRAISAL DISTRICT COOPERATION. The chief appraiser of each appraisal district and the comptroller shall cooperate with the commissioner and school districts in implementing this chapter.

SECTION \_\_\_\_\_. Sections 41.007, 41.008, and 41.009, Education Code, are redesignated as Sections 41.012, 41.013, and 41.014, Education Code, and amended to read as follows:

Sec. 41.012 ~~[41.007]~~. COMMISSIONER TO APPROVE SUBSEQUENT BOUNDARY CHANGES. A school district that is involved in an action under this chapter that results in boundary changes to the district or in the consolidation of tax bases is subject to consolidation, detachment, or annexation under Chapter 13 only if the commissioner certifies that the change under Chapter 13 will not result in a district to which Section 42.254(a) applies ~~[with a wealth per student that exceeds the equalized wealth level]~~.

Sec. 41.013 ~~[41.008]~~. HOMESTEAD EXEMPTIONS. (a) The governing board of a school district that results from consolidation under this chapter, including a consolidated taxing district under Subchapter F, for the tax year in which the consolidation occurs may determine whether to adopt a homestead exemption provided by Section 11.13, Tax Code, and may set the amount of the exemption, if adopted, at any time before the school district adopts a tax rate for that tax year. This section applies only to an exemption that the governing board of a school district is authorized to adopt or change in amount under Section 11.13, Tax Code.

(b) This section prevails over any inconsistent provision of Section 11.13, Tax Code, or other law.

Sec. 41.014 ~~[41.009]~~. TAX ABATEMENTS. (a) A tax abatement agreement executed by a school district that is involved in consolidation or in detachment and annexation of territory under this chapter is not affected and applies to the taxation of the property covered by the agreement as if executed by the district within which the property is included.

(b) The commissioner shall determine the taxable value ~~[wealth per student]~~ of a school district under this chapter as if any tax abatement agreement executed by a school district on or after May 31, 1993, had not been executed.

SECTION \_\_\_\_\_. Section 41.010, Education Code, is redesignated as Section 41.015, Education Code, to read as follows:

Sec. 41.015 ~~[41.010]~~. TAX INCREMENT OBLIGATIONS. The payment of tax increments under Chapter 311, Tax Code, is not affected by the consolidation of territory or tax bases or by annexation under this chapter. In each tax year a school district paying a tax increment from taxes on property over which the district has

assumed taxing power is entitled to retain the same percentage of the tax increment from that property that the district in which the property was located before the consolidation or annexation could have retained for the respective tax year.

SECTION \_\_\_\_\_. Section 41.011, Education Code, is redesignated as Section 41.016, Education Code, and amended to read as follows:

Sec. 41.016 [~~41.011~~]. CONTINGENCY. (a) If any of the options described by Section 41.009 [~~41.003~~] as applied to a school district are held invalid by a final decision of a court of competent jurisdiction, a school district is entitled to exercise any of the remaining valid options in accordance with a schedule approved by the commissioner.

(b) If a final order of a court of competent jurisdiction should hold each of the options provided by Section 41.009 [~~41.003~~] invalid, the commissioner shall act under Subchapter G or H to achieve compliance with Section 42.254(a) [~~the equalized wealth level~~] only after notice and hearing is afforded to each school district affected by the order. The commissioner shall adopt a plan that least disrupts the affected school districts. If because the exigency to adopt a plan prevents the commissioner from giving a reasonable time for notice and hearing, the commissioner shall timely give notice to and hold a hearing for the affected school districts, but in no event less than 30 days from time of notice to the date of hearing.

(c) If a final order of a court of competent jurisdiction should hold an option provided by Section 41.009 [~~41.003~~] invalid and order a refund to a district of any amounts paid by a district choosing that option, the amount shall be refunded but held in reserve and not expended by the district until released by order of the commissioner. The commissioner shall order the release immediately on the commissioner's determination that, through one of the means provided by law, the district has achieved compliance with Section 42.254(a) [~~the equalized wealth level~~]. The amount released shall be deducted from any state aid payable to the district according to a schedule adopted by the commissioner.

SECTION \_\_\_\_\_. Section 41.012, Education Code, is redesignated as Section 41.017, Education Code, to read as follows:

Sec. 41.017 [~~41.012~~]. DATE OF ELECTIONS. An election under this chapter for voter approval of an agreement entered by the board of trustees shall be held on a Tuesday or Saturday not more than 45 days after the date of the agreement. Section 41.001, Election Code, does not apply to the election.

SECTION \_\_\_\_\_. Section 41.013, Education Code, is redesignated as Section 41.018, Education Code, and amended to read as follows:

Sec. 41.018 [~~41.013~~]. PROCEDURE. (a) Except as provided by Subchapter G, a decision of the commissioner under this chapter is appealable under Section 7.057.

(b) Any order of the commissioner issued under this chapter shall be given immediate effect and may not be stayed or enjoined pending any appeal.

(c) Chapter 2001, Government Code, does not apply to a decision of the commissioner under this chapter.

(d) On the request of the commissioner, the secretary of state shall publish any rules adopted under this chapter in the Texas Register and the Texas Administrative Code.

SECTION \_\_\_\_\_. Section 41.031, Education Code, is amended to read as follows:

Sec. 41.031. AGREEMENT. The governing boards of any two or more school districts may consolidate the districts by agreement in accordance with this subchapter to establish a consolidated district to which Section 42.254(a) does not apply ~~[with a wealth per student equal to or less than the equalized wealth level]~~. The agreement is not effective unless the commissioner certifies that Section 42.254(a) does not apply to the consolidated district~~;~~ as a result of actions taken under this chapter~~, will have a wealth per student equal to or less than the equalized wealth level]~~.

SECTION \_\_\_\_\_. Sections 41.034(a) and (c), Education Code, are amended to read as follows:

(a) For the first and second school years after creation of a consolidated district under this subchapter, the commissioner shall adjust allotments to the consolidated district to the extent necessary to preserve the effects of an adjustment under Section 42.102, 42.103, or 42.104 ~~[42.105]~~ to which either of the consolidating districts would have been entitled but for the consolidation.

(c) Four or more districts that consolidate into one district under this subchapter within a period of one year may elect to receive incentive aid under this section or to receive incentive aid for not more than five years under Subchapter G, Chapter 13. ~~[Incentive aid under this subsection may not provide the consolidated district with more revenue in state and local funds than the district would receive at the equalized wealth level.]~~

SECTION \_\_\_\_\_. Section 41.061, Education Code, is amended to read as follows:

Sec. 41.061. AGREEMENT. (a) By agreement of the governing boards of two school districts, territory may be detached from one of the districts and annexed to the other district if~~;~~ after the action Section 42.254(a) does not apply to ~~[-~~

~~(1)]~~ the ~~[wealth per student of the]~~ district from which territory is detached or ~~[is equal to or less than the equalized wealth level; and~~

~~(2)]~~ the ~~[wealth per student of the]~~ district to which territory is annexed ~~[is not greater than the greatest level for which funds are provided under Subchapter F, Chapter 42].~~

(b) The agreement is not effective unless the commissioner certifies that, after all actions taken under this chapter, Section 42.254(a) does not apply to ~~[the wealth per student of]~~ each district involved ~~[will be equal to or less than the applicable level permitted by Subsection (a)].~~

SECTION \_\_\_\_\_. The heading to Subchapter D, Chapter 41, Education Code, is amended to read as follows:

**SUBCHAPTER D. PAYMENT TO STATE FOR EFFICIENCY OF FOUNDATION SCHOOL PROGRAM ~~[PURCHASE OF ATTENDANCE CREDIT]~~**

SECTION \_\_\_\_\_. Section 41.091, Education Code, is amended to read as follows:

Sec. 41.091. AGREEMENT. A school district to which Section 42.254(a) applies ~~[with a wealth per student that exceeds the equalized wealth level]~~ may execute an agreement with the commissioner to make payments to the state or have deductions made to funds owed by the state to the district ~~[purchase attendance~~

~~credits~~] in an amount sufficient to comply with the requirements of Section 42.254[; in combination with any other actions taken under this chapter, to reduce the district's wealth per student to a level that is equal to or less than the equalized wealth level].

SECTION \_\_\_\_\_. Sections 41.093(a) and (c), Education Code, are amended to read as follows:

(a) ~~The [Subject to Subsection (b 1), the cost of each credit is an]~~ amount of payments made by a district or funds withheld from a district as provided by Section 41.091 must be at least equal to the amount by which the district's total revenue under Sections 42.253(a)(2) and (3) exceeds the district's entitlement under Section 42.253(a)(1) ~~[greater of:~~

~~(1) the amount of the district's maintenance and operations tax revenue per student in weighted average daily attendance for the school year for which the contract is executed; or~~

~~(2) the amount of the statewide district average of maintenance and operations tax revenue per student in weighted average daily attendance for the school year preceding the school year for which the contract is executed].~~

(c) ~~The amount of maintenance and operations tax revenue [cost of an attendance credit]~~ for a school district is computed using the final tax collections of the district.

SECTION \_\_\_\_\_. Section 41.094(a), Education Code, is amended to read as follows:

(a) If a ~~[A]~~ school district agrees to make payments to the state under this subchapter, the payments shall be made ~~[pay for credits purchased]~~ in equal monthly installments ~~[payments]~~ as determined by the commissioner beginning February 15 and ending August 15 of the school year for which the agreement is in effect.

SECTION \_\_\_\_\_. Section 41.095, Education Code, is amended to read as follows:

Sec. 41.095. DURATION. An agreement under this subchapter ~~[section]~~ is valid for one school year and, subject to Section 41.096, may be renewed annually.

SECTION \_\_\_\_\_. Section 41.096(b), Education Code, is amended to read as follows:

(b) The ballot shall be printed to permit voting for or against the proposition: "Authorizing the board of trustees of \_\_\_\_\_ School District to make payments to ~~[purchase attendance credits from]~~ the state with local tax revenues to prevent detachment of property within the district or consolidation of the district by the commissioner for the efficiency of the state education system."

SECTION \_\_\_\_\_. The heading to Section 41.097, Education Code, is amended to read as follows:

Sec. 41.097. PAYMENT [CREDIT] FOR APPRAISAL COSTS.

SECTION \_\_\_\_\_. Section 41.097(a), Education Code, is amended to read as follows:

(a) Using funds received from a school district [The total amount required under Section 41.093 for a district to purchase attendance credits] under this subchapter for any school year, the state shall pay to the appraisal district or districts in which the school district participates [is reduced by] an amount equal to the product of the school district's total costs under Section 6.06, Tax Code, for the appraisal district or

districts in which it participates multiplied by a percentage that is computed by dividing the total amount required under Section 41.093 by the total amount of taxes imposed by ~~it~~ the district for that year on property in the appraisal district, less any amounts paid into a tax increment fund under Chapter 311, Tax Code.

SECTION \_\_\_\_\_. Section 41.151, Education Code, is amended to read as follows:

Sec. 41.151. AGREEMENT. The board of trustees of two or more school districts may execute an agreement to conduct an election on the creation of a consolidated taxing district for the maintenance and operation of the component school districts. The agreement is subject to approval by the commissioner. The agreement is not effective unless the commissioner certifies that Section 42.254(a) does not apply to the consolidated taxing district ~~[will have a wealth per student equal to or less than the equalized wealth level]~~ after all actions taken under this chapter.

SECTION \_\_\_\_\_. Section 41.202(a), Education Code, is amended to read as follows:

(a) For purposes of this subchapter, the taxable value of an individual parcel or other item of property and the total taxable value of property in a school district resulting from the detachment of property from or annexation of property to that district is determined by applying the appraisal ratio for the appropriate category of property determined under Subchapter M, Chapter 403, Government Code, for the current ~~[preceding]~~ tax year to the taxable value of the detached or annexed property determined under Title 1, Tax Code, for the current ~~[preceding]~~ tax year.

SECTION \_\_\_\_\_. Section 41.205, Education Code, is amended to read as follows:

Sec. 41.205. DETACHMENT OF PROPERTY. (a) The commissioner shall detach property under this section from each school district from which the commissioner is required under Section 41.010 ~~[41.004]~~ to detach property under this subchapter.

(b) The commissioner shall detach from each school district covered by Subsection (a) one or more whole parcels or items of property in descending order of the taxable value of each parcel or item, beginning with the parcel or item having the greatest taxable value, until Section 42.254(a) does not apply to the school district ~~[district's wealth per student is equal to or less than the equalized wealth level, except as otherwise provided by Subsection (e)]~~.

(c) ~~[If the detachment of whole parcels or items of property, as provided by Subsection (a) would result in a district's wealth per student that is less than the equalized wealth level by more than \$10,000, the commissioner may not detach the last parcel or item of property and shall detach the next one or more parcels or items of property in descending order of taxable value that would result in the school district having a wealth per student that is equal to or less than the equalized wealth level by not more than \$10,000.~~

~~[(d)]~~ Notwithstanding Subsections (a) and ~~;~~ (b), ~~[and (e);]~~ the commissioner may detach only a portion of a parcel or item of property if ~~;~~

~~[(1) it is not possible to reduce the district's wealth per student to a level that is equal to or less than the equalized wealth level under this subchapter unless some or all of the parcel or item of property is detached and the detachment of the whole parcel or item would result in the district from which it is detached having a wealth per student that is less than the equalized wealth level by more than \$10,000; or~~

~~[(2)] the commissioner determines that a partial detachment of that parcel or item of property is preferable to the detachment of one or more other parcels or items having a lower taxable value in order to minimize the number of parcels or items of property to be detached consistent with the purposes of this chapter.~~

SECTION \_\_\_\_\_. Sections 41.206(a) and (c), Education Code, are amended to read as follows:

(a) The commissioner shall annex property detached under Section 41.205 to school districts eligible for annexation in accordance with this section. A school district is eligible for annexation of property to it under this subchapter only if, after ~~before~~ any detachments or annexations are made in a year, Section 42.254(a) does not apply to the district ~~[district's wealth per student is less than the greatest level for which funds are provided under Subchapter F, Chapter 42].~~

(c) The commissioner shall adopt rules on the detachment and annexation of property, subject to Section 41.002(c) ~~[annex property detached from school districts beginning with the property detached from the school district with the greatest wealth per student before detachment, and continuing with the property detached from each other school district in descending order of the district's wealth per student before detachment].~~

SECTION \_\_\_\_\_. Section 41.211, Education Code, is amended to read as follows:

Sec. 41.211. STUDENT ATTENDANCE. A student who is a resident of real property detached from a school district may choose to attend school in that district or in the district to which the property is annexed. For purposes of determining average daily attendance under Section 41.004 ~~[42.005]~~, the student shall be counted in the district ~~[to which the property is annexed. If the student chooses to attend school in the district from which the property is detached, the state shall withhold any foundation school funds from the district to which the property is annexed and shall allocate to the district]~~ in which the student attends [is attending] school ~~[those funds and the amount of funds equal to the difference between the state funds the district is receiving for the student and the district's cost in educating the student].~~

SECTION \_\_\_\_\_. Section 41.251, Education Code, is amended to read as follows:

Sec. 41.251. COMMISSIONER ORDER. If the commissioner is required under Section 41.010 ~~[41.004]~~ to order the consolidation of districts, the consolidation is governed by this subchapter. The commissioner's order shall be effective on a date determined by the commissioner, but not later than the earliest practicable date after November 8.

SECTION \_\_\_\_\_. Sections 41.252 and 41.257, Education Code, are amended to read as follows:

Sec. 41.252. SELECTION CRITERIA. (a) The commissioner shall adopt rules for the selection of [In selecting] the districts to be consolidated with a district to which Section 42.254(a) applies [that has a property wealth greater than the equalized wealth level, the commissioner shall select one or more districts with a wealth per student that, when consolidated, will result in a consolidated district with a wealth per student equal to or less than the equalized wealth level. In achieving that result, the commissioner shall give priority to school districts in the following order:

[(1) first, to the contiguous district that has the lowest wealth per student and is located in the same county;

[(2) second, to the district that has the lowest wealth per student and is located in the same county;

[(3) third, to a contiguous district with a property wealth below the equalized wealth level that has requested the commissioner that it be considered in a consolidation plan;

[(4) fourth, to include as few districts as possible that fall below the equalized wealth level within the consolidation order that have not requested the commissioner to be included;

[(5) fifth, to the district that has the lowest wealth per student and is located in the same regional education service center area; and

[(6) sixth, to a district that has a tax rate similar to that of the district that has a property wealth greater than the equalized wealth level].

(b) The rules adopted by the commissioner under Subsection (a):

(1) may not result in [select] a district to which Section 42.254(a) applies; and

(2) must be in compliance with Section 41.002(c) [that has been created as a result of consolidation by agreement under Subchapter B to be consolidated under this subchapter with a district that has a property wealth greater than the equalized wealth level].

Sec. 41.257. APPLICATION OF SMALL AND SPARSE ADJUSTMENTS AND TRANSPORTATION ALLOTMENT. The budget of the consolidated district must apply the benefit of the adjustment or allotment to the schools of the consolidating district to which Section 42.103, 42.104 [42.105], or 42.201 [42.155] would have applied in the event that the consolidated district still qualifies as a small or sparse district.

SECTION \_\_\_\_\_. Chapter 41, Education Code, is amended by adding Subchapter I and adding a subchapter heading to read as follows:

SUBCHAPTER I. RULES FOR DISTRICT COST ADJUSTMENTS

SECTION \_\_\_\_\_. Section 42.102(b), Education Code, is transferred to Subchapter I, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.301, Education Code, and amended to read as follows:

Sec. 41.301. COST OF EDUCATION INDEX ADJUSTMENT. (a) [(b)] The commissioner shall determine the revised cost of education adjustment for each school district. In determining the revised cost of education adjustment, the commissioner shall use [is] the cost of education index adjustment adopted by the

foundation school fund budget committee and contained in Chapter 203, Title 19, Texas Administrative Code, as that chapter existed on March 26, 1997, adjusted in the manner provided by Section 203.25, Title 19, Texas Administrative Code.

(b) The commissioner shall determine the adjusted allotment for each school district under Section 42.102 by multiplying the value of the cost of education adjustment for the school district by the basic allotment determined under Section 42.101.

SECTION \_\_\_\_\_. Section 42.105, Education Code, is transferred to Subchapter I, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.302, Education Code, and amended to read as follows:

Sec. ~~41.302~~ [42.105]. SPARSITY ADJUSTMENT. (a) Notwithstanding Sections 42.101, 42.102, and 42.103, a school district that has fewer than 130 students in average daily attendance shall be provided an adjusted [~~basic~~] allotment on the basis of 130 students in average daily attendance if it offers a kindergarten through grade 12 program and has preceding or current year's average daily attendance of at least 90 students or is 30 miles or more by bus route from the nearest high school district. A district offering a kindergarten through grade 8 program whose preceding or current year's average daily attendance was at least 50 students or which is 30 miles or more by bus route from the nearest high school district shall be provided an adjusted [~~basic~~] allotment on the basis of 75 students in average daily attendance. An average daily attendance of 60 students shall be the basis of providing the adjusted [~~basic~~] allotment if a district offers a kindergarten through grade 6 program and has preceding or current year's average daily attendance of at least 40 students or is 30 miles or more by bus route from the nearest high school district.

(b) Subsection (c) applies only to a school district that:

(1) does not offer each grade level from kindergarten through grade 12 and whose prospective or former students generally attend school in a state that borders this state for the grade levels the district does not offer;

(2) serves both students residing in this state and students residing in a state that borders this state who are subsequently eligible for in-state tuition rates at institutions of higher education in either state regardless of the state in which the students reside; and

(3) shares students with an out-of-state district that does not offer competing instructional services.

(c) Notwithstanding Subsection (a) or Sections 42.101, 42.102, and 42.103, a school district to which this subsection applies, as provided by Subsection (b), that has fewer than 130 students in average daily attendance shall be provided an adjusted [~~basic~~] allotment on the basis of 130 students in average daily attendance if it offers a kindergarten through grade four program and has preceding or current year's average daily attendance of at least 75 students or is 30 miles or more by bus route from the nearest high school district.

SECTION \_\_\_\_\_. Chapter 41, Education Code, is amended by adding Subchapter J and adding a subchapter heading to read as follows:



SUBCHAPTER J. RULES FOR SPECIAL PROGRAMS AND ALLOTMENTS

SECTION \_\_\_\_\_. Sections 42.151(c), (d), (e), (g), (h), (i), and (k), Education Code, are transferred to Subchapter J, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.351, Education Code, and amended to read as follows:

Sec. 41.351. RULES FOR SPECIAL EDUCATION ALLOTMENT. (a) This section applies to Section 42.151.

(b) ~~(e)~~ For funding purposes, the number of contact hours credited per day for each student in the off home campus instructional arrangement may not exceed the contact hours credited per day for the multidistrict class instructional arrangement in the 1992-1993 school year.

(c) ~~(d)~~ For funding purposes the contact hours credited per day for each student in the resource room; self-contained, mild and moderate; and self-contained, severe, instructional arrangements may not exceed the average of the statewide total contact hours credited per day for those three instructional arrangements in the 1992-1993 school year.

(d) ~~(e)~~ The State Board of Education by rule shall prescribe the qualifications an instructional arrangement must meet in order to be funded as a particular instructional arrangement under Section 42.151 ~~[this section]~~. In prescribing the qualifications that a mainstream instructional arrangement must meet, the board shall establish requirements that students with disabilities and their teachers receive the direct, indirect, and support services that are necessary to enrich the regular classroom and enable student success.

(e) ~~(g)~~ The State Board of Education shall adopt rules and procedures governing contracts for residential placement of special education students. The legislature shall provide by appropriation for the state's share of the costs of those placements.

(f) ~~(h)~~ Funds allocated under Section 42.151 ~~[this section]~~, other than an indirect cost allotment established under State Board of Education rule, must be used in the special education program under Subchapter A, Chapter 29.

(g) ~~(i)~~ The agency shall encourage the placement of students in special education programs, including students in residential instructional arrangements, in the least restrictive environment appropriate for their educational needs.

(h) ~~(k)~~ A school district that provides an extended year program required by federal law for special education students who may regress is entitled to receive funds in an amount equal to 75 percent, or a lesser percentage determined by the commissioner, of the adjusted ~~[base]~~ allotment resulting from Section 42.102 or 42.103, as applicable, or adjusted allotment, as applicable, for each full-time equivalent student in average daily attendance, multiplied by the amount designated for the student's instructional arrangement under this section, for each day the program is provided divided by the number of days in the minimum school year. The total amount of state funding for extended year services under this section may not exceed \$10 million per year. A school district may use funds received under this subsection ~~[section]~~ only in providing an extended year program.

SECTION \_\_\_\_\_. Sections 42.152(c), (c-1), (c-2), (d), (q), (q-1), (q-2), (q-3), (q-4), and (r), Education Code, are transferred to Subchapter J, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.352, Education Code, and amended to read as follows:

Sec. 41.352. RULES FOR COMPENSATORY EDUCATION ALLOTMENT.

(a) This section applies to Section 42.152.

(b) ~~(c)~~ Funds allocated under Section 42.152 ~~[this section]~~ shall be used to fund supplemental programs and services designed to eliminate any disparity in performance on assessment instruments administered under Subchapter B, Chapter 39, or disparity in the rates of high school completion between students at risk of dropping out of school, as defined by Section 29.081, and all other students. Specifically, the funds, other than an indirect cost allotment established under State Board of Education rule, which may not exceed 45 percent, may be used to meet the costs of providing a compensatory, intensive, or accelerated instruction program under Section 29.081 or a disciplinary alternative education program established under Section 37.008, to pay the costs associated with placing students in a juvenile justice alternative education program established under Section 37.011, or to support a program eligible under Title I of the Elementary and Secondary Education Act of 1965, as provided by Pub. L. No. 103-382 and its subsequent amendments, and by federal regulations implementing that Act, at a campus at which at least 40 percent of the students are educationally disadvantaged. In meeting the costs of providing a compensatory, intensive, or accelerated instruction program under Section 29.081, a district's compensatory education allotment shall be used for costs supplementary to the regular education program, such as costs for program and student evaluation, instructional materials and equipment and other supplies required for quality instruction, supplemental staff expenses, salary for teachers of at-risk students, smaller class size, and individualized instruction. A home-rule school district or an open-enrollment charter school must use funds allocated under Section 42.152 ~~[Subsection (c)]~~ for a purpose authorized in this subsection but is not otherwise subject to Subchapter C, Chapter 29. For purposes of this subsection, a program specifically designed to serve students at risk of dropping out of school, as defined by Section 29.081, is considered to be a program supplemental to the regular education program, and a district may use its compensatory education allotment for such a program.

(c) ~~(c-1)~~ Notwithstanding Subsection (b) ~~(c)~~, funds allocated under Section 42.152 ~~[this section]~~ may be used to fund in proportion to the percentage of students served by the program that meet the criteria in Section 29.081(d) or (g):

- (1) an accelerated reading instruction program under Section 28.006(g); or
- (2) a program for treatment of students who have dyslexia or a related disorder as required by Section 38.003.

(d) ~~(c-2)~~ Notwithstanding Subsection (b) ~~(c)~~, funds allocated under Section 42.152 ~~[this section]~~ may be used to fund a district's mentoring services program under Section 29.089.

(e) ~~(d)~~ The agency shall evaluate the effectiveness of accelerated instruction and support programs provided under Section 29.081 for students at risk of dropping out of school.

(f) ~~(e)~~ The State Board of Education, with the assistance of the comptroller, shall develop and implement by rule reporting and auditing systems for district and campus expenditures of compensatory education funds to ensure that compensatory education funds, other than the indirect cost allotment, are spent only to supplement the regular education program as required by Subsection (b) ~~(e)~~. The reporting requirements shall be managed electronically to minimize local administrative costs. A district shall submit the report required by this subsection not later than the 150th day after the last day permissible for resubmission of information required under Section 41.007 ~~[42.006]~~.

(g) ~~(e-1)~~ The commissioner shall develop a system to identify school districts that are at high risk of having used compensatory education funds other than in compliance with Subsection (b) ~~(e)~~ or of having inadequately reported compensatory education expenditures. If a review of the report submitted under Subsection (f) ~~(e)~~, using the risk-based system, indicates that a district is not at high risk of having misused compensatory education funds or of having inadequately reported compensatory education expenditures, the district may not be required to perform a local audit of compensatory education expenditures and is not subject to on-site monitoring under this section.

(h) ~~(e-2)~~ If a review of the report submitted under Subsection (f) ~~(e)~~, using the risk-based system, indicates that a district is at high risk of having misused compensatory education funds, the commissioner shall notify the district of that determination. The district must respond to the commissioner not later than the 30th day after the date the commissioner notifies the district of the commissioner's determination. If the district's response does not change the commissioner's determination that the district is at high risk of having misused compensatory education funds or if the district does not respond in a timely manner, the commissioner shall:

- (1) require the district to conduct a local audit of compensatory education expenditures for the current or preceding school year;
- (2) order agency staff to conduct on-site monitoring of the district's compensatory education expenditures; or
- (3) both require a local audit and order on-site monitoring.

(i) ~~(e-3)~~ If a review of the report submitted under Subsection (f) ~~(e)~~, using the risk-based system, indicates that a district is at high risk of having inadequately reported compensatory education expenditures, the commissioner may require agency staff to assist the district in following the proper reporting methods or amending a district or campus improvement plan under Subchapter F, Chapter 11. If the district does not take appropriate corrective action before the 45th day after the date the agency staff notifies the district of the action the district is expected to take, the commissioner may:

- (1) require the district to conduct a local audit of the district's compensatory education expenditures; or
- (2) order agency staff to conduct on-site monitoring of the district's compensatory education expenditures.

(j) [~~(g-4)~~] The commissioner, in the year following a local audit of compensatory education expenditures, shall withhold from a district's foundation school fund payment an amount equal to the amount of compensatory education funds the agency determines were not used in compliance with Subsection (b) [~~(e)~~]. The commissioner shall release to a district funds withheld under this subsection when the district provides to the commissioner a detailed plan to spend those funds in compliance with Subsection (b) [~~(e)~~].

(k) [~~(f)~~] The commissioner shall grant a one-year exemption from the requirements of Subsections (f)-(j) [~~(e)-(g-4)~~] to a school district in which the group of students who have failed to perform satisfactorily in the preceding school year on an assessment instrument required under Section 39.023(a), (c), or (l) subsequently performs on those assessment instruments at a level that meets or exceeds a level prescribed by commissioner rule. Each year the commissioner, based on the most recent information available, shall determine if a school district is entitled to an exemption for the following school year and notify the district of that determination.

SECTION \_\_\_\_\_. Sections 42.153(b) and (c), Education Code, are transferred to Subchapter J, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.353, Education Code, and amended to read as follows:

Sec. 41.353. RULES FOR BILINGUAL EDUCATION ALLOTMENT. (a) This section applies to Section 42.153.

(b) Funds allocated under Section 42.153 [~~this section~~], other than an indirect cost allotment established under State Board of Education rule, must be used in providing bilingual education or special language programs under Subchapter B, Chapter 29, and must be accounted for under existing agency reporting and auditing procedures.

(c) A district's bilingual education or special language allocation may be used only for program and student evaluation, instructional materials and equipment, staff development, supplemental staff expenses, salary supplements for teachers, and other supplies required for quality instruction and smaller class size.

SECTION \_\_\_\_\_. Sections 42.154(c) and (d), Education Code, are transferred to Subchapter J, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.354, Education Code, and amended to read as follows:

Sec. 41.354. RULES FOR CAREER AND TECHNOLOGY EDUCATION ALLOTMENT. (a) This section applies to Section 42.154.

(b) [~~(e)~~] Funds allocated under Section 42.154 [~~this section~~], other than an indirect cost allotment established under State Board of Education rule, must be used in providing career and technology education programs in grades nine through 12 or career and technology education programs for students with disabilities in grades seven through 12 under Sections 29.182, 29.183, and 29.184.

(c) [~~(f)~~] The commissioner shall conduct a cost-benefit comparison between career and technology education programs and mathematics and science programs.

SECTION \_\_\_\_\_. Chapter 41, Education Code, is amended by adding Subchapter K and adding a subchapter heading to read as follows:

SUBCHAPTER K. RULES FOR TRANSPORTATION FUNDING

SECTION \_\_\_\_\_. Sections 42.155(d), (e), (f), (g), (h), (i), (k), and (l), Education Code, are transferred to Subchapter K, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.401, Education Code, and amended to read as follows:

Sec. 41.401. RULES FOR TRANSPORTATION ALLOTMENT. (a) This section applies to Section 42.201.

(b) [~~(b)~~] A district or county may apply for and on approval of the commissioner receive an additional amount of up to 10 percent of its regular transportation allotment to be used for the transportation of children living within two miles of the school they attend who would be subject to hazardous traffic conditions if they walked to school. Each board of trustees shall provide to the commissioner the definition of hazardous conditions applicable to that district and shall identify the specific hazardous areas for which the allocation is requested. A hazardous condition exists where no walkway is provided and children must walk along or cross a freeway or expressway, an underpass, an overpass or a bridge, an uncontrolled major traffic artery, an industrial or commercial area, or another comparable condition.

(c) [~~(c)~~] The commissioner may grant an amount set by appropriation for private or commercial transportation for eligible students from isolated areas. The need for this type of transportation grant shall be determined on an individual basis and the amount granted shall not exceed the actual cost. The grants may be made only in extreme hardship cases. A grant may not be made if the students live within two miles of an approved school bus route.

(d) [~~(d)~~] The cost of transporting career and technology education students from one campus to another inside a district or from a sending district to another secondary public school for a career and technology program or an area career and technology school or to an approved post-secondary institution under a contract for instruction approved by the agency shall be reimbursed based on the number of actual miles traveled times the district's official extracurricular travel per mile rate as set by the board of trustees and approved by the agency.

(e) [~~(e)~~] A school district or county that provides special transportation services for eligible special education students is entitled to a state allocation paid on a previous year's cost-per-mile basis. The maximum rate per mile allowable shall be set by appropriation based on data gathered from the first year of each preceding biennium. Districts may use a portion of their support allocation to pay transportation costs, if necessary. The commissioner may grant an amount set by appropriation for private transportation to reimburse parents or their agents for transporting eligible special education students. The mileage allowed shall be computed along the shortest public road from the student's home to school and back, morning and afternoon. The need for this type transportation shall be determined on an individual basis and shall be approved only in extreme hardship cases.

(f) [~~(f)~~] Funds allotted under Section 42.201 or this section must be used in providing transportation services.

(g) [(+)] In the case of a district belonging to a county transportation system, the district's transportation allotment for purposes of determining a district's foundation school program allocations is determined on the basis of the number of approved daily route miles in the district multiplied by the allotment per mile to which the county transportation system is entitled.

(h) [(+)] Notwithstanding any other provision of Section 42.201 or this section, the commissioner may not reduce the allotment to which a district or county is entitled under Section 42.201 [~~this section~~] because the district or county provides transportation for an eligible student to and from a child-care facility, as defined by Section 42.002, Human Resources Code, or a grandparent's residence instead of the student's residence, as authorized by Section 34.007, if the transportation is provided within the approved routes of the district or county for the school the student attends.

(i) [(+)] A school district may, with the funds allotted under Section 42.201 or this section, provide a bus pass or card for another transportation system to each student who is eligible to use the regular transportation system of the district but for whom the regular transportation system of the district is not a feasible method of providing transportation. The commissioner by rule shall provide procedures for a school district to provide bus passes or cards to students under this subsection.

SECTION \_\_\_\_\_. Chapter 41, Education Code, is amended by adding Subchapter L and adding a subchapter heading to read as follows:

SUBCHAPTER L. RULES FOR FINANCING FOUNDATION SCHOOL PROGRAM

SECTION \_\_\_\_\_. Sections 42.2514 and 42.2515, Education Code, are transferred to Subchapter L, Chapter 41, Education Code, as added by this Act, redesignated as Sections 41.451 and 41.452, Education Code, and amended to read as follows:

Sec. 41.451 [~~42.2514~~]. ADDITIONAL STATE AID FOR TAX INCREMENT FINANCING PAYMENTS. For each school year, a school district's entitlement under Section 42.253(a)(1) [~~district, including a school district that is otherwise ineligible for state aid under this chapter,~~] is increased by [~~entitled to state aid in~~] an amount equal to the amount the district is required to pay into the tax increment fund for a reinvestment zone under Section 311.013(n), Tax Code.

Sec. 41.452 [~~42.2515~~]. ADDITIONAL STATE AID FOR AD VALOREM TAX CREDITS UNDER TEXAS ECONOMIC DEVELOPMENT ACT. (a) For each school year, a school district's entitlement under Section 42.253(a)(1) [~~district, including a school district that~~] is increased by [~~otherwise ineligible for state aid under this chapter, is entitled to state aid in~~] an amount equal to the amount of all tax credits credited against ad valorem taxes of the district in that year under former Subchapter D, Chapter 313, Tax Code.

(b) The commissioner may adopt rules to implement and administer this section.

SECTION \_\_\_\_\_. Section 42.2524, Education Code, as effective September 1, 2017, is transferred to Subchapter L, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.453, Education Code, and amended to read as follows:

Sec. 41.453 [~~42.2524~~]. REIMBURSEMENT FOR DISASTER REMEDIATION COSTS. (a) This section applies only to a school district all or part of which is located in an area declared a disaster area by the governor under Chapter 418, Government Code, and that incurs disaster remediation costs as a result of the disaster.

(b) During the two-year period following the date of the governor's initial proclamation or executive order declaring a state of disaster, a district may apply to the commissioner for reimbursement of disaster remediation costs that the district pays during that period and does not anticipate recovering through insurance proceeds, federal disaster relief payments, or another similar source of reimbursement.

(c) ~~The commissioner may provide reimbursement under this section only if funds are available for that purpose as follows:~~

~~(1) reimbursement for a school district not required to take action under Chapter 41 may be provided from:~~

~~[(A) amounts appropriated for that purpose, including amounts appropriated for those districts for that purpose to the disaster contingency fund established under Section 418.073, Government Code; or~~

~~[(B) Foundation School Program funds available for that purpose, based on a determination by the commissioner that the amount appropriated for the Foundation School Program, including the facilities component as provided by Chapter 46, exceeds the amount to which districts are entitled under this chapter and Chapter 46; and~~

~~(2) reimbursement for a school district required to take action under Chapter 41 may be provided from funds described by Subdivision (1)(B) if funds remain available after fully reimbursing each school district described by Subdivision (1) for its disaster remediation costs.~~

~~[(d) If the amount of money available for purposes of reimbursing school districts not required to take action under Chapter 41 is not sufficient to fully reimburse each district's disaster remediation costs, the commissioner shall reduce the amount of assistance provided to each of those districts proportionately. If the amount of money available for purposes of reimbursing school districts required to take action under Chapter 41 is not sufficient to fully reimburse each district's disaster remediation costs, the commissioner shall reduce the amount of assistance provided to each of those districts proportionately.~~

~~[(e)] A district seeking reimbursement under this section must provide the commissioner with adequate documentation of the costs for which the district seeks reimbursement.~~

(d) ~~[(f)] A district required to take action under Chapter 41:~~

~~[(1) may, at its discretion, receive assistance provided under this section either as a payment of state aid under this chapter or as a reduction in the total amount required to be paid by the district for attendance credits under Section 41.093; and~~

~~[(2) may not obtain reimbursement under this section for the payment of any disaster remediation costs that resulted in a reduction under Section 41.0931 of the district's cost of attendance credits.~~

~~(h)~~ The commissioner shall adopt rules necessary to implement this section, including rules defining "disaster remediation costs" for purposes of this section and specifying the type of documentation required under Subsection (c) ~~(e)~~.

~~(e)~~ ~~(f)~~ Notwithstanding any other provision of this section, the commissioner may permit a district to use amounts provided to a district under this section to pay the costs of replacing a facility instead of repairing the facility. The commissioner shall ensure that a district that elects to replace a facility does not receive an amount under this section that exceeds the lesser of:

(1) the amount that would be provided to the district if the facility were repaired; or

(2) the amount necessary to replace the facility.

~~(f)~~ ~~(g)~~ This section does not require the commissioner to provide any requested reimbursement. A decision of the commissioner regarding reimbursement is final and may not be appealed.

~~(g)~~ Payments under this section are considered part of a school district's entitlement under Section 42.253(a)(1).

SECTION \_\_\_\_\_. Sections 42.2525, 42.2526, and 42.2527, Education Code, are transferred to Subchapter L, Chapter 41, Education Code, as added by this Act, and redesignated as Sections 41.454, 41.455, and 41.456, Education Code, to read as follows:

Sec. 41.454 [~~42.2525~~]. ADJUSTMENTS FOR CERTAIN DISTRICTS RECEIVING FEDERAL IMPACT AID. The commissioner is granted the authority to ensure that school districts receiving federal impact aid due to the presence of a military installation or significant concentrations of military students do not receive more than an eight percent reduction should the federal government reduce appropriations to those schools.

Sec. 41.455 [~~42.2526~~]. ADJUSTMENT FOR DISTRICT OPERATING PILOT PROGRAM. (a) This section applies only to a school district operating a pilot program authorized by Section 28.0255.

(b) Beginning with the first school year that follows the first school year in which students receive high school diplomas under the pilot program authorized by Section 28.0255 and continuing for every subsequent school year that the district operates the pilot program, the commissioner shall provide funding for the district's prekindergarten program under Section 29.153 on a full-day basis for a number of prekindergarten students equal to twice the number of students who received a high school diploma under the pilot program authorized by Section 28.0255 during the preceding school year.

(c) This section expires September 1, 2023.

Sec. 41.456 [~~42.2527~~]. ADJUSTMENT FOR CERTAIN DISTRICTS WITH EARLY HIGH SCHOOL GRADUATION PROGRAMS. (a) As a pilot program to enable the state to evaluate the benefit of providing additional funding at the prekindergarten level for low-income students, the commissioner shall provide prekindergarten funding in accordance with this section to a school district located in a county that borders the United Mexican States and the Gulf of Mexico.



(b) The commissioner shall provide funding for a school district's prekindergarten program on a half-day basis for a number of low-income prekindergarten students equal to twice the number of students who received, as a result of participation in an early high school graduation program operated by the district, a high school diploma from the district during the preceding school year after three years of secondary school attendance.

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

(d) This section expires September 1, 2023.

SECTION \_\_\_\_\_. Section 42.2528, Education Code, is transferred to Subchapter L, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.457, Education Code, and amended to read as follows:

Sec. 41.457 [~~42.2528~~]. EXCESS FUNDS FOR VIDEO SURVEILLANCE OF SPECIAL EDUCATION SETTINGS. (a) Notwithstanding any other provision of law, if the commissioner determines that the amount appropriated for the purposes of the Foundation School Program exceeds the amount to which school districts are entitled under Chapter 42 [~~this chapter~~], the commissioner by rule shall establish a grant program through which excess funds are awarded as grants for the purchase of video equipment, or for the reimbursement of costs for previously purchased video equipment, used for monitoring special education classrooms or other special education settings required under Section 29.022.

(b) In awarding grants under this section, the commissioner shall give highest priority to districts with maintenance and operations tax rates at the greatest rates permitted by law. The commissioner shall also give priority to:

(1) districts with the [~~maintenance and operations tax rates at least equal to the state maximum compressed tax rate, as defined by Section 42.101(a), and~~] lowest amounts of maintenance and operations tax revenue per weighted student; and

(2) districts with debt service tax rates near or equal to the greatest rates permitted by law.

(c) The commissioner may adopt rules to implement and administer this section.

SECTION \_\_\_\_\_. Sections 42.253(d), (g), (i), (j), and (k), Education Code, are transferred to Subchapter L, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.458, Education Code, and amended to read as follows:

Sec. 41.458. RULES FOR DISTRIBUTION OF FOUNDATION SCHOOL FUND. (a) This section applies to Section 42.253.

(b) [~~(d)~~] The commissioner shall approve warrants to each school district equaling the amount of its entitlement except as provided by this section. Warrants for all money expended according to Chapter 42 and this chapter shall be approved and transmitted to treasurers or depositories of school districts in the same manner that warrants for state payments are transmitted. The total amount of the warrants issued under this section may not exceed the total amount appropriated for Foundation School Program purposes for that fiscal year.

(c) [~~(g)~~] If a school district demonstrates to the satisfaction of the commissioner that the estimate of the district's tax rate, student enrollment, tax collections, or taxable value of property used in determining the amount of state funds to which the

district is entitled are so inaccurate as to result in undue financial hardship to the district, the commissioner may adjust funding to that district in that school year to the extent that funds are available for that year.

(e) [(+)] Not later than March 1 each year, the commissioner shall determine the actual amount of state funds to which each school district is entitled under the allocation formulas in this chapter and Chapter 42 for the current school year and shall compare that amount with the amount of the warrants issued to each district for that year. If the amount of the warrants differs from the amount to which a district is entitled because of variations in the district's tax rate, student enrollment, tax collections, or taxable value of property, the commissioner shall adjust the district's entitlement for the next fiscal year accordingly.

(f) [(+)] The legislature may appropriate funds necessary for increases under Subsection (e) [(+)] from funds that the comptroller, at any time during the fiscal year, finds are available.

(g) [(+)] The commissioner shall compute for each school district the total amount by which the district's allocation of state funds is increased or reduced under Subsection (e) [(+)] and shall certify that amount to the district.

SECTION \_\_\_\_\_. Section 42.253(h), Education Code, as effective September 1, 2017, is transferred to Subchapter L, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.458(d), Education Code, and amended to read as follows:

(d) [(+)] If the amount appropriated for the Foundation School Program for the second year of a state fiscal biennium is less than the amount to which school districts and open-enrollment charter schools are entitled for that year, the commissioner shall certify the amount of the difference to the Legislative Budget Board not later than January 1 of the second year of the state fiscal biennium. The Legislative Budget Board shall propose to the legislature that the certified amount be transferred to the foundation school fund from the economic stabilization fund and appropriated for the purpose of increases in allocations under this subsection. If the legislature fails during the regular session to enact the proposed transfer and appropriation and there are not funds available under Subsection (f) [(+)], the commissioner shall adjust the total amounts due to each school district and open-enrollment charter school under Chapter 42 and this chapter and the total amounts necessary for each school district to comply with the requirements of Section 42.254(a) [~~Chapter 41~~] by an amount determined by applying to each district and school the same percentage adjustment to the total amount of state and local revenue due to the district or school under this chapter and Chapter 42 [~~41~~] so that the total amount of the adjustment to all districts and schools results in an amount equal to the total adjustment necessary. The following fiscal year:

(1) a district's or school's entitlement under Section 42.253 [~~this section~~] is increased by an amount equal to the adjustment made under this subsection; and

(2) the amount necessary for a district to comply with the requirements of Section 42.254(a) [~~Chapter 41~~] is reduced by an amount necessary to ensure a district's full recovery of the adjustment made under this subsection.

SECTION \_\_\_\_\_. Subchapter L, Chapter 41, Education Code, as added by this Act, is amended by adding Sections 41.459, 41.460, and 41.461 to read as follows:

Sec. 41.459. DELINQUENT MAINTENANCE AND OPERATIONS TAX COLLECTION. (a) If the collection of delinquent maintenance and operations taxes of a district not previously required to take action under Section 41.009 results in the district being subject to Section 42.254(a) only for the year in which the delinquent taxes are collected, the commissioner shall permit the district to take action under this section in lieu of taking action under Section 41.009.

(b) The district shall deposit the amount by which the district's revenue under Sections 42.253(a)(2) and (3) exceeds the district's entitlement under Section 42.253(a)(1) into a separate account that may be used only as provided by this section.

(c) For the school year following the year the deposit was made as provided by Subsection (b), the commissioner shall reduce the amount of state aid to which the district is entitled under this chapter and Chapter 42 by an amount equal to the excess revenue in the separate account and the district may withdraw the money from the account to replace the reduction in state aid.

(d) If the amount of state aid to which the district is entitled under this chapter and Chapter 42 is less than the amount in the separate account, the difference must remain in the separate account and the commissioner will again reduce the district's state aid in the subsequent school year.

(e) If money remains in the separate account after three school years, the remaining money in the account is considered part of the district's revenue under Sections 42.253(a)(2) and (3) and the district is subject to Section 42.254(a).

(f) If at any time money remains in the separate account and the commissioner makes a determination under Section 41.010 that the district is subject to Section 42.254(a), the remaining money in the separate account must be included in determining:

- (1) the amount the district is required to pay under Section 41.009(3); or
- (2) whether the district has taken sufficient action under Section 41.009(1), (2), or (4).

Sec. 41.460. FAILURE TO COLLECT DELINQUENT MAINTENANCE AND OPERATIONS TAXES. (a) If a district fails to collect a delinquent maintenance and operations tax owed to the district for two years after the year in which the tax is initially due, the collection of the delinquent tax reverts to the state.

(b) The comptroller shall collect the delinquent maintenance and operations tax on behalf of the district, with penalties and interest owed, at the earliest opportunity.

(c) The attorney general shall assist the comptroller in the collection of delinquent maintenance and operations taxes.

(d) If the attorney general cannot successfully collect the delinquent maintenance and operations tax, penalties, and interest in the first year in which the obligation reverts to the state, the comptroller may contract with private attorneys for collection in subsequent years, subject to the terms and limitations that apply to a school district contracting with private attorneys for that purpose.

(e) All taxes, penalties, and fees collected under this section are included in the district's collections under Section 42.253(a)(3) in the year in which they are collected.

Sec. 41.461. ESTIMATES REQUIRED. (a) Not later than October 1 of each even-numbered year:

(1) the agency shall submit to the legislature an estimate of the tax rate and student enrollment of each school district for the following biennium; and

(2) the comptroller shall submit to the legislature an estimate of the total taxable value of all property in the state as determined under Subchapter M, Chapter 403, Government Code, for the following biennium.

(b) The agency and the comptroller shall update the information provided to the legislature under Subsection (a) not later than March 1 of each odd-numbered year.

SECTION \_\_\_\_\_. Section 42.255, Education Code, is transferred to Subchapter L, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.462, Education Code, and amended to read as follows:

Sec. 41.462 [~~42.255~~]. FALSIFICATION OF RECORDS; REPORT. When, in the opinion of the agency's director of school audits, audits or reviews of accounting, enrollment, or other records of a school district reveal deliberate falsification of the records, or violation of the provisions of this chapter or Chapter 42, through which the district's share of state funds allocated under the authority of this chapter and Chapter 42 would be, or has been, illegally increased, the director shall promptly and fully report the fact to the State Board of Education, the state auditor, and the appropriate county attorney, district attorney, or criminal district attorney.

SECTION \_\_\_\_\_. Section 42.259(g), Education Code, is transferred to Subchapter L, Chapter 41, Education Code, as added by this Act, redesignated as Section 41.463, Education Code, and amended to read as follows:

Sec. 41.463. FOUNDATION SCHOOL FUND TRANSFERS. (a) The commissioner shall adopt rules regarding the timing of payments from the foundation school fund to each school district and open-enrollment charter school.

(b) [~~(c)~~] The commissioner shall make all annual Foundation School Program payments under this section for purposes described by Sections 45.252(a)(1) and (2) before the deadline established under Section 45.263(b) for payment of debt service on bonds. Notwithstanding any other provision of this section, the commissioner may make Foundation School Program payments under this section after the deadline established under Section 45.263(b) only if the commissioner has not received notice under Section 45.258 concerning a district's failure or inability to pay matured principal or interest on bonds.

SECTION \_\_\_\_\_. Chapter 41, Education Code, is amended by adding Subchapter M and adding a subchapter heading to read as follows:

SUBCHAPTER M. SCHOOL FACILITIES INVENTORY AND STANDARDS

SECTION \_\_\_\_\_. Section 42.352, Education Code, is transferred to Subchapter M, Chapter 41, Education Code, as added by this Act, and redesignated as Section 41.501, Education Code, to read as follows:

Sec. 41.501 [~~42.352~~]. STANDARDS. The State Board of Education shall establish standards for adequacy of school facilities. The standards shall include requirements related to space, educational adequacy, and construction quality. All facilities constructed after September 1, 1992, must meet the standards in order to be financed with state or local tax funds.

SECTION \_\_\_\_\_. Section 42.002(b), Education Code, is amended to read as follows:

(b) The Foundation School Program consists of:

- (1) ~~[two tiers that in combination provide for:~~  
~~[(A)] sufficient financing to provide [for] all school districts with the~~  
resources to provide a basic program of education that is rated acceptable or higher  
under Section 39.054 and meets other applicable legal standards[;] and to provide all  
school districts with  
~~[(B)] substantially equal access to funds to provide an enriched~~  
 program; and
- (2) a facilities component as provided by Chapter 46.

SECTION \_\_\_\_\_. The heading to Subchapter B, Chapter 42, Education Code, is amended to read as follows:

SUBCHAPTER B. REGULAR PROGRAM [BASIC] ENTITLEMENT

SECTION \_\_\_\_\_. Sections 42.101(a) and (c), Education Code, are amended to read as follows:

(a) For each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C, a district is entitled to a basic [am] allotment equal to \$ \_\_\_\_\_, subject to adjustments under Sections 42.102, 42.103, and 42.104 ~~[the lesser of \$4,765 or the amount that results from the following formula:~~

$$[A = \$4,765 \times (DCR/MCR)]$$

[where:

["A" is the allotment to which a district is entitled;

["DCR" is the district's compressed tax rate, which is the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year; and

["MCR" is the state maximum compressed tax rate, which is the product of the state compression percentage, as determined under Section 42.2516, multiplied by \$1.50].

(c) The basic allotment is multiplied by the cost of education index under Section 42.102 and, if applicable, adjusted by the small district adjustment under Section 42.103 to calculate a district's adjusted allotment for purposes of the regular program entitlement under this chapter and the special program allotments under Subchapter C ~~[This subsection applies to a school district for which the compressed tax rate ("DCR") is determined in accordance with Subsection (a 1). Any reduction in the district's adopted maintenance and operations tax rate is applied to the following components of the district's tax rate in the order specified:~~

~~[(1) tax effort described by Section 42.302(a 1)(2);~~

~~[(2) tax effort described by Section 42.302(a 1)(1); and~~

~~[(3) tax effort included in the determination of the district's compressed tax rate ("DCR") under Subsection (a 1)].~~

SECTION \_\_\_\_\_. Section 42.102(a), Education Code, is amended to read as follows:

(a) The basic allotment for each district is multiplied by the revised cost of education adjustment determined under Section 41.301 ~~[adjusted]~~ to reflect the geographic variation in known resource costs and costs of education due to factors beyond the control of the school district.

SECTION \_\_\_\_\_. Section 42.103, Education Code, is amended to read as follows:

Sec. 42.103. ~~SMALL [AND MID-SIZED]~~ DISTRICT ADJUSTMENT. (a) The small district adjustment is intended to account for the increased per student cost of education in districts with fewer than 5,000 students.

(b) The basic allotment for certain small [and mid-sized] districts is adjusted in accordance with this section. In this section:

(1) "AA" is the district's adjusted allotment per student;

(2) "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section 42.101; and

(3) "ABA" is the adjusted basic allotment determined under Section 42.102.

(c) ~~(b)~~ The basic allotment of a school district that [contains at least 300 square miles and] has not more than 5,000 [1,600] students in average daily attendance is adjusted by applying the following formula that results in the greatest adjusted allotment:

$$(1) AA = (1 + ((1,600 - ADA) \times .0004)) \times ABA;$$

~~[(e) The basic allotment of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:~~

$$[AA = (1 + ((1,600 - ADA) \times .00025)) \times ABA]$$

~~[(d) The basic allotment of a school district that offers a kindergarten through grade 12 program and has less than 5,000 students in average daily attendance is adjusted by applying the formula, of the following formulas, that results in the greatest adjusted allotment:~~

~~[(1) the formula in Subsection (b) or (c) for which the district is eligible;] or~~

$$(2) AA = (1 + ((5,000 - ADA) \times .000025)) \times ABA.$$

SECTION \_\_\_\_\_. Subchapter B, Chapter 42, Education Code, is amended by adding a new Section 42.104 to read as follows:

Sec. 42.104. SPARSITY ADJUSTMENT. Notwithstanding Sections 42.101, 42.102, and 42.103, a school district that has fewer than 130 students in average daily attendance shall be provided an adjusted allotment under the applicable provisions of Section 41.302.

SECTION \_\_\_\_\_. Section 42.151(a), Education Code, is amended to read as follows:

(a) For each student in average daily attendance in a special education program under Subchapter A, Chapter 29, in a mainstream instructional arrangement, a school district is entitled to an annual allotment equal to the adjusted ~~[basic]~~ allotment multiplied by 1.1. For each full-time equivalent student in average daily attendance in a special education program under Subchapter A, Chapter 29, in an instructional arrangement other than a mainstream instructional arrangement, a district is entitled to an annual allotment equal to the adjusted ~~[basic]~~ allotment multiplied by a weight determined according to instructional arrangement as follows:

Homebound . . . . . 5.0  
 Hospital class . . . . . 3.0  
 Speech therapy . . . . . 5.0  
 Resource room . . . . . 3.0  
 Self-contained, mild and moderate,  
 regular campus . . . . . 3.0  
 Self-contained, severe, regular campus . . . . . 3.0  
 Off home campus . . . . . 2.7  
 Nonpublic day school . . . . . 1.7  
 Vocational adjustment class . . . . . 2.3

SECTION \_\_\_\_\_. Section 42.151(f), Education Code, is redesignated as Section 42.151(c), Education Code, to read as follows:

(c) [(+) ] In this section, "full-time equivalent student" means 30 hours of contact a week between a special education student and special education program personnel.

SECTION \_\_\_\_\_. Section 42.152(a), Education Code, is amended to read as follows:

(a) For each student who is educationally disadvantaged or who is a student who does not have a disability and resides in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the adjusted [basic] allotment multiplied by 0.2, and by 2.41 for each full-time equivalent student who is in a remedial and support program under Section 29.081 because the student is pregnant.

SECTION \_\_\_\_\_. Section 42.152(b-1), Education Code, is redesignated as Section 42.152(c), Education Code, to read as follows:

(c) [(b-1) ] A student receiving a full-time virtual education through the state virtual school network may be included in determining the number of educationally disadvantaged students under Subsection (b) if the school district submits to the commissioner a plan detailing the enhanced services that will be provided to the student and the commissioner approves the plan.

SECTION \_\_\_\_\_. Section 42.153(a), Education Code, is amended to read as follows:

(a) For each student in average daily attendance in a bilingual education or special language program under Subchapter B, Chapter 29, a district is entitled to an annual allotment equal to the adjusted [basic] allotment multiplied by 0.1.

SECTION \_\_\_\_\_. Section 42.154(a), Education Code, is amended to read as follows:

(a) For each full-time equivalent student in average daily attendance in an approved career and technology education program in grades nine through 12 or in career and technology education programs for students with disabilities in grades seven through 12, a district is entitled to:

(1) an annual allotment equal to the adjusted [basic] allotment multiplied by a weight of 1.35; and

(2) \$50, if the student is enrolled in:

(A) two or more advanced career and technology education classes for a total of three or more credits; or

(B) an advanced course as part of a tech-prep program under Subchapter T, Chapter 61.

SECTION \_\_\_\_\_. Chapter 42, Education Code, is amended by adding Subchapter D and adding a subchapter heading to read as follows:

SUBCHAPTER D. TRANSPORTATION ALLOTMENT

SECTION \_\_\_\_\_. Sections 42.155(a), (b), (c), and (j), Education Code, are transferred to Subchapter D, Chapter 42, Education Code, as added by this Act, redesignated as Section 42.201, Education Code, and amended to read as follows:

Sec. 42.201. TRANSPORTATION ALLOTMENT. (a) Each district or county operating a transportation system is entitled to allotments for transportation costs as provided by this section.

(b) As used in this section:

(1) "Regular eligible student" means a student who resides two or more miles from the student's campus of regular attendance, measured along the shortest route that may be traveled on public roads, and who is not classified as a student eligible for special education services.

(2) "Eligible special education student" means a student who is eligible for special education services under Section 29.003 and who would be unable to attend classes without special transportation services.

(3) "Linear density" means the average number of regular eligible students transported daily, divided by the approved daily route miles traveled by the respective transportation system.

(c) Each district or county operating a regular transportation system is entitled to an allotment based on the daily cost per regular eligible student of operating and maintaining the regular transportation system and the linear density of that system. In determining the cost, the commissioner shall give consideration to factors affecting the actual cost of providing these transportation services in each district or county. The average actual cost is to be computed by the commissioner and included for consideration by the legislature in the General Appropriations Act. The allotment per mile of approved route may not exceed the amount set by appropriation.

(d) ~~(f)~~ The Texas School for the Deaf is entitled to an allotment under this section. The commissioner shall determine the appropriate allotment.

SECTION \_\_\_\_\_. Section 42.251, Education Code, is amended to read as follows:

Sec. 42.251. FINANCING; GENERAL RULE. (a) A school district's Foundation School Program maintenance and operations cost is the [The] sum of:

(1) the district's effective tax rate, as provided under Section 42.2511, multiplied by the sum of the regular program entitlement to which the district is entitled [basic allotment] under Subchapter B and the sum of the special allotments under Subchapter C to which the district is entitled, computed in accordance with this chapter; and

(2) the transportation allotment under Subchapter D~~[, constitute the tier one allotments].~~



(b) The sum of the Foundation School Program maintenance and operations costs for all accredited school districts in this state constitutes ~~[tier one allotments and the guaranteed yield allotments under Subchapter F, computed in accordance with this chapter, constitute]~~ the total maintenance and operations cost of the Foundation School Program.

(c) ~~(b)~~ The program shall be financed by:

(1) state available school funds distributed in accordance with law ~~[ad valorem tax revenue generated by an equalized uniform school district effort];~~

(2) ad valorem tax revenue generated by local school district effort ~~[in excess of the equalized uniform school district effort]; and~~

(3) state available school funds distributed in accordance with law; and  
~~[(4)]~~ state funds appropriated for the purposes of public school education and allocated to each district in an amount sufficient to finance the maintenance and operations cost of each district's Foundation School Program not covered by other funds specified in this subsection.

SECTION \_\_\_\_\_. Subchapter E, Chapter 42, Education Code, is amended by adding Section 42.2511 to read as follows:

Sec. 42.2511. EFFECTIVE TAX RATE. (a) A district's effective tax rate is the district's adopted maintenance and operations tax rate per \$100 of taxable value multiplied by the ratio of the district's appraised value of property for maintenance and operations tax purposes to the taxable value of property in the school district for the current tax year determined under Subchapter M, Chapter 403, Government Code.

(b) The effective tax rate for an open-enrollment charter school under Chapter 12 is the state average effective tax rate.

SECTION \_\_\_\_\_. The heading to Section 42.252, Education Code, is amended to read as follows:

Sec. 42.252. LOCAL SHARE OF PROGRAM COST ~~[(TIER ONE)].~~

SECTION \_\_\_\_\_. Section 42.252(a), Education Code, is amended to read as follows:

(a) Each school district's share of the maintenance and operations cost of the Foundation School Program is the sum of the district's distribution from the state available school fund and the district's maintenance and operations tax collections for the current year ~~[determined by the following formula:~~

$$[LFA = TR \times DPV$$

~~where:~~

~~["LFA" is the school district's local share;~~

~~["TR" is a tax rate which for each hundred dollars of valuation is an effective tax rate of the amount equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the lesser of:~~

~~[(1) \$1.50; or~~

~~(2) the maintenance and operations tax rate adopted by the district for the 2005 tax year; and~~

~~["DPV" is the taxable value of property in the school district for the preceding tax year determined under Subchapter M, Chapter 403, Government Code].~~

SECTION \_\_\_\_\_. Sections 42.253(a) and (c), Education Code, are amended to read as follows:

(a) For each school year the commissioner shall determine:

(1) the amount of money to which a school district is entitled under Subchapters B, ~~and~~ C, and D;

(2) ~~the amount of money to which a school district is entitled under Subchapter F;~~

~~[(3)]~~ the amount of money allocated to the district from the available school fund; and

~~(3) [(4) the amount of each district's tier one local share under Section 42.252; and~~

~~[(5)] the amount of each district's maintenance and operations tax collections [tier two local share under Section 42.302].~~

(c) Each school district is entitled to an amount equal to the difference for that district between Subsection ~~[the sum of Subsections]~~ (a)(1) ~~and (a)(2)]~~ and the sum of Subsections (a)(2) and (a)(3)~~[(a)(4), and (a)(5)]~~.

SECTION \_\_\_\_\_. Section 42.254, Education Code, is amended to read as follows:

Sec. 42.254. OPTIONS TO ENSURE EFFICIENCY OF FOUNDATION SCHOOL PROGRAM [ESTIMATES REQUIRED]. (a) If a school district's total revenue under Sections 42.253(a)(2) and (3) exceeds the district's entitlement under Section 42.253(a)(1), a district may choose to exercise one or more options under Subchapter B, C, D, or E, Chapter 41, to eliminate all excess revenue. If the district fails to elect an option, the commissioner shall exercise an option under Subchapter F or G, Chapter 41, to reduce the district's anticipated revenue by an amount sufficient to eliminate any excess revenue [Not later than October 1 of each even numbered year:

~~[(1) the agency shall submit to the legislature an estimate of the tax rate and student enrollment of each school district for the following biennium; and~~

~~[(2) the comptroller shall submit to the legislature an estimate of the total taxable value of all property in the state as determined under Subchapter M, Chapter 403, Government Code, for the following biennium].~~

(b) The total amount to be remitted to the state by a district under Subchapter D, Chapter 41, must at least equal the amount by which the district's total revenue under Sections 42.253(a)(2) and (3) exceeds the district's entitlement under Section 42.253(a)(1) [The agency and the comptroller shall update the information provided to the legislature under Subsection (a) not later than March 1 of each odd numbered year].

(c) If a district subject to this section chooses another option to achieve the efficiency of the system under Chapter 41 or the commissioner takes action under Subchapter F or G, Chapter 41, any district involved may not have a resulting amount of total revenue under Sections 42.253(a)(2) and (3) that exceeds the district's entitlement under Section 42.253(a)(1).

SECTION \_\_\_\_\_. The heading to Section 42.258, Education Code, is amended to read as follows:

Sec. 42.258. RECOVERY OF OVERALLOCATED FUNDS OR INSUFFICIENT PAYMENTS.

SECTION \_\_\_\_\_. Section 42.258(a), Education Code, is amended to read as follows:

(a) If a school district has received an overallocation of state funds or has failed to make sufficient payments to the state under Section 42.254, the agency shall, by withholding from subsequent allocations of state funds or increasing the amount of payments owed for the current or subsequent school year or by requesting and obtaining a refund, recover from the district an amount equal to the overallocation or insufficient payments.

SECTION \_\_\_\_\_. The heading to Subchapter F, Chapter 42, Education Code, is amended to read as follows:

SUBCHAPTER F. CALCULATION OF WEIGHTED AVERAGE DAILY  
ATTENDANCE [~~GUARANTEED YIELD PROGRAM~~]

SECTION \_\_\_\_\_. Section 42.301, Education Code, is amended to read as follows:

Sec. 42.301. PURPOSE. The purpose of the calculation of weighted students under this subchapter is to provide a method of comparison of student funding under [the guaranteed yield component of] the Foundation School Program. By accounting for the state recognized and funded uncontrollable cost differences in educating students, the use of weighted students in funding comparisons reflects the state policy under Section 42.001. Weighted students are not used in the determination of funding for school districts [is to provide each school district with the opportunity to provide the basic program and to supplement that program at a level of its own choice. An allotment under this subchapter may be used for any legal purpose other than capital outlay or debt service].

SECTION \_\_\_\_\_. The heading to Section 42.302, Education Code, is amended to read as follows:

Sec. 42.302. CALCULATION OF WEIGHTED STUDENTS [~~ALLOTMENT~~].

SECTION \_\_\_\_\_. Section 42.302(a), Education Code, is amended to read as follows:

(a) For comparing student funding under Section 42.301, [Each school district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the district's local fund assignment up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 42.303, is determined by the formula:

$$[\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}]$$

[where:

["GYA" is the guaranteed yield amount of state funds to be allocated to the district;

["GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is an amount described by Subsection (a 1) or a greater amount for any year provided by appropriation;

["WADA" is] the number of students in weighted average daily attendance[; which] is calculated by dividing the sum of the school district's allotments under Subchapters B and C[; less any allotment to the district for transportation, any allotment under Section 42.158 or 42.160, and 50 percent of the adjustment under Section 42.102;] by the basic allotment for the applicable year[;]

~~["DTR" is the district enrichment tax rate of the school district, which is determined by subtracting the amounts specified by Subsection (b) from the total amount of maintenance and operations taxes collected by the school district for the applicable school year and dividing the difference by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100; and~~

~~["LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property as determined under Subchapter M, Chapter 403, Government Code, or, if applicable, under Section 42.2521, divided by 100].~~

SECTION \_\_\_\_\_. The following provisions of the Education Code are repealed:

(1) Section 41.002, as effective immediately before the effective date of this Act;

(2) Sections 41.0031 and 41.0041;

(3) Section 41.006, as effective immediately before the effective date of this Act;

(4) Section 41.092;

(5) Section 41.093(b-1);

(6) Section 41.0931;

(7) Section 41.097(b);

(8) Sections 41.098 and 41.099;

(9) Subchapter E, Chapter 41, as effective immediately before the effective date of this Act;

(10) Section 41.157(d);

(11) Section 41.159(b);

(12) Sections 41.206(d), (e), (f), (g), (h), (i), (j), and (k);

(13) Sections 41.207, 41.208, 41.209, and 41.210;

(14) Section 41.252(c);

(15) Section 42.009;

(16) Sections 42.101(a-1) and (a-2);

(17) Section 42.104, as effective immediately before the effective date of this Act;

(18) Section 42.106;

(19) Section 42.151(l);

(20) Section 42.154(e);

(21) the heading to Section 42.155;

(22) Sections 42.1541, 42.156, 42.157, 42.158, 42.160, 42.2513, 42.2516, 42.2517, and 42.2518;

(23) Sections 42.252(a-1), (b), (c), and (d);

(24) Sections 42.2521, 42.2522, and 42.2523;

(25) Section 42.253(b);

(26) Sections 42.2531 and 42.257;

(27) Sections 42.258(a-1) and (b);

(28) Sections 42.259(a), (b), (c), (d), (e), and (f);

(29) Sections 42.2591, 42.260, and 42.262;

(30) Sections 42.302(a-1), (a-2), (b), (c), (d), (e), and (f); and

(31) Sections 42.303, 42.304, and 42.4101.

SECTION \_\_\_\_\_. Any rule adopted by the commissioner of education under Chapter 41 or 42, Education Code, before the effective date of this Act continues to apply to Chapter 41 or 42, Education Code, as amended by this Act, if Chapter 41 or 42, Education Code, as amended by this Act, includes a section that is substantially the same as a section of Chapter 41 or 42, Education Code, that existed before the effective date of this Act.

The amendment to **SB 2** was read.

Senator Rodríguez withdrew Floor Amendment No. 12.

Senator Garcia offered the following amendment to the bill:

### **Floor Amendment No. 13**

Amend **SB 2** (senate committee printing) in SECTION 4 of the bill by striking added Sections 230.052(3) and (4), Insurance Code (page 6, lines 8 through 14), and substituting the following:

(3) valid certificate of occupancy;

(4) policy statements regarding:

(A) admissions;

(B) curriculum;

(C) safety;

(D) food service inspection; and

(E) student to teacher ratios; and

(5) the school's agreement that students who receive scholarships under this chapter are eligible to receive any scholarships offered by the school to the same extent as other students.

The amendment to **SB 2** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 13.

Senator Garcia offered the following amendment to the bill:

### **Floor Amendment No. 14**

Amend **SB 2** (senate committee report) as follows:

(1) In SECTION 9 of the bill, transferring appropriations from the Health and Human Services Commission, strike page 10, line 67, through page 11, line 4, and substitute the following:

SECTION 9. In addition to other amounts appropriated to the Texas Education Agency for the state fiscal biennium ending August 31, 2019, \$270,000,000 is appropriated from the economic stabilization fund to the agency for the state fiscal biennium ending August 31, 2019, to be used by the agency during that state fiscal biennium as follows:

(2) In SECTION 9 of the bill, transferring appropriations from the Health and Human Services Commission (page 11, lines 14-16), strike Subsection (b) of that section.

(3) In SECTION 10 of the bill, providing the effective date for the bill (page 11, line 17), between "Act" and the colon, insert "and subject to Subsection (c) of this section".

(4) In SECTION 10 of the bill, providing the effective date for the bill (page 11, between lines 24 and 25), insert the following:

(c) Sections 1, 2, and 3 of this Act take effect only if this Act receives a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m), Article III, Texas Constitution.

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

#### **Floor Amendment No. 15**

Amend **SB 2** (senate committee printing), in SECTION 4 of the bill, following added Section 230.052, Insurance Code (page 6, between lines 14 and 15), by inserting the following:

Sec. 230.0521. REQUIREMENT FOR ANNUAL REPORT. The certified educational assistance organization may not award scholarships to students enrolled in a nonpublic school unless the nonpublic school provides an annual report to the comptroller and the certified educational assistance organization regarding:

(1) demographic information for students receiving a scholarship and attending the nonpublic school, including the percentage of students of each applicable race and ethnicity, the percentage of educationally disadvantaged students, and the percentage of students of limited English proficiency as defined by Section 29.052, Education Code;

(2) the total number of students with disabilities awarded a scholarship who are accepted into the nonpublic school and the total number of those students who are denied admission into the nonpublic school;

(3) the performance of students receiving a scholarship and attending the nonpublic school on nationally norm-referenced assessment instruments or the appropriate assessment instrument required under Section 39.023, Education Code;

(4) overall rates of graduation, dropout, in-school suspension, out-of-school suspension, and expulsion among students receiving a scholarship and attending the nonpublic school; and

(5) rates of graduation, dropout, in-school suspension, out-of-school suspension, and expulsion among students receiving a scholarship and attending the nonpublic school by student race, ethnicity, gender, socioeconomic status, and disability category.

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

**Floor Amendment No. 16**

Amend **SB 2** (senate committee printing) in SECTION 4 of the bill by striking added Section 230.051(b)(1)(G), Insurance Code (page 4, lines 40 through 46), and substituting the following:

(G) demonstrate experience and technical expertise in:

(i) accepting, processing, and tracking applications for scholarships or educational expense assistance;

(ii) awarding scholarships to students in primary or secondary schools; and

(iii) providing services to persons with disabilities;

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

**Floor Amendment No. 17**

Amend **SB 2** (senate committee printing), in SECTION 4 of the bill, in added Section 230.001(3), Insurance Code (page 3, lines 64-65), between "student who" and the underlined colon, by striking "is" and substituting "a public school in this state determined or verified, while the student was enrolled in the school, was".

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

**Floor Amendment No. 18**

Amend **SB 2** (senate committee printing) in SECTION 4 of the bill as follows:

(1) In added Section 230.051(b)(1)(H), Insurance Code (page 4, line 48), following the underlined semicolon, strike "and".

(2) Immediately following added Section 230.051(b)(1)(I), Insurance Code (page 4, between lines 52 and 53), insert the following:

(J) establish comprehensive and transparent criteria for how the organization will:

(i) select recipients of scholarships and educational expense assistance; and

(ii) determine the amount of the scholarship and educational expense assistance awarded to each recipient; and

The amendment to **SB 2** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 18.

Senator Menéndez offered the following amendment to the bill:

### **Floor Amendment No. 19**

Amend **SB 2** (senate committee printing) as follows:

(1) In SECTION 4 of the bill, in the heading to added Section 230.057, Insurance Code (page 8, line 36), strike "NET SAVINGS TO PUBLIC EDUCATION" and substitute "COST TO PUBLIC SCHOOLS AND NET SAVINGS TO STATE".

(2) In SECTION 4 of the bill, strike added Section 230.057(b), Insurance Code (page 8, lines 46-49), and substitute the following:

(b) Not later than December 31 of each even-numbered year, the comptroller shall determine and make available to the public a report of the amount of:

(1) public school revenue lost for the previous state fiscal biennium as a result of students receiving scholarships and educational expense assistance from the certified educational assistance organization under this chapter; and

(2) net savings to the state for the previous state fiscal biennium.

(3) In SECTION 7 of the bill (page 10, lines 60 and 61), strike "determination of net savings and report regarding that savings as" and substitute "report".

The amendment to **SB 2** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Garcia offered the following amendment to the bill:

### **Floor Amendment No. 20**

Amend **SB 2** (senate committee printing) in SECTION 4 of the bill, in added Subchapter B, Chapter 230, Insurance Code (page 8, between lines 49 and 50), by inserting the following:



Sec. 230.058. COMPTROLLER OVERSIGHT. The comptroller shall make a reasonable effort to:

(1) conduct studies to evaluate the following for students using scholarships to attend nonpublic schools and students attending public schools:

(A) performance on assessment instruments;

(B) graduation and retention rates; and

(C) reports of harassment;

(2) protect the legal rights of students using scholarships to attend nonpublic schools, including legal rights created under federal law for the benefit of students with disabilities;

(3) permit scholarship funds to be used to pay reasonable costs of transportation so that all families have an equitable opportunity to benefit from the program;

(4) retain and enforce the requirement that students using scholarships participate in administration of specified assessment instruments, with student performance made available to the public in the same manner that performance of students attending public schools is made available to the public;

(5) retain high standards for teacher qualifications required by the state;

(6) provide oversight and monitoring of participating nonpublic schools;

(7) assure the same level of accountability for participating nonpublic schools as the level required for public schools; and

(8) provide tools and supports to parents and students as necessary to facilitate participation in the program, with special attention given to:

(A) a student's role in the decision-making process; and

(B) the best methods for educating parents and students about school choice options under the program.

The amendment to **SB 2** was read.

Senator Garcia withdrew Floor Amendment No. 20.

**SB 2** as amended was passed to engrossment by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Nays: Garcia, Hinojosa, Menéndez, Miles, Nichols, Perry, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

### GUESTS PRESENTED

Senator Taylor of Collin was recognized and introduced to the Senate his mother, Catherine Blaffer Taylor.

Senator Taylor of Collin was again recognized and introduced to the Senate a Lovejoy ISD delegation.

The Senate welcomed its guests.

(Senator Hughes in Chair)

(President in Chair)

(Senator Schwertner in Chair)

**SENATE BILL 10 ON SECOND READING**

Senator Campbell moved to suspend the regular order of business to take up for consideration **SB 10** at this time on its second reading:

**SB 10**, Relating to reporting requirements by certain physicians and health care facilities for abortion complications; authorizing a civil penalty.

The motion prevailed by the following vote: Yeas 22, Nays 9.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Zaffirini.

Nays: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire.

The bill was read second time.

Senator Campbell offered the following amendment to the bill:

**Floor Amendment No. 1**

Amend **SB 10** (senate committee report) in SECTION 1 of the bill, in added Section 171.006(c), Health and Safety Code (page 1, line 58), by striking "or at the abortion facility".

The amendment to **SB 10** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Campbell offered the following amendment to the bill:

**Floor Amendment No. 2**

Amend **SB 10** (senate committee report) in SECTION 1 of the bill, in added Section 171.006(i), Health and Safety Code, immediately following "year", by inserting "The annual report may not include any duplicative data".

The amendment to **SB 10** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Watson offered the following amendment to the bill:

**Floor Amendment No. 3**

Amend **SB 10** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in the heading to added Section 171.006, Health and Safety Code (page 1, line 25), between "COMPLICATION" and "REPORTING", insert "AND SURGICAL PROCEDURE COMPLICATION".

(2) In SECTION 1 of the bill, strike added Section 171.006(a), Health and Safety Code (page 1, lines 26-41), and substitute the following:

(a) In this section:

(1) "Abortion complication" means any harmful event or adverse outcome with respect to a patient related to an abortion that is performed on the patient and that is diagnosed or treated by a health care practitioner or at a health care facility and includes:

- (A) shock;
- (B) uterine perforation;
- (C) cervical laceration;
- (D) hemorrhage;
- (E) aspiration or allergic response;
- (F) infection;
- (G) sepsis;
- (H) death of the patient;
- (I) incomplete abortion;
- (J) damage to the uterus; and
- (K) an infant born alive after the abortion.

(2) "Surgical procedure complication" means any harmful event or adverse outcome with respect to a patient related to a partial colectomy, small bowel resection, cholecystectomy, peptic ulcer disease surgery, abdominal adhesions removal, appendectomy, or laparotomy that is diagnosed or treated by a health care practitioner or at a health care facility.

(3) In SECTION 1 of the bill, in added Section 171.006(b), Health and Safety Code (page 1, lines 47 and 48), strike "or (B)" and substitute the following:

- (B) diagnoses or treats a surgical procedure complication; or
- (C)

(4) In SECTION 1 of the bill, in added Section 171.006(c), Health and Safety Code (page 1, line 57), between "abortion complication" and "diagnosed", insert "or surgical procedure complication".

(5) In SECTION 1 of the bill, in added Section 171.006(c), Health and Safety Code (page 2, line 1), between "abortion complication" and "diagnosed", insert "or surgical procedure complication".

(6) In SECTION 1 of the bill, in added Section 171.006(d), Health and Safety Code (page 2, line 6), between "abortion complication" and "under", insert "or surgical procedure complication".

(7) In SECTION 1 of the bill, in added Section 171.006(f), Health and Safety Code (page 2, line 17), between "abortion complication" and the underlined colon, insert "or surgical procedure complication".

(8) In SECTION 1 of the bill, in added Section 171.006(f)(1), Health and Safety Code (page 2, line 19), between "complication" and the underlined semicolon, insert ", if applicable".

(9) In SECTION 1 of the bill, in added Section 171.006(f)(2), Health and Safety Code (page 2, line 21), between "complication" and the underlined semicolon, insert ", if applicable".

(10) In SECTION 1 of the bill, in added Section 171.006(f)(3), Health and Safety Code (page 2, line 23), between "performed" and the underlined semicolon, insert ", if applicable".

(11) In SECTION 1 of the bill, in added Section 171.006(f)(4), Health and Safety Code (page 2, line 25), between "performed" and the underlined semicolon, insert ", if applicable".

(12) In SECTION 1 of the bill, in added Section 171.006(f)(9), Health and Safety Code (page 2, line 36), between "complication" and the underlined semicolon, insert ", if applicable".

(13) In SECTION 1 of the bill, in added Section 171.006(f)(10), Health and Safety Code (page 2, line 38), between "patient" and the underlined semicolon, insert ", if applicable".

(14) In SECTION 1 of the bill, in added Section 171.006(f)(11), Health and Safety Code (page 2, line 40), between "patient" and the underlined period, insert ", if applicable".

(15) In SECTION 1 of the bill, in added Section 171.006(i), Health and Safety Code (page 2, line 59), between "abortion complication" and "required", insert "and surgical procedure complication".

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

#### **Floor Amendment No. 4**

Amend **SB 10** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in the heading to added Section 171.006, Health and Safety Code, between "Sec. 171.006." and "ABORTION", insert "PREGNANCY COMPLICATION AND".

(2) In SECTION 1 of the bill, strike added Section 171.006(a), Health and Safety Code, and substitute the following:

(a) In this section:

(1) "Abortion complication" means any harmful event or adverse outcome with respect to a patient related to an abortion that is performed on the patient, including a self-induced abortion, and that is diagnosed or treated by a health care practitioner or at a health care facility and includes:

(A) shock;

(B) uterine perforation;

(C) cervical laceration;

(D) hemorrhage;

(E) aspiration or allergic response;

(F) infection;

- (G) sepsis;
- (H) death of the patient;
- (I) incomplete abortion;
- (J) damage to the uterus; and
- (K) an infant born alive after the abortion.

(2) "Pregnancy complication" means any harmful event or adverse outcome with respect to a patient related to a pregnancy that is diagnosed or treated by a health care practitioner or at a health care facility.

(3) In SECTION 1 of the bill, immediately following added Section 171.006(b)(1)(A), Health and Safety Code, strike "or".

(4) In SECTION 1 of the bill, in added Section 171.006(b)(1)(B), Health and Safety Code, between "facility" and the underlined semicolon, insert "or a self-induced abortion".

(5) In SECTION 1 of the bill, immediately following added Section 171.006(b)(1)(B), Health and Safety Code, insert the following appropriately lettered paragraph:

- (C) diagnoses or treats a pregnancy complication; or

(6) In SECTION 1 of the bill, in added Section 171.006(c), Health and Safety Code, between "each" and "abortion", each place the terms appear, insert "pregnancy complication or".

(7) In SECTION 1 of the bill, in added Section 171.006(d), Health and Safety Code, before "abortion complication", insert "pregnancy complication or".

(8) In SECTION 1 of the bill, in added Section 171.006(f), Health and Safety Code, between "each" and "abortion", insert "pregnancy complication or".

(9) In SECTION 1 of the bill, in added Section 171.006(f)(1), Health and Safety Code, between "complication" and the underlined semicolon, insert ", if applicable".

(10) In SECTION 1 of the bill, in added Section 171.006(f)(2), Health and Safety Code, between "complication" and the underlined semicolon, insert ", if applicable".

(11) In SECTION 1 of the bill, in added Section 171.006(f)(3), Health and Safety Code, between "performed" and the underlined semicolon, insert ", if applicable".

(12) In SECTION 1 of the bill, in added Section 171.006(f)(4), Health and Safety Code, between "performed" and the underlined semicolon, insert ", if applicable".

(13) In SECTION 1 of the bill, in added Section 171.006(f)(9), Health and Safety Code, between "complication" and the underlined semicolon, insert ", if applicable".

(14) In SECTION 1 of the bill, in added Section 171.006(f)(11), Health and Safety Code, between "patient" and the underlined period, insert ", if applicable".

(15) In SECTION 1 of the bill, in added Section 171.006(i), Health and Safety Code, between "each" and "abortion", insert "pregnancy complication or".

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Menéndez offered the following amendment to the bill:

**Floor Amendment No. 5**

Amend **SB 10** (senate committee report) in SECTION 1 of the bill, in added Section 171.006(c), Health and Safety Code (page 1, lines 58-59), by striking "72 hours after" and substituting "the 30th day after the date".

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

**Floor Amendment No. 6**

Amend **SB 10** (senate committee report) in SECTION 1 of the bill, in added Section 171.006(c), Health and Safety Code, by striking "72 hours" and substituting "the end of the third business day".

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

**Floor Amendment No. 7**

Amend **SB 10** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in added Section 171.006(e), Health and Safety Code (page 2, lines 11-12), strike ", other than a physician described by Subsection (b)(1),".

(2) In SECTION 1 of the bill, in added Section 171.006(f), Health and Safety Code (page 2, lines 14-15), strike "the name of the physician submitting the report or".

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Menéndez offered the following amendment to the bill:

**Floor Amendment No. 8**

Amend **SB 10** (senate committee printing) in SECTION 1 of the bill:

(1) In added Section 171.006(f)(6), Health and Safety Code, immediately following the underlined semicolon, insert "or".

(2) In added Section 171.006(f), Health and Safety Code, strike Subdivisions (7)-(11) and substitute the following:

(7) a description of the complication.

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

**Floor Amendment No. 9**

Amend **SB 10** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in added Section 171.006(a), Health and Safety Code, strike "by a health care practitioner or".

(2) In SECTION 1 of the bill, in added Section 171.006(b), Health and Safety Code, strike the following:

⋮

(1) a physician who:

(A) performs at an abortion facility an abortion that results in an abortion complication diagnosed or treated by that physician; or

(B) diagnoses or treats at an abortion facility an abortion complication that is the result of an abortion performed by another physician at the facility; or

(2)

(3) In SECTION 1 of the bill, in added Section 171.006(c), Health and Safety Code, strike the first sentence of the subsection.

(4) In SECTION 1 of the bill, in added Section 171.006(c), Health and Safety Code, in the second sentence of the subsection, strike "Subsection (b)(2)" and substitute "Subsection (b)".

(5) In SECTION 1 of the bill, in added Section 171.006(e), Health and Safety Code, strike ", other than a physician described by Subsection (b)(1),".

(6) In SECTION 1 of the bill, in added Section 171.006(f), Health and Safety Code, strike "the name of the physician submitting the report or".

(7) In SECTION 1 of the bill, in added Section 171.006(j), Health and Safety Code, strike "physician described by Subsection (b)(1) or".

(8) In SECTION 1 of the bill, in added Section 171.006(k), Health and Safety Code, strike "physician's or".

(9) In SECTION 1 of the bill, in added Section 171.006(k), Health and Safety Code, strike "physician or".

(10) In SECTION 1 of the bill, strike added Section 171.006(l), Health and Safety Code.

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

#### **Floor Amendment No. 10**

Amend **SB 10** (senate committee printing) in SECTION 1 of the bill by striking added Section 171.006(l), Health and Safety Code (page 3, lines 6-7), and substituting the following:

(l) The commission shall notify the Texas Medical Board of a physician who commits three or more separate violations of this section.

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Rodríguez offered the following amendment to the bill:

#### **Floor Amendment No. 11**

Amend **SB 10** (senate committee report) in SECTION 1 of the bill, in added Section 171.006(l), Health and Safety Code (page 3, line 7), following the underlined period, by inserting the following:

All information and records regarding a violation of this section provided under this subsection are confidential and are not open records for the purposes of Chapter 552, Government Code.

The amendment to **SB 10** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.



Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

**SB 10** as amended was passed to engrossment by the following vote: Yeas 22, Nays 9.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Zaffirini.

Nays: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire.

### SENATE BILL 73 ON SECOND READING

Senator Hughes moved to suspend the regular order of business to take up for consideration **SB 73** at this time on its second reading:

**SB 73**, Relating to reporting and certification requirements by certain physicians regarding certain abortions.

The motion prevailed by the following vote: Yeas 22, Nays 9.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Zaffirini.

Nays: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire.

The bill was read second time.

Senator Hughes offered the following amendment to the bill:

#### Floor Amendment No. 1

Amend **SB 73** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in amended Section 170.002(c), Health and Safety Code (page 1, line 27), strike "department" and substitute "commission [~~department~~]".

(2) In SECTION 1 of the bill, in amended Section 170.002(c), Health and Safety Code (page 1, line 28), strike "department" and substitute "commission [~~department~~]".

(3) In SECTION 2 of the bill, in added Section 171.006, Health and Safety Code (page 1, line 38), between the underlined period and "For each abortion", insert "(a)".

(4) In SECTION 2 of the bill, in added Section 171.006, Health and Safety Code (page 1, line 41), strike "department" and substitute "commission".

(5) In SECTION 2 of the bill, following added Section 171.006, Health and Safety Code (page 2, between lines 22 and 23), insert the following:

(b) Except as provided by Section 245.023, all information and records held by the commission under this section are confidential and are not open records for the purposes of Chapter 552, Government Code. That information may not be released or made public on subpoena or otherwise, except release may be made:

(1) for statistical purposes, but only if a person, patient, or health care facility is not identified;

(2) with the consent of each person, patient, and facility identified in the information released;

(3) to medical personnel, appropriate state agencies, or county and district courts to enforce this chapter; or

(4) to appropriate state licensing boards to enforce state licensing laws.

The amendment to **SB 73** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Watson offered the following amendment to the bill:

### **Floor Amendment No. 2**

Amend **SB 73** (senate committee report) as follows:

(1) In SECTION 2 of the bill, in added Section 171.006, Health and Safety Code (page 1, line 38), between the underlined period and "For each abortion", insert "(a)".

(2) In SECTION 2 of the bill, following added Section 171.006, Health and Safety Code (page 2, between lines 22 and 23), insert the following appropriately lettered subsection:

( ) Any information released by the commission may not identify by any means the county in which a minor obtained judicial authorization for an abortion under Chapter 33, Family Code.

The amendment to **SB 73** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

**SB 73** as amended was passed to engrossment by the following vote: Yeas 22, Nays 9.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Zaffirini.

Nays: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire.

**(President in Chair)**

### **SENATE BILL 16 ON SECOND READING**

The President laid before the Senate **SB 16** by Senator Taylor of Galveston at this time on its second reading:

**SB 16**, Relating to the creation of a commission to recommend improvements to the public school finance system.

The bill was read second time.

Senator Watson offered the following amendment to the bill:

### **Floor Amendment No. 1**

Amend **SB 16** (senate committee printing) in SECTION 1 of the bill by striking added Section 42.602(c), Education Code (page 1, lines 42-45), and substituting the following:

(c) The members appointed by the governor must have an interest in public education and include at least:

(1) one person who is a current or retired classroom teacher with at least 10 years of teaching experience;

(2) one person who is a member of the business community; and

(3) one person who is a member of the civic community.

The amendment to **SB 16** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Garcia offered the following amendment to the bill:

### **Floor Amendment No. 2**

Amend **SB 16** (senate committee report) in SECTION 1 of the bill, in added Section 42.602, Education Code (page 1, between lines 51 and 52), by inserting the following:

(e) In making appointments under Subsections (b)(1), (2), and (3), the governor, lieutenant governor, and speaker of the house of representatives shall coordinate to ensure that the membership of the commission reflects, to the extent possible, the ethnic and geographic diversity of this state.

The amendment to **SB 16** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Garcia offered the following amendment to the bill:

### **Floor Amendment No. 3**

Amend **SB 16** (senate committee report) in SECTION 1 of the bill, in added Section 42.606(a), Education Code, as follows:

(1) In added Section 42.606(a)(2), Education Code (page 2, line 12), after the underlined semicolon, strike "and".

(2) In added Section 42.606(a)(3), Education Code (page 2, line 15), between "state" and the underlined period, insert the following:  
; and

(4) measures necessary to ensure financial accountability and transparency with respect to open-enrollment charter schools

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The amendment to **SB 16** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Garcia offered the following amendment to the bill:

**Floor Amendment No. 4**

Amend **SB 16** (senate committee report) in SECTION 1 of the bill, in added Section 42.606(a), Education Code, as follows:

(1) In added Section 42.606(a)(2), Education Code (page 2, line 12), after the underlined semicolon, strike "and".

(2) In added Section 42.606(a)(3), Education Code (page 2, line 15), between "state" and the underlined period, insert the following:  
; and

(4) methods of funding high quality prekindergarten programs

The amendment to **SB 16** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

**Floor Amendment No. 5**

Amend **SB 16** (senate committee report) in SECTION 1 of the bill as follows:

(1) In added Section 42.606(a)(2), Education Code (page 2, line 12), after the underlined semicolon, strike "and".

(2) In added Section 42.606(a)(3), Education Code (page 2, line 15), between "state" and the underlined period, insert the following:  
; and

(4) updates to the cost of education adjustment necessary to reflect the current geographic variation in known resource costs and costs of education beyond the control of school districts, determined as provided by Subsection (b)

(3) In added Section 42.606, Education Code (page 2, between lines 15 and 16), insert the following subsection and reletter subsequent subsections accordingly:

(b) The recommended updates to the cost of education adjustment developed under Subsection (a)(4) must:

(1) be based on the average of relevant data for the three most recent school years for which that data is available;

(2) be calculated for each school district to at least four decimal places for each factor and for the total adjustment;

(3) address all uncontrollable costs that can reasonably be quantified;

(4) consider the qualifications, experience, and turnover rate of personnel and the impact of those factors on student achievement in considering the adequacy and comparability of salaries;

(5) properly address the impact of factors that have a large impact on certain types of school districts, such as extreme isolation, regardless of general state impact;

(6) include only factors for which a rational economic argument can be made;

(7) control for the impact of unequalized wealth and hold-harmless provisions, and properly reflect the impact of high concentrations of poverty on the compensation that school districts must pay to attract and retain teachers of comparable or appropriate quality; and

(8) not be artificially adjusted to meet predetermined outcomes or use arbitrary limits.

(4) In added Section 42.607, Education Code (page 2, line 23), between "including" and "any", insert ":

(1)".

(5) In added Section 42.607, Education Code (page 2, line 24), between "demographics" and the underlined period, insert the following: ; and

(2) detailed information regarding the data and calculations used in determining the recommended updates to the cost of education adjustment under Section 42.606(a) and any recommendations for the implementation of those updates

The amendment to **SB 16** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

**SB 16** as amended was passed to engrossment by the following vote: Yeas 31, Nays 0.

### SENATE BILL 1 ON SECOND READING

The President laid before the Senate **SB 1** by Senator Bettencourt at this time on its second reading:

**SB 1**, Relating to ad valorem taxation.

The bill was read second time.

**(Senator Taylor of Collin in Chair)**

Senator Bettencourt offered the following amendment to the bill:

#### Floor Amendment No. 1

Amend **SB 1** (senate committee printing) as follows:

(1) In SECTION 25 of the bill, in amended Section 26.04(e), Tax Code (page 9, lines 15 and 16), strike "; ~~[☒]~~ publish in a newspaper, or post prominently on the home page of the unit's Internet website, if applicable," and substitute "or publish in a newspaper, and shall also post prominently on the home page of the unit's Internet website if published in a newspaper.".

(2) In the recital to SECTION 33 of the bill (page 16, lines 68 and 69), strike "Sections 26.052(c) and (e), Tax Code, are amended" and substitute "Section 26.052, Tax Code, is amended by amending Subsection (e) and adding Subsection (f)".

(3) In SECTION 33 of the bill (page 17, lines 1 through 12), strike amended Section 26.052(c), Tax Code.

(4) In SECTION 33 of the bill, following amended Section 26.052(e), Tax Code (page 17, between lines 25 and 26), insert the following:

(f) A taxing unit to which this section applies that elects to provide public notice of its proposed tax rate under Subsection (c)(2) must also provide public notice of its proposed tax rate by posting notice of the proposed tax rate, including the information prescribed by Subsection (e), prominently on the home page of the Internet website of the taxing unit.

(5) In SECTION 34 of the bill, strike amended Section 26.06(c), Tax Code (page 21, lines 35 through 44), and substitute the following:

(c) The notice of a public hearing under this section may be delivered by mail to each property owner in the unit, or may be published in a newspaper. If the notice is published in a newspaper, it may not be in the part of the paper in which legal notices and classified advertisements appear. If the taxing unit publishes the notice in a newspaper [~~operates an Internet website~~], the taxing unit must also post the notice prominently on the home page of the Internet website of the unit [~~must be posted on the website~~] from the date the notice is first published until the second public hearing is concluded.

The amendment to **SB 1** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Bettencourt offered the following amendment to the bill:

### **Floor Amendment No. 2**

Amend **SB 1** (senate committee printing) as follows:

(1) In SECTION 4 of the bill, in added Section 5.07(g)(3), Tax Code (page 2, line 14), strike "real-time tax rate database" and substitute "real-time tax database".

(2) In SECTION 4 of the bill, in added Section 5.07(g)(3), Tax Code (page 2, lines 14 and 15), strike "tax rate officer" and substitute "tax notice officer".

(3) In SECTION 9 of the bill, in added Section 6.05(k), Tax Code (page 3, lines 47 and 48), strike "office of tax rate notices" and substitute "office of tax notices".

(4) In SECTION 9 of the bill, in added Section 6.05(k), Tax Code (page 3, lines 51 and 53 through 54), strike "tax rate officer" and substitute "tax notice officer".

(5) In SECTION 9 of the bill, in added Section 6.05(k), Tax Code (page 3, line 57), strike "Office of Tax Rate Notices" and substitute "Office of Tax Notices".

(6) In SECTION 25 of the bill, in added Section 26.04(d-3), Tax Code (page 9, line 8), strike "worksheets" and substitute "tax rate calculation forms".

(7) In SECTION 25 of the bill, in amended Section 26.04(e), Tax Code (page 9, line 16), strike ", if applicable,".

(8) In SECTION 25 of the bill, in added Section 26.04(e-2), Tax Code (page 10, lines 7 and 12), strike "tax rate officer" and substitute "tax notice officer".

(9) In SECTION 25 of the bill, in added Section 26.04(e-2), Tax Code (page 10, line 11), strike "real-time tax rate database" and substitute "real-time tax database".

(10) In SECTION 25 of the bill, in added Section 26.04(e-2)(1), Tax Code (page 10, lines 19 and 20), strike "real-time tax rate notice" and substitute "real-time tax notice".

(11) In SECTION 25 of the bill, in added Section 26.04(e-5), Tax Code (page 10, line 36), strike "worksheets" and substitute "tax rate calculation forms".

(12) In SECTION 25 of the bill, in amended Section 26.04(g), Tax Code (page 10, line 48), strike "tax rate officer" and substitute "tax notice officer".

(13) In SECTION 32 of the bill, in added Section 26.05(d-2)(1), Tax Code (page 16, line 15), strike "tax rate officer" and substitute "tax notice officer".

(14) In SECTION 32 of the bill, in added Section 26.05(d-2)(2)(A), Tax Code (page 16, line 20), strike "real-time tax rate database" and substitute "real-time tax database".

(15) In SECTION 32 of the bill, in added Section 26.05(d-2)(2)(A), Tax Code (page 16, line 21), strike "tax rate officer" and substitute "tax notice officer".

(16) In SECTION 32 of the bill, in added Section 26.05(d-2)(2)(B), Tax Code (page 16, line 25), strike "real-time tax rate database" and substitute "real-time tax database".

(17) In SECTION 32 of the bill, in added Section 26.05(d-2)(2)(B), Tax Code (page 16, line 25), strike "tax rate officer" and substitute "tax notice officer".

(18) In SECTION 33 of the bill, in added Section 26.052(c)(3), Tax Code (page 17, lines 11 and 12), strike "maintained by the taxing unit, if applicable" and substitute "of the taxing unit".

(19) In SECTION 34 of the bill, in amended Section 26.06(c), Tax Code (page 21, line 41), strike "operated by" and substitute "of".

(20) In SECTION 43 of the bill (page 28, lines 26 through 39), strike added Sections 26.16(d-1) and (d-2), Tax Code, and substitute the following:

(d-1) In addition to posting the information described by Subsection (a), the county assessor-collector shall post on the Internet website of the county for each taxing unit all or part of the territory of which is located in the county:

(1) the tax rate calculation forms used by the designated officer or employee of each taxing unit to calculate the equivalent and rollback tax rates of the unit for the most recent five tax years beginning with the 2018 tax year, as certified by the designated officer or employee under Section 26.04(d-2); and

(2) the name and official contact information for each member of the governing body of the taxing unit.

(d-2) Not later than August 1, the county assessor-collector shall post on the website the tax rate calculation forms described by Subsection (d-1)(1) for the current tax year.

(21) In SECTION 44 of the bill, in the heading to added Section 26.17, Tax Code (page 28, line 42), strike "REAL-TIME TAX RATE DATABASE" and substitute "REAL-TIME TAX DATABASE".

(22) In SECTION 44 of the bill, in added Section 26.17(a), Tax Code (page 28, lines 42 and 43), strike "tax rate officer" and substitute "tax notice officer".

(23) In SECTION 44 of the bill, in added Section 26.17(a)(1), Tax Code (page 28, line 45), strike "office of tax rate" and substitute "office of tax".

(24) In SECTION 44 of the bill, in added Section 26.17(a)(1), Tax Code (page 28, line 47), strike "Real-time Tax Rate Database" and substitute "Real-Time Tax Database".

(25) In SECTION 44 of the bill, in added Section 26.17(b), Tax Code (page 28, line 59), strike "real-time tax rate notice" and substitute "real-time tax notice".

(26) In SECTION 44 of the bill, in added Section 26.17(b)(12), Tax Code (page 29, line 28), strike "date and location" and substitute "date, time, and location".

(27) In SECTION 44 of the bill, in added Section 26.17(b)(13), Tax Code (page 29, line 31), strike "date and location" and substitute "date, time, and location".

(28) In SECTION 44 of the bill, at the end of added Section 26.17(d), Tax Code (page 29, line 44), add the following:

The link must be preceded by the following statement:

"Click on the name of the taxing unit for the following information about the taxing unit:

"(1) the names of and contact information for each member of the governing body of the taxing unit;

"(2) the budget proposed or adopted for the current year and the budgets for the preceding two years, as well as an analysis of the change in the budget from year to year;

"(3) the amount of property tax revenue budgeted for maintenance and operation expenses and debt service in the proposed or adopted budget and in the budgets for the preceding two years;

"(4) the tax rates adopted for maintenance and operation expenses and debt service for the preceding two years and the rates proposed for those purposes for the current year; and

"(5) the most recent financial audit of the taxing unit."

(29) In SECTION 44 of the bill, in added Section 26.17, Tax Code, between Subsections (d) and (e) of the section (page 29, between lines 44 and 45), insert the following:

(d-1) The database must include the following definition of the equivalent tax rate: "The equivalent tax rate is last year's tax rate, adjusted for changes in taxable value. The equivalent tax rate takes into account all property on the tax roll for both last year and this year."

(30) In SECTION 44 of the bill, in added Section 26.17, Tax Code, between Subsections (e) and (f) of the section (page 29, between lines 53 and 54), insert the following:

(e-1) The e-mail address described by Subsection (b)(14) must be accompanied by the following statement: "An e-mail address is provided for each taxing unit as a way for you to express your support for or opposition to the proposed tax rate. If you wish to express your support or opposition, you are encouraged to do so before the date of the hearing shown on the notice."

(31) Add the following appropriately numbered SECTIONS to the bill and renumber the subsequent SECTIONS of the bill accordingly:



SECTION \_\_\_\_\_. Sections 41A.07(e), (f), and (g), Tax Code, as effective September 1, 2017, are amended to read as follows:

(e) To be eligible for appointment as an arbitrator under this section [~~Subsection (a)~~], the arbitrator must reside[+:

~~[(1) in the county in which the property that is the subject of the appeal is located; or~~

~~[(2) in this state [if no available arbitrator on the registry resides in that county].~~

(f) A person is not eligible for appointment as an arbitrator under this section [~~Subsection (a)~~] if at any time during the preceding five years, the person has:

(1) represented a person for compensation in a proceeding under this title in the appraisal district in which the property that is the subject of the appeal is located;

(2) served as an officer or employee of that appraisal district; or

(3) served as a member of the appraisal review board for that appraisal district.

(g) The comptroller may not appoint an arbitrator under this section [~~Subsection (a)~~] if the comptroller determines that there is good cause not to appoint the arbitrator, including information or evidence indicating repeated bias or misconduct by the person while acting as an arbitrator.

SECTION \_\_\_\_\_. Section 41A.07, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) A property owner may request that, in appointing an initial arbitrator under this section, the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located or an arbitrator who resides outside that county. In appointing an initial arbitrator under Subsection (a), the comptroller shall comply with the request of the property owner unless the property owner requests that the comptroller appoint an arbitrator who resides in the county in which the property that is the subject of the appeal is located and there is not an available arbitrator who resides in that county. In appointing a substitute arbitrator under Subsection (d), the comptroller shall consider but is not required to comply with the request of the property owner. This subsection does not authorize a property owner to request the appointment of a specific individual as an arbitrator.

SECTION \_\_\_\_\_. Section 41A.07, Tax Code, as amended by this Act, applies only to a request for binding arbitration received by the comptroller from an appraisal district on or after January 1, 2018.

The amendment to **SB 1** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Rodriguez offered the following amendment to the bill:

### **Floor Amendment No. 3**

Amend **SB 1** (senate committee printing) as follows:

(1) In SECTION 4 of the bill, strike added Section 5.07(h), Tax Code (page 2, lines 18-29), and substitute the following:

(h) For purposes of Subsections (f) and (g), the comptroller shall use the forms published on the comptroller's Internet website as of January 1, 2017, as modified as necessary to comply with the requirements of those subsections. The forms may be updated at the discretion of the comptroller to reflect any change in the values used to calculate a tax rate, including the changes resulting from the implementation in the 2018 tax year of S.B. 1, Acts of the 85th Legislature, 1st Called Session, 2017, or similar legislation enacted at that session, or a change in a subsequent tax year resulting from a change in the inflation rate as published under Section 26.04(b-1) or a statutory change in a value to be added to the inflation rate. The forms may also be updated at the discretion of the comptroller to reflect formatting or other nonsubstantive changes.

(2) In the recital to SECTION 23 of the bill (page 7, line 53), strike "amending Subdivisions (9) and (10) and adding Subdivision (19)" and substitute "adding Subdivisions (2-a), (10-a), and (19) and amending Subdivisions (9) and (10)".

(3) In SECTION 23 of the bill, between the recital to the SECTION and amended Section 26.012(9), Tax Code (page 7, between lines 54 and 55), insert the following:

(2-a) "Consumer price index" means the average over a calendar year of the index that the comptroller considers to most accurately report changes in the purchasing power of the dollar for consumers in this state.

(4) In SECTION 23 of the bill, in amended Section 26.012, Tax Code, between Subdivisions (10) and (19) of the section (page 7, between lines 66 and 67), insert the following:

(10-a) "Inflation rate" means the amount, expressed in decimal form rounded to the nearest hundredth, computed by determining the percentage change in the consumer price index for the preceding calendar year as compared to the consumer price index for the calendar year preceding that calendar year.

(5) In the recital to SECTION 25 of the bill (page 8, line 11), strike "Subsections (c-1)" and substitute "Subsections (b-1), (c-1)".

(6) In SECTION 25 of the bill, in amended Section 26.04, Tax Code, between Subsections (b) and (c) of the section (page 8, between lines 25 and 26), insert the following:

(b-1) By June 1 or as soon thereafter as practicable, the comptroller shall determine the inflation rate for the current year and publish the rate in the Texas Register.

(7) In SECTION 25 of the bill, strike added Section 26.04(c)(2)(B), Tax Code (page 8, lines 46-49), and substitute the following:

(B) for a taxing unit other than a small taxing unit:

ROLLBACK TAX RATE = [EQUIVALENT MAINTENANCE AND OPERATIONS RATE x (1.06 + INFLATION RATE)] + CURRENT DEBT RATE

(8) In SECTION 26 of the bill, in amended Section 26.041(a), Tax Code (page 11, lines 65-67), strike the formula for the rollback tax rate for a taxing unit other than a small taxing unit and substitute the following:

ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT = [EQUIVALENT MAINTENANCE AND OPERATIONS RATE x (1.06 + INFLATION RATE)] + CURRENT DEBT RATE - SALES TAX GAIN RATE

(9) In SECTION 26 of the bill, in amended Section 26.041(b), Tax Code (page 12, lines 15-18), strike the formula for the rollback tax rate for a taxing unit other than a small taxing unit and substitute the following:

ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x (1.06 + INFLATION RATE)) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + (CURRENT DEBT RATE - SALES TAX REVENUE RATE)

(10) In SECTION 26 of the bill, in amended Section 26.041(c), Tax Code (page 12, lines 41-44), strike the formula for the rollback tax rate for a taxing unit other than a small taxing unit and substitute the following:

ROLLBACK TAX RATE FOR TAXING UNIT OTHER THAN SMALL TAXING UNIT = [(LAST YEAR'S MAINTENANCE AND OPERATIONS EXPENSE x (1.06 + INFLATION RATE)) / (CURRENT TOTAL VALUE - NEW PROPERTY VALUE)] + CURRENT DEBT RATE

(11) In SECTION 68(a) of the bill (page 38, line 37), strike "January 1, 2018" and substitute "the comptroller publishes the inflation rate for 2018 under Section 26.04(b-1), Tax Code, as added by this Act".

The amendment to **SB 1** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Buckingham offered the following amendment to the bill:

#### **Floor Amendment No. 4**

Amend **SB 1** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Chapter 26, Tax Code, is amended by adding Section 26.0446 to read as follows:

Sec. 26.0446. ELECTION TO APPLY LAW GOVERNING TAXING UNIT OTHER THAN SMALL TAXING UNIT TO SMALL TAXING UNIT. (a) On the uniform election date prescribed by Section 41.001, Election Code, in May of 2018, each taxing unit that would have been a small taxing unit in the 2017 tax year if Section 26.012(19) had been in effect in that tax year shall call an election for the purpose of allowing the voters in the taxing unit to determine whether the law governing a taxing unit other than a small taxing unit shall apply to the taxing unit. At

the election, the ballots shall be prepared to permit voting for or against the proposition: "Limiting the rate at which the maintenance and operations taxes of the (name of taxing unit) may be increased without voter approval to four percent rather than eight percent and requiring an automatic election to ratify a proposed tax rate that would increase those taxes by more than that amount instead of requiring an election to limit the tax rate only if the voters petition for such an election."

(b) If a majority of the votes cast in the election favor the proposition, the taxing unit is considered to be a taxing unit other than a small taxing unit regardless of whether it meets the definition of a small taxing unit under Section 26.012.

(c) If the proposition is not approved as provided by Subsection (b), the taxing unit is considered to be a taxing unit other than a small taxing unit only if it does not meet the definition of a small taxing unit under Section 26.012.

(d) The secretary of state by rule shall prescribe procedures for holding an election under this section.

The amendment to **SB 1** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 4.

**(President in Chair)**

Senator Perry offered the following amendment to the bill:

**Floor Amendment No. 5**

Amend **SB 1** (senate committee report) as follows:

In SECTION 23 of the bill, beginning on page 7, line 67, strike new Section 26.012(19) and substitute the following:

(19) "Small taxing unit" means a taxing unit, other than a school district, for which the sum of property tax proposed to be collected for the tax year and sales and use tax projected to be received from the state comptroller during the fiscal period is \$20 million or less.

PERRY  
KOLKHORST

The amendment to **SB 1** was read.

Senator Uresti offered the following amendment to Floor Amendment No. 5:

**Floor Amendment No. 6**

Amend Amendment No. 5 as follows:

Striking "\$20 million" and substituting "\$25 million".

The amendment to Floor Amendment No. 5 to **SB 1** was read and failed of adoption by the following vote: Yeas 13, Nays 18.

Yeas: Garcia, Hinojosa, Huffman, Kolkhorst, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Hughes, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Question recurring on the adoption of Floor Amendment No. 5 to **SB 1**, the amendment was adopted by the following vote: Yeas 17, Nays 14.

Yeas: Bettencourt, Birdwell, Buckingham, Garcia, Huffman, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Taylor of Galveston, Uresti, Zaffirini.

Nays: Burton, Campbell, Creighton, Estes, Hall, Hancock, Hinojosa, Huffines, Hughes, Seliger, Taylor of Collin, Watson, West, Whitmire.

Senator Uresti offered the following amendment to the bill:

### **Floor Amendment No. 7**

Amend **SB 1** (senate committee printing) as follows:

(1) In SECTION 9 of the bill, in added Section 6.05(k), Tax Code, between "The chief appraiser" and "shall establish" (page 3, line 47), insert "of each appraisal district established in a county that is not a small taxing unit as defined by Section 26.012".

(2) In SECTION 25 of the bill, in added Section 26.04(e-2), Tax Code, between "appraisal district" and "shall deliver" (page 10, line 7), insert "established in a county that is not a small taxing unit".

(3) In SECTION 25 of the bill, in amended Section 26.04(g), Tax Code (page 10, line 51), strike "or Section 26.16, 26.17, or 26.18" and substitute "Section 26.16, Section 26.17, if applicable, or Section 26.18".

(4) In SECTION 32 of the bill, in added Section 26.05(d-1), Tax Code, between "Section 26.17" and the underlined period (page 16, line 11), insert ", if applicable".

(5) In SECTION 32 of the bill, in added Section 26.05(d-2)(1), Tax Code, between "26.04(e-2)" and the underlined semicolon (page 16, line 17), insert ", if applicable".

(6) In SECTION 32 of the bill, in added Section 26.05(d-2)(2)(A), Tax Code, between "year" and the underlined semicolon (page 16, line 22), insert ", if applicable".

(7) In SECTION 32 of the bill, in added Section 26.05(d-2)(2)(B), Tax Code, between "officer" and the underlined semicolon (page 16, line 25), insert ", if applicable".

(8) In SECTION 44 of the bill, in added Section 26.17(a), Tax Code, between "appraisal district" and "shall create" (page 28, line 43), insert "established in a county that is not a small taxing unit".

The amendment to **SB 1** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

**Floor Amendment No. 8**

Amend **SB 1** (senate committee printing) as follows:

SECTION 22. Sections 26.01(a) and (e), Tax Code, are amended to read as follows:

(a) By July 15 ~~10~~[25], the chief appraiser shall prepare and certify to the assessor for each taxing unit participating in the district that part of the appraisal roll for the district that lists the property taxable by the unit.

The amendment to **SB 1** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Taylor of Galveston offered the following amendment to the bill:

**Floor Amendment No. 9**

Amend **SB 1** (senate committee printing) as follows:

(1) In SECTION 25 of the bill, at the end of added Section 26.04(c-1), Tax Code (page 8, line 56), add the following:

The designated officer or employee shall continue calculating the rollback tax rate in the manner provided by this subsection until the earlier of:

(1) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the fifth tax year after the tax year in which the disaster occurred.

(2) In SECTION 26 of the bill, at the end of added Section 26.041(c-1), Tax Code (page 12, line 58), add the following:

The designated officer or employee shall continue calculating the rollback tax rate in the manner provided by this subsection until the earlier of:

(1) the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred; or

(2) the fifth tax year after the tax year in which the disaster occurred.

The amendment to **SB 1** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 9.

Senator Watson offered the following amendment to the bill:

### Floor Amendment No. 10

Amend **SB 1** (senate committee printing) as follows:

(1) In SECTION 25 of the bill, in amended Section 26.04(g), Tax Code (page 10, lines 51 and 52), strike "[~~and the failure to comply was not in good faith~~]" and substitute "and the failure to comply was not in good faith".

(2) In SECTION 32 of the bill, in amended Section 26.05(e), Tax Code (page 16, lines 32 and 33), strike "[~~and the failure to comply was not in good faith~~]" and substitute "and the failure to comply was not in good faith".

The amendment to **SB 1** was read.

Senator Watson temporarily postponed further consideration of Floor Amendment No. 10.

Senator Birdwell offered the following amendment to the bill:

### Floor Amendment No. 11

Amend **SB 1** (senate committee printing) as follows:

(1) In the recital to SECTION 34 of the bill (page 17, line 28), strike "(b-4), (b-5), (b-6), and (b-7)" and substitute "and (b-4)".

(2) In SECTION 34 of the bill (page 18, line 12, through page 19, line 52), strike added Sections 26.06(b-1), (b-2), and (b-3), Tax Code.

(3) In SECTION 34 of the bill, in added Section 26.06(b-4), Tax Code (page 19, lines 53 and 54), strike "(b-4) This subsection and Subsections (b-5) and (b-6) apply only to a taxing unit other than a small taxing unit." and substitute "(b-1)".

(4) In SECTION 34 of the bill, in added Section 26.06(b-5), Tax Code (page 20, line 25), strike "(b-5)" and substitute "(b-2)".

(5) In SECTION 34 of the bill, in added Section 26.06(b-6), Tax Code (page 20, line 61), strike "(b-6)" and substitute "(b-3)".

(6) In SECTION 34 of the bill, strike added Section 26.06(b-7), Tax Code (page 21, lines 31 through 34), and substitute the following:

(b-4) In addition to including the information described by Subsection (b-1), (b-2), or (b-3), as applicable, the notice must include the information described by Section 26.062.

(7) In SECTION 35 of the bill, strike added Section 26.061(b), Tax Code (page 22, lines 32 through 69), and substitute the following:

(b) The notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate must contain a statement in the following form:

"NOTICE OF MEETING TO VOTE ON TAX RATE

"PROPOSED TAX RATE           \$ \_\_\_\_\_ per \$100

"EQUIVALENT TAX RATE       \$ \_\_\_\_\_ per \$100

"ROLLBACK TAX RATE         \$ \_\_\_\_\_ per \$100

"The equivalent tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt without holding an election to ratify the rate.

"The proposed tax rate is not greater than the equivalent tax rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public meeting to vote on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also not greater than the rollback tax rate. As a result, (name of taxing unit) is not required to hold an election to ratify the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

"Your taxes owed under any of the above rates can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposed tax rate or, if one or more were absent, indicating the absences.)"

(8) Strike SECTIONS 37 and 38 of the bill (page 24, line 63, through page 25, line 25).

(9) In SECTION 39 of the bill, in the heading to amended Section 26.08, Tax Code (page 25, line 29), strike "OTHER THAN SMALL TAXING UNIT".

(10) In SECTION 40 of the bill, in amended Section 26.08(a), Tax Code (page 25, lines 33 and 34), strike "other than a small taxing unit".

(11) In SECTION 43 of the bill, in amended Section 26.16(d), Tax Code (page 28, lines 17 through 25), strike the definition of the rollback tax rate and substitute the following:

"The rollback tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. An [In the case of a taxing unit other than a school district, the voters by petition may require that a rollback election be held if the unit adopts a tax rate in excess of the unit's rollback tax rate. In the case of a school district, an] election will automatically be held if a taxing unit [the district] wishes to adopt a tax rate in excess of the unit's [district's] rollback tax rate."

(12) Strike SECTIONS 45 and 46 of the bill (page 30, line 35, through page 31, line 15) and substitute the following appropriately numbered SECTIONS:

SECTION \_\_\_\_\_. Sections 31.12(a) and (b), Tax Code, as amended by S.B. 2242, Acts of the 85th Legislature, Regular Session, 2017, are amended to read as follows:

(a) If a refund of a tax provided by Section 11.431(b), 26.08(d-2) [26.07(g)], 26.15(f), 31.11, 31.111, or 31.112 is paid on or before the 60th day after the date the liability for the refund arises, no interest is due on the amount refunded. If not paid on or before that 60th day, the amount of the tax to be refunded accrues interest at a rate of one percent for each month or part of a month that the refund is unpaid, beginning with the date on which the liability for the refund arises.

(b) For purposes of this section, liability for a refund arises:

(1) if the refund is required by Section 11.431(b), on the date the chief appraiser notifies the collector for the unit of the approval of the late homestead exemption;



(2) if the refund is required by Section 26.08(d-2) [~~26.07(g)~~], on the date the subsequent tax rate is adopted [~~results of the election to reduce the tax rate are certified~~];

(3) if the refund is required by Section 26.15(f):

(A) for a correction to the tax roll made under Section 26.15(b), on the date the change in the tax roll is certified to the assessor for the taxing unit under Section 25.25; or

(B) for a correction to the tax roll made under Section 26.15(c), on the date the change in the tax roll is ordered by the governing body of the taxing unit;

(4) if the refund is required by Section 31.11, on the date the auditor for the taxing unit determines that the payment was erroneous or excessive or, if the amount of the refund exceeds the applicable amount specified by Section 31.11(a), on the date the governing body of the unit approves the refund;

(5) if the refund is required by Section 31.111, on the date the collector for the taxing unit determines that the payment was erroneous; or

(6) if the refund is required by Section 31.112, on the date required by Section 31.112(d) or (e), as applicable.

SECTION \_\_\_\_\_. Section 33.08(b), Tax Code, is amended to read as follows:

(b) The governing body of the taxing unit or appraisal district, in the manner required by law for official action, may provide that taxes that become delinquent on or after June 1 under Section 26.08(d-1) [~~26.07(f)~~], 26.15(e), 31.03, 31.031, 31.032, 31.04, or 42.42 incur an additional penalty to defray costs of collection. The amount of the penalty may not exceed the amount of the compensation specified in the applicable contract with an attorney under Section 6.30 to be paid in connection with the collection of the delinquent taxes.

(13) In SECTION 54 of the bill, in amended Section 130.016(b), Education Code (page 34, line 11), strike "26.07 or 26.08, Tax Code, as applicable" and substitute "26.08 [~~26.07~~], Tax Code".

(14) Strike SECTION 56 of the bill (page 34, lines 18 through 31) and substitute the following appropriately numbered SECTION:

SECTION \_\_\_\_\_. Sections 281.124(d) and (e), Health and Safety Code, are amended to read as follows:

(d) If a majority of the votes cast in the election favor the proposition, the tax rate for the specified tax year is the rate approved by the voters, and that rate is not subject to [~~a rollback election under~~] Section 26.08 [~~26.07~~], Tax Code. The board shall adopt the tax rate as provided by Chapter 26, Tax Code.

(e) If the proposition is not approved as provided by Subsection (c), the board may not adopt a tax rate for the district for the specified tax year that exceeds the rate that was not approved, and Section 26.08 [~~26.07~~], Tax Code, applies to the adopted rate if that rate exceeds the district's rollback tax rate.

(15) Add the following appropriately numbered SECTION to the bill:

SECTION \_\_\_\_\_. Section 1101.254(f), Special District Local Laws Code, is amended to read as follows:

(f) This section does not affect the applicability of ~~[any rights district voters may have to petition for an election under]~~ Section 26.08 ~~[26.07]~~, Tax Code, to the district's tax rate, except that if district voters approve a tax rate increase under this section, ~~[the voters may not petition for an election under]~~ Section 26.08 ~~[26.07]~~, Tax Code, does not apply ~~[as]~~ to the tax rate for that year.

(16) Strike SECTIONS 61 and 62 of the bill (page 36, lines 42 through 69) and substitute the following appropriately numbered SECTIONS:

SECTION \_\_\_\_\_. Sections 1122.2522, 3828.157, and 8876.152, Special District Local Laws Code, are amended to read as follows:

Sec. 1122.2522. ROLLBACK TAX RATE PROVISIONS APPLICABLE. ~~[(a)]~~ If in any year the board adopts a tax rate that exceeds the rollback tax rate calculated as provided by Chapter 26, Tax Code, ~~[the qualified voters of the district by petition may require that]~~ an election under Section 26.08 of that code must be held to determine whether or not to approve ~~[reduce]~~ the tax rate adopted by the board for that year ~~[to the rollback tax rate]~~.

~~[(b) To the extent a conflict exists between this section and a provision of the Tax Code, the provision of the Tax Code prevails.]~~

Sec. 3828.157. INAPPLICABILITY OF CERTAIN TAX CODE PROVISIONS. Sections 26.04, 26.05, and 26.08 ~~[26.07]~~, Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

Sec. 8876.152. APPLICABILITY OF CERTAIN TAX PROVISIONS. (a) Sections 26.04, 26.05, 26.06, 26.061, and 26.08 ~~[26.07]~~, Tax Code, do not apply to a tax imposed by the district.

(b) Sections 49.236(a)(1) and (2) and (b) ~~[Section 49.236]~~, Water Code, apply ~~[as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003, applies]~~ to the district.

(17) In SECTION 63 of the bill, in amended Section 49.107(g), Water Code (page 37, line 3), strike "~~and~~ 26.07, and 26.08," and substitute "and 26.08 ~~[26.07]~~,".

(18) In SECTION 64 of the bill, in amended Section 49.108(f), Water Code (page 37, line 9), strike "~~and~~ 26.07, and 26.08," and substitute "and 26.08 ~~[26.07]~~,".

(19) Strike SECTION 65 of the bill (page 37, line 12, through page 38, line 14) and substitute the following appropriately numbered SECTION:

SECTION \_\_\_\_\_. Sections 49.236(a) and (d), Water Code, as added by Chapter 335 (S.B. 392), Acts of the 78th Legislature, Regular Session, 2003, are amended to read as follows:

(a) Before the board adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, the board shall give notice of each meeting of the board at which the adoption of a tax rate will be considered. The notice must:

(1) contain a statement in substantially the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property ~~[and the tax rate that is adopted]~~.

The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

"(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.);"

(2) contain the following information:

(A) the district's total adopted tax rate for the preceding year and the proposed tax rate, expressed as an amount per \$100;

(B) the difference, expressed as an amount per \$100 and as a percent increase or decrease, as applicable, in the proposed tax rate compared to the adopted tax rate for the preceding year;

(C) the average appraised value of a residence homestead in the district in the preceding year and in the current year; the district's total homestead exemption, other than an exemption available only to disabled persons or persons 65 years of age or older, applicable to that appraised value in each of those years; and the average taxable value of a residence homestead in the district in each of those years, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(D) the amount of tax that would have been imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(E) the amount of tax that would be imposed by the district in the current year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, if the proposed tax rate is adopted; ~~and~~

(F) the difference between the amounts of tax calculated under Paragraphs (D) and (E), expressed in dollars and cents and described as the annual percentage increase or decrease, as applicable, in the tax to be imposed by the district on the average residence homestead in the district in the current year if the proposed tax rate is adopted; and

(G) if the proposed combined debt service, operation and maintenance, and contract tax rate exceeds the rollback tax rate, a description of the purpose of the proposed tax increase; and

(3) contain a statement in substantially the following form:

"NOTICE OF VOTE ON TAX RATE ~~[TAXPAYERS' RIGHT TO ROLLBACK ELECTION]~~

"If operation and maintenance taxes on the average residence homestead increase by more than eight percent, ~~[the qualified voters of the district by petition may require that]~~ an election must be held to determine whether to ratify ~~[reduce]~~ the operation and maintenance tax rate ~~[to the rollback tax rate]~~ under Section 49.236(d), Water Code."

(d) If the governing body of a district adopts a combined debt service, operation and maintenance, and contract tax rate that exceeds the rollback tax rate, ~~[would impose more than 1.08 times the amount of tax imposed by the district in the~~

~~preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, the qualified voters of the district by petition may require that~~ an election must be held to determine whether [~~or not~~] to ratify [~~reduce~~] the tax rate adopted for the current year [~~to the rollback tax rate~~] in accordance with the procedures provided by Sections 26.08(b)-(d) [~~26.07(b) (g) and 26.081~~], Tax Code. For purposes of Sections 26.08(b)-(d) [~~26.07(b) (g)~~] and this section [~~subsection~~], the rollback tax rate is the sum of the following tax rates:

(1) the current year's debt service tax rate;  
 (2) the current year's [~~and~~] contract tax rate; and  
 (3) [~~rates plus~~] the operation and maintenance tax rate that would impose 1.08 times the amount of the operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older.

(20) Strike SECTION 66 of the bill (page 38, lines 15 through 30) and substitute the following appropriately numbered SECTION:

- (1) Sections 403.302(m-1) and (n), Government Code;
- (2) Section 140.010, Local Government Code;
- (3) Section 1063.255, Special District Local Laws Code;
- (4) Section 26.07, Tax Code;
- (5) Section 49.236, Water Code, as added by Chapter 248 (H.B. 1541), Acts of the 78th Legislature, Regular Session, 2003;
- (6) Section 49.2361, Water Code;
- (7) Section 1, H.B. 2228, Acts of the 85th Legislature, Regular Session, 2017, which amended Section 11.4391(a), Tax Code;
- (8) Section 3, H.B. 2228, Acts of the 85th Legislature, Regular Session, 2017, which added Sections 22.23(c) and (d), Tax Code; and
- (9) Section 5, H.B. 2228, Acts of the 85th Legislature, Regular Session, 2017, which amended Sections 41.44(a) and (c), Tax Code.

(21) Renumber the SECTIONS of the bill accordingly.

The amendment to **SB 1** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 11.

Senator Rodríguez offered the following amendment to the bill:

### Floor Amendment No. 12

Amend **SB 1** (senate committee printing) as follows:

(1) In the recital to SECTION 34 of the bill (page 17, line 28), strike "(b-4), (b-5), (b-6), and (b-7)" and substitute "and (b-4)".

(2) In SECTION 34 of the bill, in added Section 26.06(b-1), Tax Code (page 18, lines 12 and 13), strike "This subsection and Subsections (b-2) and (b-3) apply only to a small taxing unit.".

(3) In SECTION 34 of the bill (page 19, line 53, through page 21, line 34), strike added Sections 26.06(b-4), (b-5), (b-6), and (b-7), Tax Code, and substitute the following:

(b-4) In addition to including the information described by Subsection (b-1), (b-2), or (b-3), as applicable, the notice must include the information described by Section 26.062.

(4) In SECTION 35 of the bill (page 22, lines 32-69), strike added Section 26.061(b), Tax Code, and substitute the following:

(b) The notice of the meeting at which the governing body of the taxing unit will vote on the proposed tax rate must contain a statement in the following form:

"NOTICE OF MEETING TO VOTE ON TAX RATE

"PROPOSED TAX RATE     \$ \_\_\_\_\_ per \$100

"EQUIVALENT TAX RATE   \$ \_\_\_\_\_ per \$100

"ROLLBACK TAX RATE     \$ \_\_\_\_\_ per \$100

"The equivalent tax rate is the tax rate for the (current tax year) tax year that will raise the same amount of property tax revenue for (name of taxing unit) from the same properties in both the (preceding tax year) tax year and the (current tax year) tax year.

"The rollback tax rate is the highest tax rate that (name of taxing unit) may adopt before the voters are entitled to petition for an election to limit the rate that may be approved to the rollback tax rate.

"The proposed tax rate is not greater than the equivalent tax rate. This means that (name of taxing unit) is not proposing to increase property taxes for the (current tax year) tax year.

"A public meeting to vote on the proposed tax rate will be held on (date and time) at (meeting place).

"The proposed tax rate is also not greater than the rollback tax rate. As a result, the voters are not entitled to petition for an election to limit the rate that may be approved to the rollback tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the (name of governing body) of (name of taxing unit) at their offices or by attending the public meeting mentioned above.

"Your taxes owed under any of the above rates can be calculated as follows:

"Property tax amount = tax rate x taxable value of your property / 100

"(Names of all members of the governing body, showing how each voted on the proposed tax rate or, if one or more were absent, indicating the absences.)"

(5) In SECTION 35 of the bill, in added Section 26.062(a), Tax Code (page 23, line 6), strike "(b-3), (b-4), (b-5), or (b-6)" and substitute "or (b-3)".

(6) Strike SECTION 37 of the bill (page 24, lines 63-66).

(7) In the recital to SECTION 38 of the bill (page 24, line 67), strike "Sections 26.07(a) and (b), Tax Code, are" and substitute "Section 26.07(b), Tax Code, is".

(8) In SECTION 38 of the bill (page 24, line 69, through page 25, line 6), strike amended Section 26.07(a), Tax Code.

(9) Strike SECTIONS 39 and 40 of the bill (page 25, line 26, through page 27, line 17) and substitute the following appropriately numbered SECTION:

SECTION \_\_\_\_\_. Sections 26.08(b), (g), (n), and (p), Tax Code, are amended to read as follows:

(b) The governing body shall order that the election be held in the school district on the uniform election date prescribed by ~~[a date not less than 30 or more than 90 days after the day on which it adopted the tax rate.]~~ Section 41.001, Election Code, that occurs in November of the applicable tax year. The order calling the election may not be issued later than August 15 ~~[does not apply to the election unless a date specified by that section falls within the time permitted by this section].~~ At the election, the ballots shall be prepared to permit voting for or against the proposition: "Approving the ad valorem tax rate of \$ \_\_\_\_ per \$100 valuation in (name of school district) for the current year, a rate that is \$ \_\_\_\_ higher per \$100 valuation than the school district rollback tax rate, for the purpose of (description of purpose of increase)." The ballot proposition must include the adopted tax rate and the difference between that rate and the rollback tax rate in the appropriate places.

(g) In a school district that received distributions from an equalization tax imposed under former Chapter 18, Education Code, the equivalent ~~[effective]~~ rate of that tax as of the date of the county unit system's abolition is added to the district's rollback tax rate.

(n) For purposes of this section, the rollback tax rate of a school district whose maintenance and operations tax rate for the 2005 tax year was \$1.50 or less per \$100 of taxable value is:

(1) for the 2006 tax year, the sum of the rate that is equal to 88.67 percent of the maintenance and operations tax rate adopted by the district for the 2005 tax year, the rate of \$0.04 per \$100 of taxable value, and the district's current debt rate; and

(2) for the 2007 and subsequent tax years, the lesser of the following:

(A) the sum of the following:

(i) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$1.50;

(ii) the rate of \$0.04 per \$100 of taxable value;

(iii) the rate that is equal to the sum of the differences for the 2006 and each subsequent tax year between the adopted tax rate of the district for that year if the rate was approved at an election under this section and the rollback tax rate of the district for that year; and

(iv) the district's current debt rate; or

(B) the sum of the following:

(i) the equivalent ~~[effective]~~ maintenance and operations tax rate of the district as computed under Subsection (i) ~~[or (k), as applicable]~~;

(ii) the rate per \$100 of taxable value that is equal to the product of the state compression percentage, as determined under Section 42.2516, Education Code, for the current year and \$0.06; and

(iii) the district's current debt rate.

(p) Notwithstanding Subsections (i), (n), and (o), if for the preceding tax year a school district adopted a maintenance and operations tax rate that was less than the district's equivalent ~~[effective]~~ maintenance and operations tax rate for that preceding tax year, the rollback tax rate of the district for the current tax year is calculated as if

the district adopted a maintenance and operations tax rate for the preceding tax year that was equal to the district's equivalent ~~[effective]~~ maintenance and operations tax rate for that preceding tax year.

(10) In SECTION 43 of the bill (page 27, line 58, through page 28, line 25), strike amended Section 26.16(d), Tax Code, and substitute the following:

(d) The county assessor-collector shall post immediately below the table prescribed by Subsection (c) the following statement:

"The county is providing this table of property tax rate information as a service to the residents of the county. Each individual taxing unit is responsible for calculating the property tax rates listed in this table pertaining to that taxing unit and providing that information to the county.

"The adopted tax rate is the tax rate adopted by the governing body of a taxing unit.

"The maintenance and operations rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the following year.

"The debt rate is the component of the adopted tax rate of a taxing unit that will impose the amount of taxes needed to fund the unit's debt service for the following year.

"The equivalent ~~[effective]~~ tax rate is the tax rate that would generate the same amount of revenue in the current tax year as was generated by a taxing unit's adopted tax rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The equivalent ~~[effective]~~ maintenance and operations rate is the tax rate that would generate the same amount of revenue for maintenance and operations in the current tax year as was generated by a taxing unit's maintenance and operations rate in the preceding tax year from property that is taxable in both the current tax year and the preceding tax year.

"The rollback tax rate is the highest tax rate a taxing unit may adopt before requiring voter approval at an election. In the case of a taxing unit other than a school district, the voters by petition may require that a rollback election be held if the unit adopts a tax rate in excess of the unit's rollback tax rate. In the case of a school district, an election will automatically be held if the district wishes to adopt a tax rate in excess of the district's rollback tax rate."

(11) Strike SECTIONS 45 and 46 of the bill (page 30, line 35, through page 31, line 15).

(12) Strike SECTION 54 of the bill (page 33, line 61, through page 34, line 11).

(13) Strike SECTION 56 of the bill (page 34, lines 18-31).

(14) Strike SECTION 61 of the bill (page 36, lines 42-57).

(15) In the recital to SECTION 62 of the bill (page 36, lines 58 and 59), strike "Sections 3828.157 and 8876.152, Special District Local Laws Code, are" and substitute "Section 8876.152, Special District Local Laws Code, is".

(16) In SECTION 62 of the bill (page 36, lines 60-63), strike amended Section 3828.157, Special District Local Laws Code.

(17) In SECTION 62 of the bill, in amended Section 8876.152(a), Special District Local Laws Code (page 36, line 65), strike "~~[and]~~ 26.07, and 26.08," and substitute "and 26.07,".

(18) In SECTION 63 of the bill, in amended Section 49.107(g), Water Code (page 37, line 3), strike "~~[and]~~ 26.07, and 26.08," and substitute "and 26.07,".

(19) In SECTION 64 of the bill, in amended Section 49.108(f), Water Code (page 37, line 9), strike "~~[and]~~ 26.07, and 26.08," and substitute "and 26.07,".

(20) Strike SECTION 75 of the bill (page 39, lines 12-16).

(21) Renumber the SECTIONS of the bill accordingly.

The amendment to **SB 1** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Watson offered the following amendment to the bill:

#### **Floor Amendment No. 13**

Amend **SB 1** (senate committee printing) as follows:

(1) In SECTION 34 of the bill, in added Section 26.06(b-3), Tax Code (page 19, line 20), strike "NOTICE OF PUBLIC HEARING ON TAX INCREASE" and substitute "NOTICE OF PUBLIC HEARING ON TAX RATE".

(2) In SECTION 34 of the bill, in added Section 26.06(b-6), Tax Code (page 20, line 64), strike "NOTICE OF PUBLIC HEARING ON TAX INCREASE" and substitute "NOTICE OF PUBLIC HEARING ON TAX RATE".

The amendment to **SB 1** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 13.

Senator Watson offered the following amendment to the bill:

#### **Floor Amendment No. 14**

Amend **SB 1** (senate committee printing) as follows:

(1) In SECTION 40 of the bill, in amended Section 26.08(a), Tax Code (page 25, lines 42-46), strike "requested federal disaster assistance for the area in which the taxing unit ~~[school district] is located~~" and substitute "declared any part of [requested federal disaster assistance for] the area in which the taxing unit [school district] is located as a disaster area".

The amendment to **SB 1** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 14.

Senator Rodríguez offered the following amendment to the bill:

#### **Floor Amendment No. 15**

Amend **SB 1** (senate committee printing) as follows:



(1) In SECTION 25 of the bill, in added Section 26.04(c-1), Tax Code (page 8, lines 55 and 56), strike "by the governor or by the president of the United States" and substitute "by the unit under Section 418.108, Government Code".

(2) In SECTION 26 of the bill, in added Section 26.041(c-1), Tax Code (page 12, lines 57 and 58), strike "by the governor or by the president of the United States" and substitute "by the unit under Section 418.108, Government Code".

(3) In SECTION 40 of the bill, in amended Section 26.08(a), Tax Code (page 25, lines 40 through 43), strike "calamity, but not including a drought, that has impacted the taxing unit [a school district] and the governor has requested federal disaster assistance for the area in which the taxing unit [school district] is located" and substitute "calamity~~[, but not including a drought]~~, that has impacted a portion of the taxing unit that is inside an area declared by the taxing unit to be a disaster area under Section 418.108, Government Code [a school district and the governor has requested federal disaster assistance for the area in which the school district is located]".

The amendment to **SB 1** was read and failed of adoption by the following vote: Yeas 10, Nays 21.

Yeas: Garcia, Hinojosa, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Uresti offered the following amendment to the bill:

### **Floor Amendment No. 16**

Amend **SB 1** (senate committee printing) in SECTION 52 of the bill (page 33, lines 33 through 40) by striking amended Section 41.71, Tax Code, and substituting the following:

Sec. 41.71. EVENING AND WEEKEND HEARINGS. (a) An appraisal review board by rule shall provide for hearings on protests [in the evening or] on a weekend or after 5 p.m. on a weekday [Saturday or Sunday].

(b) The board may not schedule the first hearing on a protest held on a weekday evening to begin after 7 p.m. or a hearing on a protest on a Sunday unless:

(1) the property owner initiating the protest and requests that the hearing be held on Sunday

(2) the appraisal review board has a previously established policy permitting meetings with a property owner on Sunday.

The amendment to **SB 1** was read and failed of adoption by the following vote: Yeas 12, Nays 19.

Yeas: Garcia, Hinojosa, Huffines, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Garcia offered the following amendment to the bill:

**Floor Amendment No. 17**

Amend **SB 1** (senate committee printing) in SECTION 52 of the bill (page 33, lines 37 through 40) by striking added Section 41.71(b), Tax Code, and substituting the following:

(b) Except on the request of the property owner initiating the protest or by agreement between the property owner and the board, the board may not schedule a hearing on a protest to be held on:

- (1) a weekday evening after 7 p.m.; or
- (2) a Sunday.

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The amendment to **SB 1** was read and failed of adoption by the following vote: Yeas 11, Nays 20.

Yeas: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin.

Senator Watson offered the following amendment to the bill:

**Floor Amendment No. 18**

Amend **SB 1** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_ . Section 31.01, Tax Code, is amended by adding Subsections (d-2), (d-3), (d-4), (d-5), and (d-6) to read as follows:

(d-2) This subsection and Subsection (d-3) apply only to a school district that, for the school year beginning in the current tax year, has entered into an agreement with the commissioner of education to purchase average daily attendance credits as provided by Subchapter D, Chapter 41, Education Code, in an amount sufficient, in combination with any other actions taken under that chapter, to reduce the school district's wealth per student to a level that is equal to or less than the equalized wealth level as determined by the commissioner of education under that chapter. In addition to any other information required by this section, the tax bill or the separate statement must include a statement in the following form:

"Your property taxes for the (name of school district) are \$ \_\_\_\_ . Of those taxes:

"\$ \_\_\_\_ will be used by the (name of school district) to fund maintenance and operations of the school district;

"\$ \_\_\_\_ will be used by the (name of school district) to pay for bonded indebtedness on construction, equipment, or both; and

"\$ \_\_\_\_ will be paid by the (name of school district) to the state for the purpose of helping fund some other school districts in the state."

(d-3) The assessor for the school district shall compute for the current tax year the amount of taxes imposed by the school district on the property to fund maintenance and operations of the school district and to pay for bonded indebtedness on construction, equipment, or both based on the tax rates adopted by the school district under Sections 26.05(a)(2) and (1), respectively, for the current tax year. The assessor shall compute for the current tax year the amount of taxes imposed by the school district on the property that are to be paid to the state by:

(1) multiplying the amount of taxes for maintenance and operations imposed by the school district on the property for the current tax year by the percentage of the amount of taxes for maintenance and operations imposed by the school district for the current tax year that the school district is required to pay under the agreement for the school year beginning in the current tax year to purchase average daily attendance credits; and

(2) dividing the amount computed under Subdivision (1) by 100.

(d-4) This subsection and Subsection (d-5) apply only to a school district that, for the school year beginning in the current tax year, is entitled to state aid under Chapter 42, Education Code. In addition to any other information required by this section, the tax bill or the separate statement must include a statement in the following form:

"Based on your property's value, the total amount of revenue the (name of school district) receives is \$ \_\_\_\_\_. Of that amount:

"\$ \_\_\_\_\_ is funded by your property taxes for maintenance and operations;

"\$ \_\_\_\_\_ is funded by your property taxes for bonded indebtedness on construction, equipment, or both; and

"\$ \_\_\_\_\_ is funded by the state."

(d-5) The assessor for the school district shall compute for the current tax year:

(1) the amount the school district receives for maintenance and operations and for bonded indebtedness on construction, equipment, or both that is funded by the property taxes on the property based on the tax rates adopted by the school district under Sections 26.05(a)(2) and (1), respectively, for the current tax year;

(2) the amount the school district receives that is funded by the state and that is attributable to the property by:

(A) dividing the total amount of maintenance and operations taxes projected to be collected by the school district for the school year beginning in the current tax year by the tax rate adopted by the school district under Section 26.05(a)(2) for the current tax year;

(B) dividing the amount computed under Paragraph (A) by 100;

(C) dividing the amount of state aid the school district is projected to receive for the school year beginning in the current tax year under Section 42.253(c), Education Code, by the amount computed under Paragraph (B);

(D) multiplying the amount computed under Paragraph (C) by the taxable value of the property; and

(E) dividing the amount computed under Paragraph (D) by 100; and

(3) the total amount of revenue the school district receives that is attributable to the property by adding the amounts computed under Subdivisions (1) and (2).

(d-6) To perform the calculations described by Subsection (d-3) or (d-5), as applicable, the assessor for the school district may use the information included in the most recent summary of finances report provided to the school district by the Texas Education Agency or may request that the school district provide more accurate information. The school district shall provide the requested information to the assessor.

SECTION \_\_\_\_\_. Section 31.01, Tax Code, as amended by this Act, applies only to a bill for ad valorem taxes imposed for a tax year beginning on or after January 1, 2018. A bill for ad valorem taxes imposed for a tax year beginning before January 1, 2018, is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

The amendment to **SB 1** was read.

Senator Watson withdrew Floor Amendment No. 18.

Senator Nelson offered the following amendment to the bill:

### **Floor Amendment No. 19**

Amend **SB 1** (senate committee report) as follows:

(1) Add the following appropriately numbered SECTIONS to the bill and renumber the existing SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 1.085(a), Tax Code, is amended to read as follows:

(a) Notwithstanding any other provision in this title and except as provided by this section, any notice, rendition, application form, or completed application, or information requested under Section 41.461(a)(2), that is required or permitted by this title to be delivered between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and a property owner or ~~[between a chief appraiser, an appraisal district, an appraisal review board, or any combination of those persons and]~~ a person designated by a property owner under Section 1.111(f) may be delivered in an electronic format if the chief appraiser and the property owner or person designated by the owner agree under this section.

SECTION \_\_\_\_\_. Sections 5.041(b), (c), and (e-1), Tax Code, are amended to read as follows:

(b) A member of the appraisal review board established for an appraisal district must complete the course established under Subsection (a). The course must provide at least eight hours of classroom training and education. A member of the appraisal review board may not participate in a hearing conducted by the board unless the person has completed the course established under Subsection (a) and received a certificate of course completion.

(c) The comptroller may contract with service providers to assist with the duties imposed under Subsection (a), but the course required may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training course, but the fee may not exceed \$50 per

person trained. If the training is provided to an individual other than a member of an appraisal review board, the comptroller may assess a fee not to exceed \$50 per person trained.

(e-1) In addition to the course established under Subsection (a), the comptroller shall approve curricula and provide materials for use in a continuing education course for members of an appraisal review board. The course must provide at least four hours of classroom training and education. The curricula and materials must include information regarding:

(1) the cost, income, and market data comparison methods of appraising property;

(2) the appraisal of business personal property;

(3) the determination of capitalization rates for property appraisal purposes;

(4) the duties of an appraisal review board;

(5) the requirements regarding the independence of an appraisal review board from the board of directors and the chief appraiser and other employees of the appraisal district;

(6) the prohibitions against ex parte communications applicable to appraisal review board members;

(7) the Uniform Standards of Professional Appraisal Practice;

(8) the duty of the appraisal district to substantiate the district's determination of the value of property;

(9) the requirements regarding the equal and uniform appraisal of property;

(10) the right of a property owner to protest the appraisal of the property as provided by Chapter 41; and

(11) a detailed explanation of each of the actions described by Sections 25.25, 41.41(a), 41.411, 41.412, 41.413, 41.42, and 41.43 so that members are fully aware of each of the grounds on which a property appraisal can be appealed.

SECTION \_\_\_\_ . Chapter 5, Tax Code, is amended by adding Section 5.043 to read as follows:

Sec. 5.043. TRAINING OF ARBITRATORS. (a) This section applies only to persons who have agreed to serve as arbitrators under Chapter 41A.

(b) The comptroller shall:

(1) approve curricula and provide an arbitration manual and other materials for use in training and educating arbitrators;

(2) make all materials for use in training and educating arbitrators freely available online; and

(3) establish and supervise a training program on property tax law for the training and education of arbitrators.

(c) The training program must:

(1) emphasize the requirements regarding the equal and uniform appraisal of property; and

(2) be at least four hours in length.

(d) The training program may be provided online. The comptroller by rule may prescribe the manner by which the comptroller may verify that a person taking the training program online has taken and completed the program.

(e) The comptroller may contract with service providers to assist with the duties imposed under Subsection (b), but the training program may not be provided by an appraisal district, the chief appraiser or another employee of an appraisal district, a member of the board of directors of an appraisal district, a member of an appraisal review board, or a taxing unit. The comptroller may assess a fee to recover a portion of the costs incurred for the training program, but the fee may not exceed \$50 for each person trained.

(f) The comptroller shall prepare an arbitration manual for use in the training program. The manual shall be updated regularly and may be revised on request, in writing, to the comptroller. The revised language must be approved by the unanimous agreement of a committee selected by the comptroller and representing, equally, taxpayers and chief appraisers. The person requesting the revision must pay the costs of mediation if the comptroller determines that mediation is required.

SECTION \_\_\_\_. Chapter 5, Tax Code, is amended by adding Section 5.104 to read as follows:

Sec. 5.104. APPRAISAL REVIEW BOARD SURVEY; REPORT. (a) The comptroller shall prepare:

(1) an appraisal review board survey form that allows an individual described by Subsection (b) to submit comments and suggestions to the comptroller regarding an appraisal review board; and

(2) instructions for completing and submitting the form.

(b) The following individuals may complete and submit a survey form under this section:

(1) a property owner who files a motion under Section 25.25 to correct the appraisal roll or a protest under Chapter 41;

(2) the designated agent of the property owner; or

(3) a designated representative of the appraisal district in which the motion or protest is filed who attends the hearing on the motion or protest.

(c) The survey form must allow an individual to submit comments and suggestions regarding:

(1) the matters listed in Section 5.103(b); and

(2) any other matter related to the fairness and efficiency of the appraisal review board.

(d) An appraisal district must provide the survey form and the instructions for completing and submitting the form to each property owner or designated agent of the owner at or before each hearing conducted under Section 25.25 or Chapter 41 by the appraisal review board established for the appraisal district or by a panel of the board.

(e) An individual who elects to submit the survey form must submit the form to the comptroller as provided by this section. An appraisal district may not accept a survey form submitted under this section. An individual may submit only one survey form for each motion or protest.

(f) The comptroller shall allow an individual to submit a survey form to the comptroller in the following manner:

(1) in person;

(2) by mail;

(3) by electronic mail; or

(4) through a web page on the comptroller's Internet website that allows the individual to complete and submit the form.

(g) An appraisal district may not require a property owner or the designated agent of the owner to complete a survey form at the appraisal office in order to be permitted to submit the form to the comptroller.

(h) A property owner, the designated agent of the owner, or a designated representative of an appraisal district who elects to submit a survey form must submit the form not later than the 45th day after the date the form is provided to the owner or agent under Subsection (d).

(i) The comptroller shall issue an annual report that summarizes the information included in the survey forms submitted during the preceding year. The report may not disclose the identity of an individual who submitted a survey form.

(j) The comptroller may adopt rules necessary to implement this section.

SECTION \_\_\_\_ . Sections 6.412(a) and (d), Tax Code, are amended to read as follows:

(a) An individual is ineligible to serve on an appraisal review board if the individual:

(1) is related within the second degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to an individual who is engaged in the business of appraising property for compensation for use in proceedings under this title or of representing property owners for compensation in proceedings under this title in the appraisal district for which the appraisal review board is established;

(2) owns property on which delinquent taxes have been owed to a taxing unit for more than 60 days after the date the individual knew or should have known of the delinquency unless:

(A) the delinquent taxes and any penalties and interest are being paid under an installment payment agreement under Section 33.02; or

(B) a suit to collect the delinquent taxes is deferred or abated under Section 33.06 or 33.065; or

(3) is related within the third degree by consanguinity or within the second degree by affinity, as determined under Chapter 573, Government Code, to a member of:

(A) the appraisal district's board of directors; or

(B) the appraisal review board.

(d) A person is ineligible to serve on the appraisal review board of an appraisal district established for a county described by Section 6.41(d-1) ~~[having a population of more than 100,000]~~ if the person:

(1) is a former member of the board of directors, former officer, or former employee of the appraisal district;

(2) served as a member of the governing body or officer of a taxing unit for which the appraisal district appraises property, until the fourth anniversary of the date the person ceased to be a member or officer; ~~[or]~~

(3) appeared before the appraisal review board for compensation during the two-year period preceding the date the person is appointed; or

(4) served for all or part of three previous terms as a board member or auxiliary board member on the appraisal review board.

SECTION \_\_\_\_ . Section 6.42(a), Tax Code, is amended to read as follows:

(a) A majority of the appraisal review board constitutes a quorum. The local administrative district judge under Subchapter D, Chapter 74, Government Code, in the county in which ~~board of directors of~~ the appraisal district is established ~~by resolution~~ shall select a chairman and a secretary from among the members of the appraisal review board. The judge ~~board of directors of the appraisal district~~ is encouraged to select as chairman ~~of the appraisal review board~~ a member of the appraisal review board, if any, who has a background in law and property appraisal.

SECTION \_\_\_\_ . Section 41.46(a), Tax Code, is amended to read as follows:

(a) The appraisal review board before which a protest hearing is scheduled shall deliver written notice to the property owner initiating a protest of the date, time, ~~and~~ place, and subject matter of ~~fixed for~~ the hearing on the protest and of the property owner's entitlement to a postponement of the hearing as provided by Section 41.45 unless the property owner waives in writing notice of the hearing. The board shall deliver the notice not later than the 15th day before the date of the hearing.

SECTION \_\_\_\_ . Section 41.461, Tax Code, is amended to read as follows:

Sec. 41.461. NOTICE OF CERTAIN MATTERS BEFORE HEARING; DELIVERY OF REQUESTED INFORMATION. (a) At least 14 days before the first scheduled ~~a~~ hearing on a protest, the chief appraiser shall:

(1) deliver a copy of the pamphlet prepared by the comptroller under Section 5.06 ~~5.06(a)~~ to the property owner initiating the protest if the owner is representing himself, or to an agent representing the owner if requested by the agent;

(2) inform the property owner that the owner or the agent of the owner is entitled on request to ~~may inspect and may obtain~~ a copy of the data, schedules, formulas, and all other information the chief appraiser will ~~plans to~~ introduce at the hearing to establish any matter at issue; and

(3) deliver a copy of the hearing procedures established by the appraisal review board under Section 41.66 to the property owner.

(b) The chief appraiser may not charge a property owner or the designated agent of the owner for copies provided to the ~~an~~ owner or designated agent under this section, regardless of the manner in which the copies are prepared or delivered ~~may not exceed the charge for copies of public information as provided under Subchapter F, Chapter 552, Government Code, except:~~

~~(1) the total charge for copies provided in connection with a protest of the appraisal of residential property may not exceed \$15 for each residence; and~~

~~(2) the total charge for copies provided in connection with a protest of the appraisal of a single unit of property subject to appraisal, other than residential property, may not exceed \$25].~~

(c) A chief appraiser shall deliver information requested by a property owner or the agent of the owner under Subsection (a)(2):

(1) by regular first-class mail, deposited in the United States mail, postage prepaid, and addressed to the property owner or agent at the address provided in the request for the information;

(2) in an electronic format as provided by an agreement under Section 1.085; or



(3) subject to Subsection (d), by referring the property owner or the agent of the owner to a secure Internet website with user registration and authentication or to the exact Internet location or uniform resource locator (URL) address on an Internet website maintained by the appraisal district on which the requested information is identifiable and readily available.

(d) If a chief appraiser provides a property owner or the agent of the owner information under Subsection (c)(3), the notice must contain a statement in a conspicuous font that clearly indicates that the property owner or the agent of the owner may on request receive the information by regular first-class mail or in person at the appraisal office. On request by a property owner or the agent of the owner, the chief appraiser must provide the information by regular first-class mail or in person at the appraisal office.

SECTION \_\_\_\_. Section 41.47, Tax Code, is amended by adding Subsections (c-2) and (f) and amending Subsection (e) to read as follows:

(c-2) The board may not determine the appraised value of the property that is the subject of a protest to be an amount greater than the appraised value of the property as shown in the appraisal records submitted to the board by the chief appraiser under Section 25.22 or 25.23.

(e) The notice of the issuance of the order must contain a prominently printed statement in upper-case bold lettering informing the property owner in clear and concise language of the property owner's right to appeal the order of the board [board's decision] to district court. The statement must describe the deadline prescribed by Section 42.06(a) [of this code] for filing a written notice of appeal[,] and the deadline prescribed by Section 42.21(a) [of this code] for filing the petition for review with the district court.

(f) The appraisal review board shall take the actions required by Subsections (a) and (d) not later than the 15th day after the date the hearing on the protest is concluded.

SECTION \_\_\_\_. Section 41.66, Tax Code, is amended by amending Subsections (h), (i), and (j) and adding Subsections (j-1) and (p) to read as follows:

(h) The appraisal review board shall postpone a hearing on a protest if the property owner or the designated agent of the owner requests additional time to prepare for the hearing and establishes to the board that the chief appraiser failed to comply with Section 41.461. The board is not required to postpone a hearing more than one time under this subsection.

(i) A hearing on a protest filed by a property owner or the designated agent of the owner [who is not represented by an agent designated under Section 1.111] shall be set for a time and date certain. If the hearing is not commenced within two hours of the time set for the hearing, the appraisal review board shall postpone the hearing on the request of the property owner or the designated agent of the owner.

(j) On the request of a property owner or the [a] designated agent of the owner, an appraisal review board shall schedule hearings on protests concerning up to 20 designated properties to be held consecutively on the same day. The designated properties must be identified in the same notice of protest, and the notice must contain in boldfaced type the statement "request for same-day protest hearings." A property owner or the designated agent of the owner may [not] file more than one request

under this subsection with the appraisal review board in the same tax year. The appraisal review board may schedule hearings on protests concerning more than 20 properties filed by the same property owner or the designated agent of the owner and may use different panels to conduct the hearings based on the board's customary scheduling. The appraisal review board may follow the practices customarily used by the board in the scheduling of hearings under this subsection.

(j-1) An appraisal review board may schedule the hearings on all protests filed by a property owner or the designated agent of the owner to be held consecutively. The notice of the hearings must state the date and time that the first hearing will begin, state the date the last hearing will end, and list the order in which the hearings will be held. The order of the hearings listed in the notice may not be changed without the agreement of the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. The board may not reschedule a hearing for which notice is given under this subsection to a date earlier than the seventh day after the date the last hearing was scheduled to end unless agreed to by the property owner or the designated agent of the owner, the chief appraiser, and the appraisal review board. Unless agreed to by the parties, the board must provide written notice of the date and time of the rescheduled hearing to the property owner or the designated agent of the owner not later than the seventh day before the date of the hearing.

(p) At the end of a hearing on a protest, the appraisal review board shall provide the property owner or the designated agent of the owner one or more documents indicating that the members of the board hearing the protest signed the affidavit required by Subsection (g).

SECTION \_\_\_\_\_. Section 41.67(d), Tax Code, is amended to read as follows:

(d) Information that was previously requested under Section 41.461 by the protesting party that was not ~~delivered~~ ~~[made available]~~ to the protesting party at least 14 days before the scheduled or postponed hearing may not be used or offered in any form as evidence in the hearing, including as a document or through argument or testimony.

SECTION \_\_\_\_\_. Section 41A.06(b), Tax Code, as effective September 1, 2017, is amended to read as follows:

(b) To initially qualify to serve as an arbitrator under this chapter, a person must:

(1) meet the following requirements, as applicable:

(A) be licensed as an attorney in this state; or

(B) have:

(i) completed at least 30 hours of training in arbitration and alternative dispute resolution procedures from a university, college, or legal or real estate trade association; and

(ii) been licensed or certified continuously during the five years preceding the date the person agrees to serve as an arbitrator as:

(a) a real estate broker or sales agent under Chapter 1101, Occupations Code;

(b) a real estate appraiser under Chapter 1103, Occupations Code; or

(c) a certified public accountant under Chapter 901, Occupations Code; ~~and~~

(2) complete the course for training and education of appraisal review board members established under Section 5.041 and be issued a certificate indicating course completion;

(3) complete the training program on property tax law for the training and education of arbitrators established under Section 5.043; and

(4) agree to conduct an arbitration for a fee that is not more than:

(A) \$400, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$500,000 or less, as determined by the order;

(B) \$450, if the property qualifies as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$500,000, as determined by the order;

(C) \$450, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is \$1 million or less, as determined by the order;

(D) \$750, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$1 million but not more than \$2 million, as determined by the order;

(E) \$1,000, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$2 million but not more than \$3 million, as determined by the order; or

(F) \$1,500, if the property does not qualify as the owner's residence homestead under Section 11.13 and the appraised or market value, as applicable, of the property is more than \$3 million but not more than \$5 million, as determined by the order.

SECTION \_\_\_\_\_. Section 41A.061(b), Tax Code, is amended to read as follows:

(b) To renew the person's agreement to serve as an arbitrator, the person must:

(1) file a renewal application with the comptroller at the time and in the manner prescribed by the comptroller;

(2) continue to meet the requirements provided by Sections 41A.06(b)(1) and (4) [Section 41A.06(b)]; and

(3) during the preceding two years have completed at least eight hours of continuing education in arbitration and alternative dispute resolution procedures offered by a university, college, real estate trade association, or legal association.

SECTION \_\_\_\_\_. Section 41A.09(b), Tax Code, is amended to read as follows:

(b) An award under this section:

(1) must include a determination of the appraised or market value, as applicable, of the property that is the subject of the appeal;

(2) may include any remedy or relief a court may order under Chapter 42 in an appeal relating to the appraised or market value of property;

(3) shall specify the arbitrator's fee, which may not exceed the amount provided by Section 41A.06(b)(4) [41A.06(b)(2)];

(4) is final and may not be appealed except as permitted under Section 171.088, Civil Practice and Remedies Code, for an award subject to that section; and

(5) may be enforced in the manner provided by Subchapter D, Chapter 171, Civil Practice and Remedies Code.

SECTION \_\_\_\_\_. The following provisions of the Tax Code are repealed:

- (1) Sections 5.103(e) and (f);
- (2) Section 6.412(e); and
- (3) Section 41A.06(c).

SECTION \_\_\_\_\_. Section 5.041, Tax Code, as amended by this Act, applies only to an appraisal review board member appointed to serve a term of office that begins on or after January 1, 2018.

SECTION \_\_\_\_\_. The comptroller shall implement Section 5.043, Tax Code, as added by this Act, as soon as practicable after January 1, 2018.

SECTION \_\_\_\_\_. The comptroller shall prepare and make available the survey form and instructions for completing and submitting the form required by Section 5.104, Tax Code, as added by this Act, as soon as practicable after January 1, 2018. An appraisal district is not required to provide the survey form or instructions under a requirement of that section until the form and instructions are prepared and made available by the comptroller.

SECTION \_\_\_\_\_. Section 6.412, Tax Code, as amended by this Act, does not affect the eligibility of a person serving on an appraisal review board immediately before January 1, 2018, to continue to serve on the board for the term to which the member was appointed.

SECTION \_\_\_\_\_. Sections 41.46, 41.461, 41.47, 41.66(h), (i), and (j), and 41.67, Tax Code, as amended by this Act, and Sections 41.66(j-1) and (p), Tax Code, as added by this Act, apply only to a protest for which the notice of protest was filed by a property owner or the designated agent of the owner with the appraisal review board established for an appraisal district on or after January 1, 2018.

SECTION \_\_\_\_\_. Section 41A.09(b), Tax Code, as amended by this Act, applies only to a request for binding arbitration under Chapter 41A, Tax Code, that is filed on or after January 1, 2018. A request for binding arbitration under Chapter 41A, Tax Code, that is filed before January 1, 2018, is governed by the law in effect on the date the request is filed, and the former law is continued in effect for that purpose.

SECTION \_\_\_\_\_. The changes in law made by this Act in the qualifications of persons serving as arbitrators in binding arbitrations of appeals of appraisal review board orders do not affect the entitlement of a person serving as an arbitrator immediately before January 1, 2018, to continue to serve as an arbitrator and to conduct hearings on arbitrations until the person is required to renew the person's agreement with the comptroller to serve as an arbitrator. The changes in law apply only to a person who initially qualifies to serve as an arbitrator or who renews the person's agreement with the comptroller to serve as an arbitrator on or after January 1, 2018. This Act does not prohibit a person who is serving as an arbitrator on January 1, 2018, from renewing the person's agreement with the comptroller to serve as an arbitrator if the person has the qualifications required for an arbitrator under the Tax Code as amended by this Act.

(2) In SECTION 77 of the bill (page 39, lines 24 and 25), strike "Sections 41.45 and 41.66, Tax Code, as amended by this Act," and substitute "Sections 41.45 and 41.66(k), Tax Code, as amended by this Act, and Section 41.66(k-1), Tax Code, as added by this Act,".

The amendment to **SB 1** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 19.

Senator Garcia offered the following amendment to the bill:

**Floor Amendment No. 20**

Amend **SB 1** (senate committee printing) by adding the following appropriately numbered SECTION to the bill and renumbering the subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. (a) Not later than the 30th day after the date this section takes effect, the comptroller shall mail a written notice to each appraisal district and taxing unit in this state of:

(1) the deadline for complying with each new requirement, duty, or function imposed by this Act on an appraisal district or taxing unit; and

(2) any change made by this Act to the deadline for complying with an existing requirement, duty, or function of an appraisal district or taxing unit.

(b) This section takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this section takes effect on the 91st day after the last day of the legislative session.

GARCIA  
RODRÍGUEZ

The amendment to **SB 1** was read.

Senator Garcia withdrew Floor Amendment No. 20.

**Floor Amendment No. 10**

Senator Watson withdrew Floor Amendment No. 10.

**SB 1** as amended was passed to engrossment by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Taylor of Galveston, Taylor of Collin.

Nays: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Seliger, Uresti, Watson, West, Whitmire, Zaffirini.

**MOMENT OF SILENCE OBSERVED**

At the request of Senator Menéndez, the Senate observed a moment of silence in memory of those who died and in honor of those injured in the July 23, 2017, human trafficking tragedy in San Antonio.

**CO-AUTHORS OF SENATE BILL 1**

On motion of Senator Bettencourt, Senators Estes and Huffines will be shown as Co-authors of **SB 1**.

**CO-AUTHOR OF SENATE BILL 2**

On motion of Senator Taylor of Galveston, Senator Lucio will be shown as Co-author of **SB 2**.

**CO-AUTHORS OF SENATE BILL 3**

On motion of Senator Kolkhorst, Senators Campbell, Nelson, and Taylor of Collin will be shown as Co-authors of **SB 3**.

**CO-AUTHORS OF SENATE BILL 5**

On motion of Senator Hancock, Senators Birdwell, Campbell, Creighton, Perry, Schwertner, and Taylor of Collin will be shown as Co-authors of **SB 5**.

**CO-AUTHORS OF SENATE BILL 9**

On motion of Senator Hancock, Senators Hughes and Nichols will be shown as Co-authors of **SB 9**.

**CO-AUTHORS OF SENATE BILL 10**

On motion of Senator Campbell, Senators Bettencourt, Birdwell, Burton, Estes, Hall, Hancock, Huffman, Kolkhorst, Nichols, Seliger, and Taylor of Galveston will be shown as Co-authors of **SB 10**.

**CO-AUTHOR OF SENATE BILL 11**

On motion of Senator Perry, Senator Huffines will be shown as Co-author of **SB 11**.

**CO-AUTHORS OF SENATE BILL 14**

On motion of Senator Hall, Senators Bettencourt and Campbell will be shown as Co-authors of **SB 14**.

**CO-AUTHORS OF SENATE BILL 16**

On motion of Senator Taylor of Galveston, Senators Hinojosa and Zaffirini will be shown as Co-authors of **SB 16**.

**CO-AUTHORS OF SENATE BILL 17**

On motion of Senator Kolkhorst, Senators Bettencourt, Buckingham, Creighton, Hall, Hinojosa, Huffines, Lucio, Nichols, Taylor of Collin, and Zaffirini will be shown as Co-authors of **SB 17**.

**CO-AUTHOR OF SENATE BILL 18**

On motion of Senator Estes, Senator Taylor of Collin will be shown as Co-author of **SB 18**.

**CO-AUTHOR OF SENATE BILL 19**

On motion of Senator Nelson, Senator Bettencourt will be shown as Co-author of **SB 19**.

**CO-AUTHOR OF SENATE BILL 73**

On motion of Senator Hughes, Senator Lucio will be shown as Co-author of **SB 73**.

**RESOLUTIONS OF RECOGNITION**

The following resolutions were adopted by the Senate:

**Memorial Resolutions**

**SR 36** by Buckingham, In memory of Keifer Marshall Jr.

**SR 37** by Buckingham, In memory of Jay Holland.

**SR 53** by Rodríguez, In memory of Thomas Mulford Diamond.

**SR 59** by Lucio, In memory of Noe Hernandez.

**Congratulatory Resolutions**

**SR 38** by Buckingham, Recognizing Salado Masonic Lodge 296 on the occasion of its 150th anniversary.

**SR 39** by Buckingham, Recognizing Joe Marshall on the occasion of his 92nd birthday.

**SR 40** by Buckingham, Recognizing the dedication of an Official Texas Historical Marker for the achievements of Josephine Carr and Scott Schreiner.

**SR 41** by Buckingham, Recognizing Christene Holley Cooper and Charlene Holley Chesshir on the occasion of their 90th birthdays.

**SR 42** by Buckingham, Recognizing Janice Stalder for being named the Copperas Cove ISD Secondary Teacher of the Year.

**SR 44** by Lucio, Recognizing Maria T. Gutierrez for her contributions to her community.

**SR 45** by Lucio, Recognizing David Hall on the occasion of his retirement.

**SR 46** by Lucio, Recognizing the Sergeant Benito Alaniz VFW Post 7473 for its contributions to the community.

**SR 47** by Lucio, Recognizing Lupita M. Perez for her work as commander of VFW Post 7473.

**SR 48** by Lucio, Recognizing the Edcouch-Elsa Rotary Club on the occasion of its 50th anniversary.

**SR 49** by Lucio, Recognizing Eloisa R. Hernandez on the occasion of her 100th birthday.

**SR 50** by Lucio, Recognizing Jose Ruth for his service to the nation.

**SR 51** by Lucio, Recognizing Jose C. Rodriguez III for his service to this state.

**SR 52** by Lucio, Recognizing the Brownsville ISD Adult Continuing Education program for its service to Cameron County.

**SR 54** by Hinojosa and Lucio, Recognizing the Lower Rio Grande Valley Development Council for its 50 years of service.

**SR 55** by Hughes, Recognizing Robert and Janice Woodby on the occasion of their 60th wedding anniversary.

**SR 56** by Hughes, Recognizing Don and Ann Eudy on the occasion of their 50th wedding anniversary.

**SR 57** by Hughes, Recognizing Jim and Sandra Lassiter on the occasion of their 50th wedding anniversary.

**SR 58** by Lucio, Congratulating Ben Crenshaw on being named the 2017 Texas Legend for the Eddie Lucio Scholarship Fund.

**SR 60** by Schwertner, Recognizing Barbara and Larry Bielss on the occasion of their 50th wedding anniversary.

### **RECESS**

On motion of Senator Whitmire, the Senate at 9:18 p.m. recessed until 10:00 a.m. tomorrow.

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## **APPENDIX**

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### **COMMITTEE REPORTS**

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

July 24, 2017

**BUSINESS AND COMMERCE — SB 15, CSSB 13, CSSB 14**

### **BILLS ENGROSSED**

July 20, 2017

**SB 20, SB 60**

### **RESOLUTION ENROLLED**

July 20, 2017

**SR 35**