

# SENATE JOURNAL

EIGHTY-EIGHTH LEGISLATURE — REGULAR SESSION

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AUSTIN, TEXAS

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PROCEEDINGS

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**SIXTY-SECOND DAY**

(Continued)

(Sunday, May 28, 2023)

**AFTER RECESS**

The Senate met at 1:28 p.m. and was called to order by the President.

Senator Birdwell offered the invocation as follows:

Father, this is a day that You have made. We are thankful in it. Thank You for the blessing of living in this great nation and this great state. At this time of challenge at the end of our legislative session we ask for wisdom, discernment, courage, but most of all we ask for grace. The example that Your son gave us. We ask You to put grace upon our hearts, the discernment that we need to determine facts, that we determine on how we vote on things at the end of the session and the nature of the challenges that we have dealt with and will continue to deal with. Father, we ask Your hand upon our nation. Give wisdom to our leaders, our President, our Governor, all of our state officials that we may begin return to Your throne to be humble ourselves before You. In Christ's name I pray. Amen.

**GUESTS PRESENTED**

Senator Eckhardt, joined by Senator Flores, was recognized and introduced to the Senate Connie Sinclair, accompanied by her husband, David Sinclair; her daughter, Valeri; and grandsons, Colt and Archer.

The Senate welcomed its guests.

**BILLS SIGNED**

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

**HB 113, HB 1227, HB 1275, HB 1363, HB 1368, HB 1432, HB 1466, HB 1506, HB 1577, HB 1583, HB 1589, HB 2285, HB 2416, HB 2920, HB 2961, HB 3613, HB 3623, HB 3744, HB 3808, HB 3824, HB 3917, HB 3949, HB 3980, HB 3991, HB 4122, HB 4158, HB 4164, HB 4217, HB 4250, HB 4385, HB 4421, HB 4856, HB 5315, HB 5345, HB 5358, HB 5360, HB 5370, HB 5375, HB 5392, HB 5396, HB 5407, HB 5411, HB 5412, HB 5413, HB 5418.**

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 29 ADOPTED**

Senator Birdwell called from the President's table the Conference Committee Report on **SB 29**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2023.

On motion of Senator Birdwell, the Conference Committee Report was adopted by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Hall, Hancock, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Eckhardt, Gutierrez, Hinojosa, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

**SENATE RESOLUTION 704**

Senator Hughes offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 12 (the authority to regulate sexually oriented performances and to restricting those performances on the premises of a commercial enterprise, on public property, or in the presence of an individual younger than 18 years of age; authorizing a civil penalty; creating a criminal offense) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 3 of the bill, by adding Section 43.28(a)(1)(E), Penal Code, to read as follows:

(E) the exhibition of sexual gesticulations using accessories or prosthetics that exaggerate male or female sexual characteristics

Explanation: The change is necessary to add additional conduct to the definition of sexual conduct.

**SR 704** was read and was adopted by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Hinojosa, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 12 ADOPTED**

Senator Hughes called from the President's table the Conference Committee Report on **SB 12**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Hughes, the Conference Committee Report was adopted by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Hinojosa, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

### MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2023 - 1

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

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

#### **SB 2315**

House Conferees: Clardy - Chair/Button/Lambert/Raney/Stucky

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**HB 1** (124 Yeas, 22 Nays)

**SB 30** (135 Yeas, 10 Nays, 1 Present, not voting)

Respectfully,

/s/Stephen Brown,

Chief Clerk

House of Representatives

### CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3297 ADOPTED

Senator Middleton called from the President's table the Conference Committee Report on **HB 3297**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2023.

On motion of Senator Middleton, the Conference Committee Report was adopted by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 17 ADOPTED**

Senator Creighton called from the President's table the Conference Committee Report on **SB 17**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Creighton, the Conference Committee Report was adopted by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Hinojosa, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

**CONFERENCE COMMITTEE ON  
SENATE JOINT RESOLUTION 93 DISCHARGED**

On motion of Senator Schwertner and by unanimous consent, the Senate conferees on **SJR 93** were discharged.

Question: Shall the Senate concur in the House amendment to **SJR 93**?

Senator Schwertner moved to concur in the House amendment to **SJR 93**.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Gutierrez, Hall, Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, LaMantia, Menéndez, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer, Whitmire, Zaffirini.

Nays: Eckhardt, Hancock, Miles, West.

**RECESS**

On motion of Senator Whitmire, the Senate at 2:34 p.m. recessed until 3:00 p.m. today.

**AFTER RECESS**

The Senate met at 4:03 p.m. and was called to order by the President.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3 ADOPTED**

Senator Nichols called from the President's table the Conference Committee Report on **HB 3**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Nichols, the Conference Committee Report was adopted by the following vote: Yeas 26, Nays 5.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Hall, Hancock, Hinojosa, Huffman, Hughes, King, Kolkhorst, LaMantia, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer, West, Whitmire, Zaffirini.

Nays: Eckhardt, Gutierrez, Johnson, Menéndez, Miles.

### REMARKS ORDERED PRINTED

On motion of Senator Alvarado and by unanimous consent, the remarks regarding the Conference Committee Report on **HB 3** were ordered reduced to writing and printed in the *Senate Journal* as follows:

**President:** Senator West, your neighbor has a question, I think?

**Senator West:** Mr. President, yeah, Senator Nichols.

**President:** Do you yield, Senator Nichols?

**Senator Nichols:** I do, yes.

**Senator West:** And I think you went over it, but we need to, let's make sure we go over it again because there's a lot of school organizations that believe that teachers will have to, number one, they have concerns about the funding in terms of the allotment which is \$10. And, obviously, they think it's insufficient because it was \$100 in the House bill. But the Conference Committee settled back in on \$10 and \$15,000 per school. Correct?

**Senator Nichols:** It's \$1 per ADA, plus 15,000.

**Senator West:** Ten dollars?

**Senator Nichols:** It's \$10 per student—

**Senator West:** Right.

**Senator Nichols:** —plus 15,000—

**Senator West:** Right.

**Senator Nichols:** —per campus.

**Senator West:** Exactly. Alright, and the other piece is this, when we look at the armed guards issue. Let's stay there for a second because the issue is that teachers believe that they will be required to become licensed and carrying weapons on the campus. Does your bill require that to occur?

**Senator Nichols:** That does not, it does not.

**Senator West:** Okay. Alright, if for some reason, let's talk about the peace officers position on this bill. Are there enough peace officers in the State of Texas in order to make certain that they have one peace officer on every campus in the State of Texas?

**Senator Nichols:** Currently, there's not enough peace officers to fill all the law enforcement positions, let alone all the campuses, but we know there's a need there and so we're encouraging, some of the other things we're doing, more people to get into the law enforcement business.

**Senator West:** If for some reason school districts are not able to comply with that, they can, there's a good cause determination in your bill?

**Senator Nichols:** Yes, Sir.

**Senator West:** Okay. And how is good cause defined for the school districts' purposes, how do you define good cause in this, in the bill?

**Senator Nichols:** The definition of good cause is not in here, it is a determination made by each school district. As to, if they cannot meet the requirement of a peace officer on every campus, to come up with an alternative plan that is suitable for them.

**Senator West:** So, the individual school district makes the determination, it's not a determination, a definition from the Commissioner of Education. It's an individual determination at a local level by the school districts?

**Senator Nichols:** That's correct. It's not set by the state, it's not set in this bill, it's set by the school.

**Senator West:** Okay. And funding, I want to, in the bill it talks about noncompliance based on funding as one of the reasons. If a school district does not believe that they have adequate funding, then obviously, they can come up with an alternative plan. Correct?

**Senator Nichols:** Yes. That would be one determination of good cause.

**Senator West:** Exactly. And so, funding can be, not having monies in order to hire a peace officer. And if they can't hire a peace officer because of the funding, then they can come up with an alternative that does not require a peace officer. They can come up with another alternative. Is that correct?

**Senator Nichols:** That's correct.

**Senator West:** Okay. And in terms of the grant money, and I've had this conversation with Senator, Chairwoman Huffman, in terms of the \$1.1 billion in grant funding, those monies cannot be used for this particular purpose. Is that correct?

**Senator Nichols:** That's correct. That money is intended for school infrastructure, doors, locks, alarms, things of that nature, fencing, whatever they think it's appropriate for, but it's infrastructure.

**Senator West:** Okay. Thank you very much.

**Senator Nichols:** Thank you.

**President:** Senator Menéndez, for what purpose?

**Senator Menéndez:** I have questions of the author, Mr. President.

**President:** Do you yield?

**Senator Nichols:** Yes.

**Senator Menéndez:** Thank you, Mr. President. Thank you, Senator Nichols. I was just listening to your exchange with Senator West, and I don't want to belabor any points, but I'm, I want to make sure that some of the concerns are, one, that the House

bill that came over from the House had originally, and I think you mentioned this in your layout, had \$100 per student and the current version of the CCR we're looking at is back to \$10 per student, at per average daily attendance. Is that correct?

**Senator Nichols:** Ten dollars per student, plus 15,000 per campus. And that is the way HB 3 was originally written and filed, it was changed to 100 on the, on the floor with an amendment.

**Senator Menéndez:** And the Committee Report requires, when you sent this bill to the House, you had taken the armed guard requirement out of the bill, and I thank you for that because that may or may not be the best practice for every campus. And not every school district may be able to afford a licensed peace officer at every campus. But unfortunately, in this Conference Committee Report it does require an armed guard, but it does have some sort of a just cause exception. Is that correct?

**Senator Nichols:** I may have misunderstood your question, but this as written, the way it's originally filed and the way it came, we worked it out in the Conference Committee, it adds a good cause exception.

**Senator Menéndez:** The good cause exception. In the good cause exemption, says that the school district can for good cause not have to have an armed guard, but it allows them to have, it doesn't require them to have a licensed peace officer, it can be someone else. It could be a marshal, it could be a guardian, it could be someone else other than a licensed peace officer. Is that correct?

**Senator Nichols:** That's correct.

**Senator Menéndez:** And if TEA, if TEA believes that the schools have not met the minimum requirements for safety in this bill, they can appoint a conservator, but not a conservator of the whole school district, a conservator for that campus, or how does that work?

**Senator Nichols:** It would be for the school district.

**Senator Menéndez:** For the whole school district?

**Senator Nichols:** No, excuse me. It's not the individual campus and it's not the whole school district. It is just a safety portion of the school district which would normally be on a per-campus basis, but it's possible the school may not turn in their report on their emergency operating plan. In which case it would be the district. But they don't take over the school district operations, only the safety component of it.

**Senator Menéndez:** Does HB 3 contain all the costs, or does it entertain the mandates that we've passed this year, for example, and these are good things, to have a panic button in every classroom, does it list everything you must have in order to be considered that you've met the minimum safety standards?

**Senator Nichols:** No, that was not prescriptive in the bill. The standards would be set by the safety center.

**Senator Menéndez:** The safety center. Okay. My concern in speaking to many of my school districts around my district, they've sent me, I have here what the allotment would provide them versus what their current costs for security and the new bills that have passed. And every single one of them ends up in the red. They end up in a deficit

versus the allotment versus their cost. Some of my smaller, poorer areas in my district, in my community, have significant cost differentials. And so, my understanding is that your, that the response that I've heard here on the floor is that the 1.2 billion that y'all have created for grants, that's supposed to be to help cover the school districts' hard costs. Is that correct?

**Senator Nichols:** Yes, the more permanent features, door locks, if you want silent alarms, if you want doors that automatically lock, fencing, fixing the windows, things like that.

**Senator Menéndez:** And on the just cause exemption, who gets to determine whether or not that's just cause. Is it TEA, or is it something that we have to be worried that somebody decides that the school is not safe? Is it a parent, does the school board vote on it? How does that work?

**Senator Nichols:** It's established by the school board. What we've tried to do here is follow best practices as established by safety center, and the best practice at a campus would be to have a licensed peace officer at each campus, but if you cannot do that for whatever your just cause is, then it goes into other areas that are determined by your school board to have a plan that you think is appropriate for your campuses.

**Senator Menéndez:** Very good. My concern is that the, this armed guard provision might, and this is an expensive arm, if you hire a licensed peace officer, in some communities the expense is somewhere around \$100,000 a year with benefits and everything all rolled up. And my concern is that they might cut in other areas in order to meet the armed guard provision. And so, while I really appreciate all of the work that you've incorporated here, this leads me back to when we were debating the amendment on the mental health allotment, which that would have created an independent allotment for counselors and other things. My fear is that however well-intentioned this bill is, continuing to have that armed guard provision, even though it has the escape hatch, might cause some school board members to say, this is what the Legislature wants, we don't have a good cause not to do it, let's put our school safety money towards that instead of something else. And so, I appreciate you taking my questions. I know you worked really hard, and I know that you tried so hard to keep the bill as it was when it came off this floor. And I understand that it is a bicameral process and that we don't always get exactly what we want, but I thank you for taking my questions.

**Senator Nichols:** Thank you. I appreciate your work and your, you mentioned the mental health component of that, and there's training for mental health for these, for the instructors, people that work with the kids, so that they can at least identify issues early on. And there's additional funding in the budget for the school consortium, mental health treatment to identify through TCHAT, give actual diagnosis, the best they can, to a TCHAT. But, you know, we don't want to treat these students at the school level, we want to identify and make sure there's treatment available that does not cost them anything.

**Senator Menéndez:** Totally agree. And, Mr. Chairman, completely agree with that. My biggest fear is that some school districts may say, we're going to meet the armed guard provision not by spending money, by bringing in a marshal, whoever that may



be, a coach, it may be a guardian. Maybe we ask some teacher, maybe we ask a vice principal, and that's not exactly what I think is going to make all of the people who work in the building, and potentially the people who are dropping their children off feel the safest. I think if it was a licensed peace officer, a police officer, I think they'd feel a lot better. My fear is if we're going to have an armed guard provision, I would have rather us had licensed peace officer and we're going to pay you for it. But thank you very much.

**Senator Nichols:** Thank you.

**President:** Senator Whitmire, what purpose?

**Senator Whitmire:** Would the gentleman yield?

**Senator Nichols:** Yes.

**Senator Whitmire:** Senator Nichols, I don't want to be redundant with Senator Menéndez and West's questions, but would you specifically deal with the issue of unfunded mandate? Because some school districts, as we sit here, are spreading opposition because they're saying your provisions are an unfunded mandate. And I've heard the numbers, but would you think that is an accurate portrayal of your legislation?

**Senator Nichols:** I wouldn't say that would be an accurate position, but because we are more than tripling the amount of funding for the school allotment for safety. That's way more than we've ever had, so we had 100 million per year in previous years with 330 million per year, and we're going to 1.1 on the infrastructure with the grant money. So, the state is dramatically increased the amount of funding in that area.

**Senator Whitmire:** And it might not be the amount nor the planning that some Members or some interest groups or even school districts would like, but it's probably a misrepresentation, would you not agree with me, to say that's it's an unfunded mandate?

**Senator Nichols:** I don't think it's a unfunded mandate. It is a setting the standards high, and if the, as a best practice set, established by the School Safety Center. If we're going to set a standard, let's set it to the highest for those kids. And then, if for whatever reason, whatever good cause you have as the school, if you can't get there and money can be one of those just causes, but there's numerous, whatever you establish.

**Senator Whitmire:** And under the just cause provisions, Senator Menéndez was concerned that they would reach out to a coach or assistant principal, giving school districts the authority to arm their personnel already, have we not, and I think last session, perhaps.

**Senator Nichols:** Correct.

**Senator Whitmire:** So, I'm just having a real difficult time hearing from folks that want us to vote against the, probably the only opportunity in this regular session to increase funding and measures for school safety. Is this our best opportunity? And even though there may be concerns of how you could do it better, this is the up or down vote on school safety?

**Senator Nichols:** This, this is it. This is the best we've been able to do this session. Thank you.

**President:** Senator Johnson, for what purpose?

**Senator Johnson:** Question of the author.

**President:** Do you yield?

**Senator Nichols:** Yes, Sir.

**Senator Johnson:** Thank you, Mr. President. Thank you, Senator Nichols, for your work on this bill. We've talked to you earlier, and I wanted to just have some clarification of legislative intent here. As I read the statute, it is not crystal clear to me that a school district may opt out of having an armed security officer on the campus. So, if there happens to be litigation in the future, concerning what it means to not have available funding or not have available personnel who qualified to serve as a security officer, that's one contingency. Or, secondly, if there's litigation or the same litigation concerns, whether or not this alternative person is to be armed, is it, would the courts look to the legislative intent here and conclude that we meant the alternative to be that a school district can have somebody fulfill this role who is not armed?

**Senator Nichols:** You're an attorney asking an engineer for a legal answer. And my answer is you can litigate anything, as I understand it. I've been sued for lots of things.

**Senator Johnson:** Well, and I didn't mean to ask you to interpret the statute, I can't interpret the statute. And that's why I'm trying to figure out what are we trying to do here? Do we intend for a school district be able to, as an alternative, propose a security plan that does not include an armed person?

**Senator Nichols:** It gives you a good, if you do not feel that your school can meet those standards that are, we're setting up as a requirement, then for good cause you could come up with another plan.

**Senator Johnson:** Which could include somebody who is not armed, or do they have to be armed?

**Senator Nichols:** It's whatever your school district determines as a good cause exception and plan.

**Senator Johnson:** And so, if your school district determines, as a good cause exception, that we are going to meet the security requirements contemplated by this statute without an additional armed person on the campus, will they be in compliance with this statute, according to your intention and understanding of the statute?

**Senator Nichols:** What this statute's trying to do is let each school district know what the legislature intends for you to do and the intention is to set best practices. Those best practices are to have an armed peace officer on each campus. But for good cause, if you cannot, you go to plan B, C, and so on, whatever you think's appropriate for your campus.

**Senator Johnson:** And, and I—

**Senator Nichols:** So, we're trying to set the standards high.

**Senator Johnson:** And we think that most school districts will actually have an additional armed officer, and we have some funding, there's some discussion about the adequacy of it, there's questions about the efficacy of it, but if the school district goes with this plan B or C will they violate the statute if the way they do it does not include an additional armed person?

**Senator Nichols:** I would have to see, you know, you're asking me to speculate on what they might have—

**Senator Johnson:** Is it your intention—

**Senator Nichols:** —I, I—

**Senator Johnson:** —that they would be in violation of the statute if they go with plan B or C and if plan B or C doesn't include another armed person?

**Senator Nichols:** I'm not even going to speculate. I'd want to see what their plan was. We're trying to set the standards high. Peace officers, if you can't meet that—

**Senator Johnson:** Okay.

**Senator Nichols:** —for good cause then you sit down, you come up with a plan that's appropriate that you think the school board thinks is appropriate for their campus in that community for those children.

**Senator Johnson:** Alright. So, I, at presently, from our conversation, I take that it's an open question whether or not a conclusion of the school district who can't afford a peace officer, or for other reasons can't meet these requirements, it's an open question whether they violate the statute if they come up with some plan that doesn't involve an additional armed person. Is it, is that an open question?

**Senator Nichols:** It's not prescriptive in this bill what that answer would be.

**Senator Johnson:** Alright. So, so maybe it could be an unarmed person?

**Senator Nichols:** Maybe. You're doing a maybe, not me.

**Senator Johnson:** Okay, well then, you tell me yes or no. I, because I'm at maybe.

**Senator Nichols:** What?

**Senator Johnson:** I'm just trying to know if a school can, and this could be litigation. I want to know if a court is looking at this, trying to ascertain our intent, can they conclude that we intended for them to absolutely have an armed person, whatever their other qualifications are.

**Senator Nichols:** But to a court in my district, I think that it might be a little bit different than a court in your district. So, I can't—

**Senator Johnson:** There's a lot of maybes.

**Senator Nichols:** —I—

**Senator Johnson:** Another layer—

**Senator Nichols:** —I'm not going to speculate on what a court would do.

**Senator Johnson:** I just want to know what your intention is, armed or not armed?

**Senator Nichols:** My intention is to keep the kids as safe as possible.

**Senator Johnson:** I don't think I'm going to get my answer. I'm going to propose that it appears to be an open question as to whether a school district who opts for this B or C, hires an additional armed person or an unarmed person. I can't resolve that from the statute, and I was hoping to resolve it from the legislative intent. I don't have it in mind yet and if you can clarify that, please do. And if not, we'll see what the courts say if someone, if someone brings it up. I don't know that they will.

**Senator Nichols:** We'll be back in 18 months, or maybe next week, or this week, I don't know.

**Senator Johnson:** Thank you, Senator Nichols.

**President:** Senator Gutierrez, what purpose?

**Senator Gutierrez:** Will the gentleman yield for a few questions?

**Senator Nichols:** Yes.

**President:** You notice, Senator Nichols, all your questions are all the desks right around you. You'd think y'all could talk, you know.

**Senator Nichols:** They want the desk between us.

**President:** Yeah, do you yield?

**Senator Nichols:** Yes.

**Senator Gutierrez:** Thank you, Senator Nichols. I know you fought hard to keep the original Senate bill clean and I appreciate that. I think that there was a lot of great efforts to do that. There's nothing on common sense gun safety solutions in this bill. Correct?

**Senator Nichols:** There's no what?

**Senator Gutierrez:** There's nothing on common sense gun safety solutions in this bill. Correct?

**Senator Nichols:** I, depends on how you define common sense.

**Senator Gutierrez:** There is no raise the age to 21 on access to an AR-15 in this particular bill. Correct?

**Senator Nichols:** That is not in this bill.

**Senator Gutierrez:** And no extreme risk protective orders in this bill either. Correct?

**Senator Nichols:** Protective orders?

**Senator Gutierrez:** Extreme risk protective orders. That's not in this bill.

**Senator Nichols:** The bill reads for itself.

**Senator Gutierrez:** Okay, thank you, Sir. The question on the what is an unfunded mandate, and I, this is why I appreciate you fighting for many of your rural counties and my rural counties. I don't think that it's a debatable issue as to what's unfunded to some and unfunded to others. The fact is you and I both know that at \$10 per student rural school districts with 1,000 or 500 or six students will suffer and will find it difficult to make the requirement of having one officer per school.

**Senator Nichols:** It's \$1 per student plus 15,000 per campus.

**Senator Gutierrez:** Okay.

**Senator Nichols:** Oh, \$10, excuse me.

**Senator Gutierrez:** Yeah, yes, Sir. So, if you have a district with 1,000 students, 1,000 students, that's \$10,000. Correct?

**Senator Nichols:** If that's how many are in one campus, yes.

**Senator Gutierrez:** Right. Plus, the, let's say the district has 1,000 students.

**Senator Nichols:** Okay. District has 1,000, sure.

**Senator Gutierrez:** Okay. That's \$10,000. Correct? Let's say you have four campuses. You have a high school, a middle school, a couple of elementary schools, or however it is. So, there's four schools. And that's \$15,000 per school. Correct?

**Senator Nichols:** Correct.

**Senator Gutierrez:** And so, I, now that's \$70,000. Correct?

**Senator Nichols:** Yes.

**Senator Gutierrez:** With \$70,000 we're supposed to fund an officer at each school. Is that going to be possible?

**Senator Nichols:** That would not be enough to pay for a peace officer at each campus, based on current salaries and stuff.

**Senator Gutierrez:** So, in that situation that would be an unfunded mandate for, I would argue, most of the rural school districts in Texas that are, fit that criteria.

**Senator Nichols:** Schools have other funding as well.

**Senator Gutierrez:** And then they have this alternative, which is kind of, which, and I want to be very clear here, you fought to keep this off. I understand what you were try to doing for, for all the rural districts, and I appreciate you. But I also want people to understand what an unfunded mandate is. To rural districts it's simply can't afford these things to happen so I thank you for pushing back against House demands. I had a bill that would've put a armed police officer, paid for by the State of Texas, in every school. That didn't happen. Thank you for your efforts, but I am conflicted as well, as Senator Menéndez is, in that this does create an unfunded mandate for most of my districts.

**Senator Nichols:** Thank you.

### SENATE RESOLUTION 700

Senator Flores offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 4635 (organized crime, racketeering activities, and collection of unlawful debts) to consider and take action on the following matter:

Senate Rules 12.03(1), (2), and (3) are suspended to permit the committee to change, alter, or amend text not in disagreement by adding text on a matter not in disagreement and omitting text not in disagreement in proposed SECTION 6 of the bill, so that the text of added Section 72.01(7), Penal Code, reads as follows:

(7) "Unlawful debt" means any money or other thing of value constituting principal or interest of a debt that is wholly or partly legally unenforceable in this state because the debt was incurred or contracted:

(A) in violation of:

(i) the Texas Racing Act (Subtitle A-1, Title 13, Occupations Code, and Article 179e, Revised Civil Statutes);

(ii) Subtitle A, Title 4, Finance Code, or Section 11, Article XVI, Texas Constitution, relating to interest and usury, if the usurious rate is at least twice the enforceable rate; or

(iii) Chapter 47, relating to gambling; or

(B) in gambling activity in violation of federal law or in the business of lending money at a rate usurious under state law if the usurious rate is at least twice the enforceable rate.

Explanation: The change is necessary to provide the scope of a usurious rate for purposes of the definition of "unlawful debt" and make a nonsubstantive change to a citation.

**SR 700** was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 4635 ADOPTED**

Senator Flores called from the President's table the Conference Committee Report on **HB 4635**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Flores, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Eckhardt.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3440 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 3440**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2023 - 2

The Honorable President of the Senate  
Senate Chamber



**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 621 ADOPTED**

Senator Hughes called from the President's table the Conference Committee Report on **HB 621**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Hughes, the Conference Committee Report was adopted by the following vote: Yeas 23, Nays 8.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Eckhardt, Flores, Hall, Hancock, Huffman, Hughes, King, Kolkhorst, LaMantia, Middleton, Miles, Parker, Paxton, Perry, Schwertner, Sparks, Springer, West, Zaffirini.

Nays: Alvarado, Blanco, Gutierrez, Hinojosa, Johnson, Menéndez, Nichols, Whitmire.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 915 ADOPTED**

Senator Parker called from the President's table the Conference Committee Report on **HB 915**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Parker, the Conference Committee Report was adopted by the following vote: Yeas 28, Nays 3.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Eckhardt, Flores, Gutierrez, Hancock, Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, LaMantia, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Whitmire, Zaffirini.

Nays: Hall, Middleton, Springer.

**(Senator Flores in Chair)**

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3474 ADOPTED**

Senator Hughes called from the President's table the Conference Committee Report on **HB 3474**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Hughes, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1677 ADOPTED**

Senator Perry called from the President's table the Conference Committee Report on **SB 1677**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Perry, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 2.



Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Gutierrez, Hall, Hancock, Hinojosa, Huffman, Hughes, Johnson, King, LaMantia, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer, West, Whitmire, Zaffirini.

Nays: Eckhardt, Kolkhorst.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1933 ADOPTED**

Senator Bettencourt called from the President's table the Conference Committee Report on **SB 1933**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Bettencourt, the Conference Committee Report was adopted by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Hinojosa, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2121 ADOPTED**

Senator Springer called from the President's table the Conference Committee Report on **HB 2121**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Springer, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1500 ADOPTED**

Senator Schwertner called from the President's table the Conference Committee Report on **HB 1500**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Schwertner, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1727 ADOPTED**

Senator Schwertner called from the President's table the Conference Committee Report on **SB 1727**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Schwertner, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2023 - 3

The Honorable President of the Senate

Senate Chamber

Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**HB 3** (93 Yeas, 49 Nays, 1 Present, not voting)

**HB 12** (134 Yeas, 9 Nays, 1 Present, not voting)

**HB 17** (83 Yeas, 58 Nays, 2 Present, not voting)

**HB 30** (125 Yeas, 15 Nays, 2 Present, not voting)

**HB 357** (140 Yeas, 0 Nays, 2 Present, not voting)

**HB 621** (113 Yeas, 25 Nays, 2 Present, not voting)

**HB 915** (121 Yeas, 18 Nays, 2 Present, not voting)

**HB 1243** (86 Yeas, 56 Nays, 2 Present, not voting)

**HB 1500** (140 Yeas, 1 Nays, 2 Present, not voting)

**HB 1595** (128 Yeas, 12 Nays, 2 Present, not voting)

**HB 2121** (141 Yeas, 0 Nays, 2 Present, not voting)

**HB 2729** (93 Yeas, 47 Nays, 2 Present, not voting)

**HB 3372** (141 Yeas, 2 Nays, 2 Present, not voting)

**HB 3440** (140 Yeas, 0 Nays, 2 Present, not voting)

**HB 3447** (125 Yeas, 11 Nays, 2 Present, not voting)

**HB 4443** (121 Yeas, 22 Nays, 2 Present, not voting)

**HB 4635** (105 Yeas, 35 Nays, 2 Present, not voting)

**HJR 3** (110 Yeas, 30 Nays, 1 Present, not voting)

**SB 1677** (134 Yeas, 8 Nays, 2 Present, not voting)

**SB 1727** (110 Yeas, 31 Nays, 2 Present, not voting)

**SB 1933** (84 Yeas, 58 Nays, 2 Present, not voting)

THE HOUSE HAS DISCHARGED ITS CONFEREES AND CONCURRED IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

**HB 18** (120 Yeas, 21 Nays, 2 Present, not voting)

Respectfully,  
/s/Stephen Brown,  
Chief Clerk  
House of Representatives

### SENATE BILL 1699 WITH HOUSE AMENDMENTS

Senator Johnson called **SB 1699** from the President's table for consideration of the House amendments to the bill.

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

#### Floor Amendment No. 1

Amend **SB 1699** (house committee report) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 39.101(b), Utilities Code, is amended to read as follows:

(b) A customer is entitled:

(1) to be informed about rights and opportunities in the transition to a competitive electric industry;

(2) to choose the customer's retail electric provider consistent with this chapter, to have that choice honored, and to assume that the customer's chosen provider will not be changed without the customer's informed consent;

(3) to have access to providers of energy efficiency services, to on-site distributed generation, and to providers of energy generated by renewable energy resources;

(4) to be served by a provider of last resort that offers a commission-approved standard service package;

(5) to receive sufficient information to make an informed choice of service provider;

(6) to be protected from unfair, misleading, or deceptive practices, including protection from being billed for services that were not authorized or provided; ~~and~~

(7) to have an impartial and prompt resolution of disputes with its chosen retail electric provider and transmission and distribution utility;

(8) to participation in demand response programs through retail electric providers that offer demand response programs; and

(9) to receive notice from the retail electric provider that serves the customer when the independent organization certified under Section 39.151 for the ERCOT power region issues an emergency energy alert.

SECTION \_\_\_\_\_. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Section 39.919 to read as follows:

Sec. 39.919. AVERAGE TOTAL RESIDENTIAL LOAD REDUCTION GOALS. (a) The commission by rule shall establish goals in the ERCOT power region to reduce the average total residential load.

(b) The rules adopted under Subsection (a) must provide for the adoption of a program that:

(1) provides demand response participation to residential customers where reasonably available;

(2) promotes the use of smart metering technology;

(3) is capable of responding to an emergency energy alert about low operating reserves issued by the independent organization certified under Section 39.151 for the ERCOT power region;

(4) provides opportunities for demand response providers to contract with retail electric providers to provide demand response services;

(5) ensures the program does not impact the critical needs of vulnerable populations;

(6) facilitates the widespread deployment of smart responsive appliances and devices in a manner that enables the customer's appliance or device to be enrolled as part of a demand response product or plan offered by a retail electric provider;

(7) establishes the method by which the components of the ratio described by Subsection (c) are calculated for purposes of determining whether the goals described by Subsection (a) have been achieved;

(8) provides for achievement of demand reductions within both summer and winter seasons; and

(9) allows a retail electric provider that offers a demand response program under this section to obtain funding for the demand response program through an energy efficiency incentive program established under Section 39.905 if the program complies with commission requirements adopted under Section 39.905.

(c) The goals described by Subsection (a) must be calculated as a ratio by dividing the amount of load reduced at peak demand by the total amount of demand, at the same time, of all residential customers who have responsive appliances or devices at their premises that reduce the electric consumption of the customers.

(d) A transmission and distribution utility required to provide an energy efficiency incentive program under Section 39.905 may use up to 10 percent of the budgeted spending for those programs on demand response programs described by Subsection (b)(9).

SECTION \_\_\_\_\_. The Public Utility Commission of Texas shall adopt rules as necessary for the adoption of a program to begin facilitating the widespread deployment of appliances and devices capable of being part of a demand response product or plan offered by a retail electric provider, as provided by Section 39.919(b)(6), Utilities Code, as added by this Act, before December 31, 2024.

### **Floor Amendment No. 1 on Third Reading**

Amend **SB 1699** on third reading in the SECTION of the bill adding Section 39.919, Utilities Code, as follows:

(1) Strike Section 39.919(b)(9) and substitute the following:

(9) allows a retail electric provider that offers a demand response program under this section to obtain funding for the demand response program through an energy efficiency incentive program established under Section 39.905 if the program complies with commission requirements related to the evaluation, measurement, and verification of demand response programs adopted under Section 39.905.

(2) Strike Section 39.919(d) and substitute the following:

(d) A transmission and distribution utility required to provide an energy efficiency incentive program under Section 39.905 may use up to 10 percent of the budgeted spending for demand response programs on the programs described by Subsection (b)(9).

The amendments were read.

Senator Johnson moved to concur in the House amendments to **SB 1699**.

The motion prevailed by the following vote: Yeas 31, Nays 0.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 4443 ADOPTED**

Senator Kolkhorst called from the President's table the Conference Committee Report on **HB 4443**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Kolkhorst, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Middleton.

### **BILLS AND RESOLUTIONS SIGNED**

The Presiding Officer announced the signing of the following enrolled bills and resolutions in the presence of the Senate after the captions had been read:

**SB 55, SB 200, SB 322, SB 335, SB 336, SB 427, SB 469, SB 498, SB 533, SB 643, SB 667, SB 681, SB 813, SB 893, SB 924, SB 956, SB 997, SB 1015, SB 1131, SB 1242, SB 1290, SB 1327, SB 1342, SB 1379, SB 1399, SB 1467, SB 1517, SB 1526, SB 1712, SB 1999, SB 2008, SB 2277, SB 2350, SB 2588, SB 2595, SB 2597, SB 2598, SB 2604, SB 2613, SB 2616, SCR 50, SCR 51, SCR 54.**

**SB 25, SB 158, SB 315, SB 317, SB 386, SB 401, SB 422, SB 459, SB 477, SB 565, SB 627, SB 629, SB 785, SB 796, SB 991, SB 1001, SB 1040, SB 1051, SB 1057, SB 1136, SB 1146, SB 1236, SB 1308, SB 1402, SB 1431, SB 1520, SB 1525, SB 1568, SB 1606, SB 1668, SB 1717, SB 1746, SB 1854, SB 1900, SB 1979, SB 2011, SB 2013, SB 2220, SCR 53.**

**SB 15, SB 18, SB 24, SB 26, SB 133, SB 189, SB 222, SB 232, SB 365, SB 409, SB 532, SB 544, SB 718, SB 719, SB 773, SB 999, SB 1056, SB 1070, SB 1098, SB 1192, SB 1289, SB 1367, SB 1376, SB 1404, SB 1414, SB 1500, SB 1516, SB 1518, SB 1565, SB 1624, SB 1670, SB 1720, SB 1916, SB 1929, SB 1930, SB 1998, SB 2052, SB 2091, SB 2105, SB 2120, SB 2133, SB 2192, SB 2200, SB 2248, SB 2292, SB 2314, SB 2325, SB 2370, SB 2376, SB 2406, SB 2429, SB 2440, SB 2453, SB 2476, SB 2479, SB 2601, SB 2605, SB 2620, SCR 52.**

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2729 ADOPTED**

Senator Creighton called from the President's table the Conference Committee Report on **HB 2729**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Creighton, the Conference Committee Report was adopted by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hancock, Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer, West.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Hall, Johnson, LaMantia, Menéndez, Miles, Whitmire, Zaffirini.

### SENATE RESOLUTION 710

Senator Creighton offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 5344 (the eligibility of certain retired firefighters, police officers, and emergency medical services providers to purchase continued health benefits coverage; the creation of certain special purpose districts and the name, powers, and duties of the 3 B&J Municipal Utility District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following new SECTIONS to the bill:

SECTION 1. Section 175.001, Local Government Code, is amended to read as follows:

Sec. 175.001. APPLICABILITY. (a) In this section, "township" means a special district with territory that only includes a census designated place, as designated by the United States Bureau of the Census.

(b) This chapter applies to a person who:

(1) retires from:

(A) county employment in a county with a population of 75,000 or more;

(B) employment by an appraisal district in a county with a population of 75,000 or more;

(C) municipal employment in a municipality with a population of 25,000 or more; ~~or~~

(D) employment as a firefighter or emergency medical services provider by an emergency services district located wholly or partly in a county with a population of 150,000 or more; or

(E) employment as a firefighter, police officer, or emergency medical services provider by a township with a population of 110,000 or more; and

(2) is entitled to receive retirement benefits from a county, appraisal district, or municipal retirement plan, ~~or~~ emergency services district, or township.

SECTION 2. (a) Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 4001 to read as follows:

CHAPTER 4001. DENTON COUNTY MUNICIPAL MANAGEMENT DISTRICT

NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4001.0101. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "County" means Denton County, Texas.

(3) "Director" means a board member.

(4) "District" means the Denton County Municipal Management District

No. 2.

Sec. 4001.0102. NATURE OF DISTRICT. The Denton County Municipal Management District No. 2 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 4001.0103. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b) By creating the district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(c) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(d) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created to supplement and not to supplant county services provided in the district.

Sec. 4001.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(b) The district is created to serve a public use and benefit.

(c) The creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(f) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 4001.0105. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2(b) of the Act enacting this chapter.

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

(1) organization, existence, or validity;

(2) right to issue any type of bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 4001.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

or

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code.

Sec. 4001.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 4001.0108. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 4001.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors who serve staggered terms of four years.

(b) Directors are elected in the manner provided by Subchapter D, Chapter 49, Water Code.

Sec. 4001.0202. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed \$150 for each board meeting. The total amount of compensation for each director in one year may not exceed \$7,200.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Sec. 4001.0203. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.



(b) The temporary or successor temporary directors shall hold an election to elect five permanent directors as provided by Section 49.102, Water Code.

(c) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Subsection (b); or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(d) If permanent directors have not been elected under Subsection (b) and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Subsection (b); or

(2) the fourth anniversary of the date of the appointment or reappointment.

(e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 4001.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 4001.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The district, using any money available to the district for the purpose, may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

(b) The district may contract with a governmental or private entity to carry out an action under Subsection (a).

(c) The implementation of a district project or service is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 4001.0303. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 4001.0304. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Sec. 4001.0305. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 4001.0306. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers provided to municipalities by:

(1) Chapter 380, Local Government Code; and

(2) Subchapter A, Chapter 1509, Government Code.

Sec. 4001.0307. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Sec. 4001.0308. ADDING OR EXCLUDING LAND. The district may add or exclude land in the manner provided by Subchapter J, Chapter 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

Sec. 4001.0309. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Sec. 4001.0310. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Sec. 4001.0311. EMINENT DOMAIN. The district may exercise the power of eminent domain in the manner provided by Section 49.222, Water Code.

Sec. 4001.0312. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2(b) of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) An order dividing the district must:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(g) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(h) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 4001.0506 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

#### SUBCHAPTER D. ASSESSMENTS

Sec. 4001.0401. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 4001.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

#### SUBCHAPTER E. TAXES AND BONDS

Sec. 4001.0501. TAX ELECTION REQUIRED. (a) The district must hold an election in the manner provided by Chapter 49, Water Code, or, if applicable, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax.

(b) Section 375.243, Local Government Code, does not apply to the district.

Sec. 4001.0502. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election under Section 4001.0501, the district may impose an operation and maintenance tax on taxable property in the district in the manner provided by Section 49.107, Water Code, for any district purpose, including to:

- (1) maintain and operate the district;
- (2) construct or acquire improvements; or
- (3) provide a service.

(b) The board shall determine the operation and maintenance tax rate. The rate may not exceed the rate approved at the election.

Sec. 4001.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Sec. 4001.0504. BONDS SECURED BY REVENUE OR CONTRACT PAYMENTS. The district may issue, without an election, bonds secured by:

- (1) revenue other than ad valorem taxes, including contract revenues; or
- (2) contract payments, provided that the requirements of Section 49.108,

Water Code, have been met.

Sec. 4001.0505. BONDS SECURED BY AD VALOREM TAXES; ELECTIONS. (a) If authorized at an election under Section 4001.0501, the district may issue bonds payable from ad valorem taxes.

(b) At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

(c) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Sec. 4001.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The board may not issue bonds until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

(b) This section applies only to the district's first issuance of bonds payable from ad valorem taxes.

#### SUBCHAPTER I. DISSOLUTION

Sec. 4001.0901. DISSOLUTION. (a) The board shall dissolve the district on written petition filed with the board by the owners of:

(1) at least two-thirds of the assessed value of the property subject to assessment by the district based on the most recent certified county property tax rolls; or

(2) at least two-thirds of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment by the district according to the most recent certified county property tax rolls.

(b) The board by majority vote may dissolve the district at any time.

(c) The district may not be dissolved by its board under Subsection (a) or (b) if the district:

(1) has any outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds;

(2) has a contractual obligation to pay money until that obligation has been fully paid in accordance with the contract; or

(3) owns, operates, or maintains public works, facilities, or improvements unless the district contracts with another person for the ownership, operation, or maintenance of the public works, facilities, or improvements.

(d) Sections 375.261, 375.262, and 375.264, Local Government Code, do not apply to the district.

(b) The Denton County Municipal Management District No. 2 initially includes all territory contained in the following area:

#### TRACT I:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING SITUATED IN THE B. WAY SURVEY, ABSTRACT NUMBER 1350, W. JOHNSON SURVEY, ABSTRACT NUMBER 680, J. STEWART, ABSTRACT NUMBER 1199, DENTON COUNTY, TEXAS, AND BEING PART OF A TRACT DESCRIBED IN A DEED TO CLEAR CREEK RIDGE, LLC, RECORDED IN VOLUME 5127, PAGE 1955, AND VOLUME 5127, PAGE 1951, REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON PIN FOUND AT THE SOUTHERN MOST SOUTHEAST CORNER OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955 AND BEING ON THE WEST LINE OF A DEED TO F. JEFFERY CHARNEY, RECORDED IN VOLUME 3035, PAGE 534, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND BEING ON THE

NORTHERN MOST NORTHEAST CORNER OF A TRACT DESCRIBED IN A DEED TO ROYAL WHITE JONES, RECORDED IN VOLUME 1231, PAGE 701, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 71 DEGREES 47 MINUTES 53 SECONDS WEST WITH THE SOUTH LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 5542.39 FEET TO A 1/2 INCH IRON PIN SET AT THE SOUTHERN MOST SOUTHWEST CORNER OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, AN INNER ELL CORNER OF A TRACT DESCRIBED IN A DEED TO CASEY MARK HARRINGTON, RECORDED IN VOLUME 2031, PAGE 348, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH WITH A WEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 240.00 FEET TO A 1/2 INCH IRON PIN SET AT A SOUTHWEST CORNER OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955;

THENCE SOUTH 89 DEGREES 24 MINUTES 00 SECONDS EAST, A DISTANCE OF 154.60 FEET TO A 1/2 INCH IRON PIN SET FOR CORNER AT AN INNER ELL CORNER OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955 AND THE SOUTHEAST CORNER OF A TRACT DESCRIBED IN A DEED TO MARY TOM CRAVENS CURNUTT, RECORDED IN VOLUME 2505, PAGE 298, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 15 DEGREES 54 MINUTES 04 SECONDS EAST WITH THE WEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 2222.30 FEET TO A 1/2 INCH IRON PIN SET FOR CORNER;

THENCE SOUTH 82 DEGREES 47 MINUTES 03 SECONDS EAST WITH A SOUTH LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 667.90 FEET TO A 1/2 INCH IRON PIN FOUND FOR CORNER;

THENCE NORTH 56 DEGREES 22 MINUTES 21 SECONDS EAST WITH A SOUTHWEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 642.42 FEET TO A 1/2 INCH IRON PIN FOUND FOR CORNER;

THENCE NORTH 50 DEGREES 04 MINUTES 04 SECONDS EAST WITH A SOUTHWEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 311.43 FEET TO A 1/2 INCH IRON PIN FOUND FOR CORNER;

THENCE NORTH 36 DEGREES 03 MINUTES 57 SECONDS EAST WITH THE WEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 1119.19 FEET TO A 1/2 INCH IRON PIN FOUND FOR CORNER;

THENCE NORTH 26 DEGREES 07 MINUTES 18 SECONDS WEST WITH THE WEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 1390.50 FEET TO A 1/2 INCH IRON PIN SET FOR CORNER;

THENCE NORTH 00 DEGREES 14 MINUTES 50 SECONDS EAST WITH THE WEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 913.00 FEET TO A 1/2 INCH IRON PIN SET FOR CORNER ON THE NORTH LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, AND THE SOUTH LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1951;

THENCE NORTH 89 DEGREES 52 MINUTES 14 SECONDS WEST WITH A NORTH LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955 AND THE SOUTH LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1951, A DISTANCE OF 771.47 FEET TO A 1/2 INCH IRON PIN SET FOR CORNER BEING ON A WEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1951 AND AN EAST LINE OF A TRACT DESCRIBED IN A DEED TO RAY HENGER, RECORDED IN VOLUME 4612, PAGE 567, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 00 DEGREES 46 MINUTES 29 SECONDS WEST WITH A WEST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1951 AND AN EAST LINE OF SAID HENGER TRACT, A DISTANCE OF 1151.02 FEET TO A 1/2 INCH IRON PIN SET FOR CORNER;

THENCE WITH CLEAR CREEK THE FOLLOWING FIFTY-FOUR (54) CALLS:

- 1.) NORTH 55 DEGREES 38 MINUTES 38 SECONDS EAST, A DISTANCE OF 110.80 FEET;
- 2.) NORTH 51 DEGREES 23 MINUTES 04 SECONDS EAST, A DISTANCE OF 278.21 FEET;
- 3.) SOUTH 70 DEGREES 46 MINUTES 01 SECONDS EAST, A DISTANCE OF 415.87 FEET;
- 4.) SOUTH 40 DEGREES 58 MINUTES 38 SECONDS EAST, A DISTANCE OF 604.83 FEET;
- 5.) SOUTH 51 DEGREES 09 MINUTES 01 SECONDS EAST, A DISTANCE OF 410.80 FEET;
- 6.) SOUTH 37 DEGREES 53 MINUTES 33 SECONDS EAST, A DISTANCE OF 82.37 FEET;
- 7.) SOUTH 18 DEGREES 46 MINUTES 16 SECONDS EAST, A DISTANCE OF 75.16 FEET;
- 8.) SOUTH 05 DEGREES 46 MINUTES 16 SECONDS WEST, A DISTANCE OF 49.39 FEET;
- 9.) SOUTH 22 DEGREES 04 MINUTES 06 SECONDS WEST, A DISTANCE OF 308.38 FEET;
- 10.) SOUTH 26 DEGREES 11 MINUTES 20 SECONDS WEST, A DISTANCE OF 76.63 FEET;
- 11.) SOUTH 26 DEGREES 11 MINUTES 20 SECONDS WEST, A DISTANCE OF 547.10 FEET;
- 12.) SOUTH 46 DEGREES 12 MINUTES 54 SECONDS EAST, A DISTANCE OF 174.23 FEET;

- 13.) NORTH 86 DEGREES 27 MINUTES 32 SECONDS EAST, A DISTANCE OF 417.50 FEET;
- 14.) NORTH 53 DEGREES 53 MINUTES 06 SECONDS EAST, A DISTANCE OF 225.22 FEET;
- 15.) SOUTH 70 DEGREES 20 MINUTES 06 SECONDS EAST, A DISTANCE OF 93.57 FEET;
- 16.) SOUTH 54 DEGREES 37 MINUTES 57 SECONDS EAST, A DISTANCE OF 330.11 FEET;
- 17.) NORTH 64 DEGREES 44 MINUTES 37 SECONDS EAST, A DISTANCE OF 674.49 FEET;
- 18.) NORTH 84 DEGREES 14 MINUTES 43 SECONDS EAST, A DISTANCE OF 100.20 FEET;
- 19.) SOUTH 56 DEGREES 23 MINUTES 54 SECONDS EAST, A DISTANCE OF 116.40 FEET;
- 20.) SOUTH 06 DEGREES 22 MINUTES 27 SECONDS WEST, A DISTANCE OF 228.98 FEET;
- 21.) SOUTH 52 DEGREES 30 MINUTES 28 SECONDS WEST, A DISTANCE OF 271.35 FEET;
- 22.) SOUTH 87 DEGREES 06 MINUTES 16 SECONDS WEST, A DISTANCE OF 326.84 FEET;
- 23.) SOUTH 63 DEGREES 22 MINUTES 32 SECONDS WEST, A DISTANCE OF 93.18 FEET;
- 24.) SOUTH 19 DEGREES 39 MINUTES 44 SECONDS WEST, A DISTANCE OF 274.65 FEET;
- 25.) SOUTH 06 DEGREES 09 MINUTES 26 SECONDS EAST, A DISTANCE OF 129.80 FEET;
- 26.) SOUTH 59 DEGREES 41 MINUTES 10 SECONDS EAST, A DISTANCE OF 155.04 FEET;
- 27.) NORTH 61 DEGREES 09 MINUTES 15 SECONDS EAST, A DISTANCE OF 459.27 FEET;
- 28.) SOUTH 85 DEGREES 11 MINUTES 12 SECONDS EAST, A DISTANCE OF 101.67 FEET;
- 29.) SOUTH 50 DEGREES 11 MINUTES 20 SECONDS EAST, A DISTANCE OF 160.52 FEET;
- 30.) SOUTH 19 DEGREES 38 MINUTES 33 SECONDS EAST, A DISTANCE OF 218.07 FEET;
- 31.) SOUTH 08 DEGREES 39 MINUTES 06 SECONDS WEST, A DISTANCE OF 110.67 FEET;
- 32.) SOUTH 60 DEGREES 37 MINUTES 40 SECONDS WEST, A DISTANCE OF 111.17 FEET;
- 33.) NORTH 71 DEGREES 44 MINUTES 44 SECONDS WEST, A DISTANCE OF 205.32 FEET;
- 34.) NORTH 58 DEGREES 00 MINUTES 21 SECONDS WEST, A DISTANCE OF 175.42 FEET;
- 35.) SOUTH 60 DEGREES 53 MINUTES 09 SECONDS WEST, A DISTANCE OF 81.38 FEET;



36.) SOUTH 19 DEGREES 12 MINUTES 39 SECONDS EAST, A DISTANCE OF 180.46 FEET;

37.) SOUTH 31 DEGREES 27 MINUTES 36 SECONDS EAST, A DISTANCE OF 348.51 FEET;

38.) SOUTH 08 DEGREES 24 MINUTES 19 SECONDS WEST, A DISTANCE OF 80.11 FEET;

39.) SOUTH 44 DEGREES 00 MINUTES 08 SECONDS WEST, A DISTANCE OF 157.91 FEET;

40.) SOUTH 69 DEGREES 06 MINUTES 14 SECONDS WEST, A DISTANCE OF 188.37 FEET;

41.) SOUTH 03 DEGREES 39 MINUTES 31 SECONDS WEST, A DISTANCE OF 190.40 FEET;

42.) SOUTH 62 DEGREES 37 MINUTES 49 SECONDS EAST, A DISTANCE OF 165.30 FEET;

43.) NORTH 43 DEGREES 07 MINUTES 44 SECONDS EAST, A DISTANCE OF 253.82 FEET;

44.) NORTH 58 DEGREES 54 MINUTES 00 SECONDS EAST, A DISTANCE OF 135.83 FEET;

45.) SOUTH 34 DEGREES 09 MINUTES 46 SECONDS EAST, A DISTANCE OF 149.30 FEET;

46.) SOUTH 21 DEGREES 47 MINUTES 10 SECONDS WEST, A DISTANCE OF 518.33 FEET;

47.) SOUTH 20 DEGREES 01 MINUTES 56 SECONDS EAST, A DISTANCE OF 329.19 FEET;

48.) SOUTH 66 DEGREES 36 MINUTES 28 SECONDS EAST, A DISTANCE OF 195.08 FEET;

49.) SOUTH 87 DEGREES 31 MINUTES 31 SECONDS EAST, A DISTANCE OF 403.76 FEET;

50.) SOUTH 68 DEGREES 26 MINUTES 25 SECONDS EAST, A DISTANCE OF 144.04 FEET;

51.) SOUTH 03 DEGREES 41 MINUTES 33 SECONDS WEST, A DISTANCE OF 91.78 FEET;

52.) SOUTH 23 DEGREES 36 MINUTES 59 SECONDS WEST, A DISTANCE OF 322.95 FEET;

53.) SOUTH 39 DEGREES 05 MINUTES 30 SECONDS EAST, A DISTANCE OF 167.15 FEET;

54.) SOUTH 54 DEGREES 29 MINUTES 12 SECONDS EAST, A DISTANCE OF 152.28 FEET TO A 1/2 INCH IRON PIN FOUND ON AN EAST LINE OF SAID CLEAR CREEK RIDGE TRACT;

THENCE SOUTH 00 DEGREES 52 MINUTES 17 SECONDS EAST WITH AN EAST LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 3736.55 FEET TO THE POINT OF BEGINNING AND CONTAINING IN ALL 535.703 ACRES OF LAND.

(c) Section 4001.0311, Special District Local Laws Code, as added by Subsection (a) of this section, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(d) If the Act enacting this section does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 4001, Special District Local Laws Code, as added by Subsection (a) of this section, is amended by adding Section 4001.0311 to read as follows:

Sec. 4001.0311. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SECTION 4. (a) Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7962 to read as follows:

CHAPTER 7962. JARRELL ESTATES MUNICIPAL UTILITY DISTRICT NO. 1  
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7962.0101. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
- (3) "Director" means a board member.
- (4) "District" means the Jarrell Estates Municipal Utility District No. 1.

Sec. 7962.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7962.0103. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7962.0104. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7962.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7962.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7962.0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 4(b) of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 4(b) of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

- (1) organization, existence, or validity;
- (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
- (3) right to impose a tax; or
- (4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7962.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7962.0202, directors serve staggered four-year terms.

Sec. 7962.0202. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) Jake Newman;
- (2) Davis Craig;
- (3) Brad Harwick;
- (4) LouAnn Covington; and
- (5) Stephen Fowler.

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 7962.0103; or
- (2) the fourth anniversary of the effective date of the Act enacting this

chapter.

(c) If permanent directors have not been elected under Section 7962.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under Section 7962.0103; or
- (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7962.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7962.0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7962.0303. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7962.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 7962.0305. COMPLIANCE WITH MUNICIPAL REGULATIONS. Any water, sanitary sewer, road, drainage, or other infrastructure or public facilities constructed, acquired, improved, maintained, or operated by the district shall comply with any subdivision or other applicable regulations of any municipality in whose corporate limits or extraterritorial jurisdiction the infrastructure or public facilities are located unless other regulations are specified in a development agreement between the district and the municipality.

Sec. 7962.0306. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 7962.0307. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 4(b) of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7962.0103 to confirm the district's creation.

(f) An order dividing the district shall:

- (1) name each new district;
- (2) include the metes and bounds description of the territory of each new

district;

- (3) appoint temporary directors for each new district; and
- (4) provide for the division of assets and liabilities between or among the

new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7962.0103. If the voters of a new district do not confirm the creation of the new district, the assets, obligations, territory, and governance of the new district revert to the original district.

(i) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

(j) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7962.0104 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(k) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7962.0401. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 7962.0403.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 7962.0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7962.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 7962.0303.

Sec. 7962.0403. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

#### SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7962.0501. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7962.0502. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7962.0503. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

(b) The Jarrell Estates Municipal Utility District No. 1 initially includes all the territory contained in the following area:

(a) BEGINNING: At a 2" pipe post found in the North line of County Road 232 for the lower Southeast corner of a 649.53 Acre Tract (Document #2004074055, Official Public Records, described in Volume 2520, Page 200 and Volume 2598, Page 457, Official Public Records) and an exterior corner of said 3072.64 Acre Tract and of this tract from which a 2" pipe post found in the South line of said county road for the Northwest corner of a 48.65 Acre Tract (surveyed March 10, 2022) bears S 00° 18' 48" W 56.15 feet;

THENCE: Along a fence with the lower East line of said 649.53 Acre Tract and a West line of said 3072.64 Acre Tract and of this tract as follows:

N 04° 31' 43" W 735.20 feet to a 3" pipe post found for an angle point;

N 10° 51' 27" W 14.01 feet to a 3" pipe post found for an interior corner of said 649.53 Acre Tract and an exterior corner of said 3072.64 Acre Tract and of this tract;

THENCE: Along a fence with the upper South line of said 649.53 Acre Tract and a North line of said 3072.64 Acre Tract and of this tract as follows:

N 65° 24' 32" E 680.46 feet to a 2" pipe post found for an angle point;

N 65° 28' 50" E 651.69 feet to a 2" pipe post found for an angle point;

N 68° 01' 01" E 2635.82 feet to a 100D nail set for the Southeast corner of said 649.53 Acre Tract and an interior corner of said 3072.64 Acre Tract and of this tract;

THENCE: Along a fence with the East line of Abstract No. 358, Survey No. 1, and said 649.53 Acre Tract, the lower East line of a 1209.24 Acre Tract (Document #2014012037, Official Public Records), the West line of Survey No. 21, and the upper West line of said 3072.64 Acre Tract and of this tract as follows:

N 21° 16' 42" W 2553.70 feet to a 2" pipe post found for an angle point;

N 21° 14' 51" W 877.13 feet to a steel post found for an angle point;

N 20° 54' 03" W 2216.78 feet to a 3" pipe post found for the Northeast corner of said 649.53 Acre Tract and an angle point of this tract;

S 69° 04' 53" W 13.57 feet with the North line of said 649.53 Acre Tract to a 3" pipe post found for the Southeast corner of said 1209.24 Acre Tract and an angle point of this tract;

N 20° 05' 30" W 1230.33 feet to a 2" pipe post found for an interior corner of said 1209.24 Acre Tract and the upper Northwest corner of said 3072.64 Acre Tract and of this tract;

THENCE: Along a fence with the upper South line of said 1209.24 Acre Tract, the South line of a 5611 Acre Tract (Volume 365, Page 115, Deed Records) and the North line of said 3072.64 Acre Tract and of this tract as follows:

N 68° 20' 52" E 277.73 feet to a 1/2" iron pin found by 10" cedar post for the upper Southeast corner of said 1209.24 Acre Tract, the upper Southwest corner of said 5611 Acre Tract, and an angle point of this tract;

N 68° 26' 45" E 5079.62 feet to a 2" pipe post found for an angle point;

S 86° 22' 04" E 411.00 feet to a 1/2" iron pin found by 6" cedar post for an interior corner of said 5611 Acre Tract and the upper Northeast corner of this tract;

S 20° 51' 48" E 2076.49 feet to a 5/8" iron pin found by 3" pipe post for an exterior corner of said 5611 Acre Tract and an interior corner of this tract;

N 69° 23' 59" E 1379.50 feet to a 3" pipe post found for an interior corner of said 5611 Acre Tract and an exterior corner of this tract;

S 21° 50' 49" E 1736.87 feet to a 3" pipe post found for an angle point;

S 20° 41' 55" E 1761.43 feet to a 3" pipe post found for the lower Southwest corner of said 5611 Acre Tract, an interior corner of said 3072.64 Acre Tract, an exterior corner of a 1205.00 Acre Tract (this day surveyed), and an angle point of this tract;

S 21° 05' 42" E 540.16 feet into said 3072.64 Acre Tract to a 5/8" iron pin set for an interior corner of said 1205.00 Acre Tract and the upper Southeast corner of this tract;

THENCE: S 68° 43' 40" W 5320.62 feet to a 5/8" iron pin set for the Northwest corner of said 1205.00 Acre Tract and an interior corner of this tract;

THENCE: S 21° 02' 32" E 5182.49 feet, at 2584.32 feet pass a 5/8" iron pin set for an angle point of said 1205.00 Acre Tract and the upper Northwest corner of a 514.30 Acre Tract (this day surveyed), continuing to a 5/8" iron pin set for an interior corner of said 514.30 Acre Tract and an exterior corner of this tract;

THENCE: S 68° 57' 28" W 1870.94 feet to a 5/8" iron pin set for the lower Northwest corner of said 514.30 Acre Tract and the lower Southwest corner of this tract;

THENCE: N 20° 44' 59" W 1603.97 feet along a fence with the East line of Survey No. 13 and a 195.5 Acre Tract (Volume 2458, Page 859, Deed Records) and the West line of Survey No. 21 to a 1/2" iron pin found by 10" cedar post for the Northeast corner of Survey No. 13 and said 195.5 Acre Tract, the Southeast corner of Abstract No. 358, and an interior corner of said 3072.64 Acre Tract and of this tract;

THENCE: S 68° 20' 05" W 3102.03 feet along a fence with the North line of Survey No. 13 and the South line of Abstract No. 358 to a 6" cedar post found for an exterior corner of said 3072.64 Acre Tract and of this tract;

THENCE: Along a fence with the East line of said county road and a West line of said 3072.64 Acre Tract and of this tract passing 2" pipe posts found as follows:

N 32° 07' 47" W 379.77 feet to an angle point;

N 33° 01' 44" W 321.50 feet to an angle point;

N 50° 45' 25" W 315.12 feet to an angle point;

N 41° 41' 33" W 368.36 feet to an angle point;

N 17° 54' 39" W 267.13 feet to an angle point;

N 22° 26' 20" W 168.35 feet to an angle point;

N 46° 44' 55" W 100.13 feet to an angle point;

N 71° 41' 21" W 102.15 feet to an angle point;

N 81° 36' 11" W 539.79 feet to the POINT OF BEGINNING.

(b) BEGINNING: At a 5/8" iron pin set under fence in the West line of a 673.33 Acre Tract (Document #2021159264, Official Public Records) and the lower East line of said 3072.64 Acre Tract for the lower Southeast corner of a 1205.00 Acre Tract (this day surveyed) and the lower Northeast corner of this tract from which a 1/2" iron pin found for an angle point of said 1205.00 Acre Tract bears N 20° 43' 12med" W 159.01 feet;

THENCE: Along a fence with the West line of said 673.33 Acre Tract and the lower East line of said 3072.64 Acre Tract and of this tract as follows:

S 20° 43' 10" E 519.72 feet to a 1/2" iron pin found for an angle point;

S 12° 01' 50" E 291.83 feet to a 5/8" iron pin found for an interior corner of said 673.33 Acre Tract, an exterior corner of said 3072.64 Acre Tract, and the upper Southeast corner of this tract;

THENCE: Along a fence with the North line of Survey No. 20, the lower North line of said 673.33 Acre Tract, and the North line of a 30-foot Nature Trail of Spear's Ranch on Salado Creek Section One (Cabinet T, Slides 209 thru 223, Plat Records), and the South line of Survey No. 21, and a South line of this tract as follows:

S 69° 56' 54" W 252.66 feet to a 1/2" iron pin found by 3" pipe post for the lower Northwest corner of said 673.33 Acre Tract, the Northeast corner of said nature trail, and an angle point of this tract;

S 69° 04' 11" W 416.61 feet to an angle point;

S 69° 08' 40" W 1831.06 feet to an angle point;

S 68° 48' 01" W 760.40 feet to an angle point;

S 67° 55' 49" W 1390.64 feet to an angle point;

S 69° 24' 50" W 1554.14 feet to a 2" pipe post found for the Northwest corner of said nature trail, the Northeast corner of said 67.66 Acre Tract, and an interior corner of this tract;

THENCE: Along a fence with the West line of said nature trail, the East line of said 67.66 Acre Tract, and the lower East line of this tract as follows:

S 02° 25' 02" E 30.04 feet to a 1/2" iron pin found by 26" Live Oak tree for an angle point;

S 26° 21' 04" E 218.30 feet to a 3/8" iron pin found for an angle point;

S 26° 19' 50" E 456.50 feet to a 3/8" iron pin found by 16" Live Oak tree for an angle point;

S 25° 01' 14" E 305.56 feet to an 18" Oak tree found for an angle point;

S 21° 39' 46" E 165.35 feet to a 3/8" iron pin found for an angle point;

S 16° 12' 10" E 339.66 feet to an 18" Cedar tree found for an angle point;

S 14° 12' 03" E 533.49 feet to a 1/2" iron pin found by 18" Oak tree for an angle point;

S 19° 05' 16" E 202.66 feet to a 3/8" iron pin found by 12" Live Oak for an angle point;

S 14° 09' 26" E 650.74 feet to a 3/8" iron pin found by 4" cedar post for an angle point;

S 15° 16' 20" E 383.91 feet to a 10" cedar post found for the Northeast corner of the remainder of a 2161.001 Acre Tract (Document #2000028918, Official Public Records), the Southeast corner of said 67.66 Acre Tract, and the lower Southeast corner of this tract;



THENCE: S 71° 03' 19" W 770.90 feet along a fence to a 1/2" iron pin found by 10" creosote post for the Northwest corner of the remainder of said 2161.001 Acre Tract, the Southwest corner of said 67.66 Acre Tract, and the lower Southwest corner of this tract;

THENCE: N 21° 37' 35" W 1396.02 feet along a fence with the East line of Survey No. 13 and a 106.95 Acre Tract (Volume 2255, Page 742, Official Public Records) and the West line of Survey No. 20 to a 1/2" iron pin found by 8" creosote post for the Northeast corner of said 106.95 Acre Tract, an angle point of said 67.66 Acre Tract, an exterior corner of said 3072.64 Acre Tract, and an interior corner of this tract;

THENCE: Along a fence with the North line of said 106.95 Acre Tract and a South line of said 3072.64 Acre Tract and of this tract as follows:

S 68° 18' 48" W 1267.81 feet to a 1/2" iron pin found for an angle point;

S 76° 37' 01" W 136.62 feet to a 40D nail found by Elm for an angle point;

S 83° 29' 14" W 102.48 feet to a 40D nail found by Elm for an angle point;

N 61° 35' 19" W 10.73 feet to a 6" cedar post found for an angle point;

N 87° 05' 38" W 119.71 feet to a 1/2" iron pin found by 2" pipe post for an angle point;

S 06° 13' 12" E 175.36 feet to a 1/2" iron pin found by 2" pipe post for an angle point;

S 56° 36' 48" W 75.04 feet to a 1/2" iron pin found for an angle point;

S 44° 41' 09" W 113.47 feet to a 2" pipe post found for an angle point;

S 42° 07' 36" W 152.96 feet to a 5/8" iron pin set for the Northwest corner of said 106.95 Acre Tract and an exterior corner of said 3072.64 Acre Tract and of this tract;

THENCE: Along a fence with the East line of County Road 232 and a West line of said 3072.64 Acre Tract and of this tract as follows:

N 19° 17' 35" E 134.40 feet to an angle point;

N 24° 00' 25" W 138.58 feet to an angle point;

N 38° 19' 18" W 658.87 feet to a 1/2" iron pin found by 2" pipe post for an angle point;

N 39° 31' 29" W 250.06 feet, at 51.76 feet pass the South terminus of a 50-foot Road Easement (this day surveyed), continuing to an angle point;

N 44° 04' 25" W 261.31 feet to an angle point;

N 44° 10' 37" W 593.32 feet to a 2" pipe post found for an angle point;

N 14° 32' 04" W 211.93 feet to an angle point;

N 04° 30' 47" W 470.65 feet to a 1/2" iron pin found in the South line of a 195.5 Acre Tract (Volume 2458, Page 859, Deed Records) and an exterior corner of said 3072.64 Acre Tract and of this tract;

THENCE: N 68° 15' 37" E 2341.32 feet along a fence to a 10" cedar post found for the Southeast corner of said 195.5 Acre Tract and an interior corner of said 3072.64 Acre Tract and of this tract;

THENCE: N 20° 44' 59" W 702.86 feet along a fence with the East line of Survey No. 13 and said 195.5 Acre Tract and the West line of Survey No. 21 and said 3072.64 Acre Tract to a 5/8" iron pin set for an exterior corner of a 1419.57 Acre Tract (this day surveyed) and the lower Northwest corner of this tract;

THENCE: Crossing said 3072.64 Acre Tract with the North line of this tract as follows:

N 68° 57' 28" E 1870.94 feet to a 5/8" iron pin set for the lower Southeast corner of said 1419.57 Acre Tract and an interior corner of this tract;

N 21° 02' 32" W 2598.17 feet with the lower East line of said 1419.57 Acre Tract to a 5/8" iron pin set for an angle point of said 1205.00 Acre Tract and the upper Northwest corner of this tract;

Continuing with the North line of this tract and the South line of said 1205.00 Acre Tract as follows:

S 64° 48' 25" E 1376.79 feet, at 618.20 feet pass the North terminus of said road easement, continuing to a 5/8" iron pin set for an angle point;

N 72° 00' 34" E 2659.37 feet to a 5/8" iron pin set for an interior corner of said 1205.00 Acre Tract and the upper Northeast corner of this tract;

S 20° 22' 11" E 1911.75 feet to a 5/8" iron pin set for the Southwest corner of said 1205.00 Acre Tract and an interior corner of this tract;

N 67° 49' 03" E 1727.05 feet to the POINT OF BEGINNING.

(c) BEGINNING: At a 1/2" iron pin found in the West line of County Road 232 and the South line of a 195.5 Acre Tract (Volume 2458, Page 859, Deed Records) for the Northeast corner of this tract from which a 1/2" iron pin found in the East line of said county road for an exterior corner of a 514.30 Acre Tract (this day surveyed) bears N 68° 50' 18" E 54.24 feet;

THENCE: With the West line of said road and the East line of this tract passing 1/2" iron pins found as follows:

S 04° 49' 16" E 455.90 feet to an angle point;

S 14° 52' 48" E 238.88 feet to an angle point;

S 44° 15' 55" E 602.34 feet to an angle point;

S 44° 13' 37" E 256.82 feet to an angle point;

S 39° 27' 01" E 248.02 feet to an angle point;

S 38° 18' 33" E 658.46 feet to an angle point;

S 24° 31' 17" E 109.18 feet to a 1/2" iron pin found for the Southeast corner of this tract;

THENCE: With the North line of said county road and the South line of this tract as follows:

S 18° 59' 07" W 95.53 feet to a 5/8" iron pin set for an angle point;

S 44° 19' 36" W 271.53 feet to a 5/8" iron pin set for an angle point;

S 43° 01' 41" W 369.83 feet to a 1/2" iron pin found for an angle point;

S 42° 33' 02" W 219.62 feet to a 1/2" iron pin found for an angle point;

S 04° 07' 18" W 76.42 feet to a 5/8" iron pin set for an angle point;

S 37° 56' 47" W 139.57 feet, at 79.09 feet pass a found 2" pipe post, continuing to the Southwest corner of this tract;

THENCE: Along the center of North Salado Creek with the East line of a 12.00 Acre Tract (Document #2020075231, Official Public Records) and a 124.74 Acre Tract (Document #2016095553, Official Public Records) and the West line of this tract as follows:

N 41° 03' 59" W 131.42 feet to an angle point;

N 11° 53' 19" W 40.63 feet to an angle point;

N 76° 36' 27" W 45.17 feet to an angle point;  
N 30° 48' 05" W 126.68 feet to an angle point;  
N 78° 57' 33" W 87.41 feet to an angle point;  
N 12° 44' 59" E 79.02 feet to an angle point;  
N 11° 00' 13" W 73.47 feet to an angle point;  
S 88° 36' 10" W 82.16 feet to an angle point;  
N 66° 02' 15" W 98.65 feet to an angle point;  
N 06° 27' 32" W 106.86 feet to an angle point;  
N 30° 17' 17" E 145.33 feet to an angle point;  
N 03° 28' 06" W 75.42 feet to an angle point;  
N 37° 44' 59" W 146.89 feet to an angle point;  
N 63° 26' 06" W 145.44 feet to an angle point;  
N 38° 31' 49" W 136.06 feet to an angle point;  
N 12° 39' 09" W 86.38 feet to an angle point;  
N 04° 05' 08" W 70.68 feet to an angle point;  
S 86° 18' 31" W 52.15 feet to an angle point;  
N 76° 52' 51" W 106.01 feet to an angle point;  
N 12° 38' 00" W 83.15 feet to an angle point;  
N 23° 29' 55" W 105.25 feet to an angle point;  
N 10° 37' 11" E 136.64 feet to an angle point;  
N 04° 47' 52" W 86.56 feet to an angle point;  
N 34° 45' 21" W 139.44 feet to an angle point;  
N 06° 54' 40" W 77.72 feet to an angle point;  
N 17° 40' 47" E 51.12 feet to an angle point;  
N 52° 40' 44" E 193.31 feet to an angle point;  
N 18° 45' 31" E 85.20 feet to an angle point;  
N 23° 41' 26" W 105.23 feet to an angle point;  
N 86° 35' 59" W 152.93 feet to an angle point;  
N 60° 31' 27" W 77.06 feet to an angle point;  
N 30° 15' 23" W 81.04 feet to an angle point;  
N 67° 37' 12" W 107.25 feet to an angle point;  
S 79° 56' 22" W 183.67 feet to an angle point;  
N 73° 48' 39" W 94.15 feet to an angle point;  
S 88° 10' 54" W 91.93 feet to an angle point;  
N 53° 44' 46" W 180.85 feet to an angle point;  
N 74° 50' 45" W 120.88 feet to an angle point;  
N 39° 12' 26" W 60.40 feet to the Southwest corner of said 195.5 Acre Tract and the Northwest corner of this tract;

THENCE: N 68° 20' 39" E 1386.29 feet with the South line of said 195.5 Acre Tract, at 19.37 feet pass a found 12" Pecan stump, continuing along a fence to the POINT OF BEGINNING.

(d) BEGINNING: At a 2" pipe post found in the South line of County Road 232 and the lower East line of a 649.53 Acre Tract (Document # #2004074055, Official Public Records, described in Volume 2520, Page 200 and Volume 2598, Page 457,

Official Public Records) for the Northwest corner of this tract from which a 2" pipe post found in the North line of said county road for the upper Southwest corner of a 1419.57 Acre Tract (this day surveyed) bears N 00° 18' 48" E 56.15 feet;

THENCE: Along a fence with the South and West line of said county road and the North and East line of this tract as follows:

S 83° 15' 32" E 491.41 feet to a 6" cedar post found for an angle point;

S 71° 41' 57" E 76.53 feet to a 6" cedar post found for an angle point;

S 48° 56' 34" E 139.44 feet to a 6" cedar post found for an angle point;

S 19° 57' 48" E 414.71 feet to a 5" cedar post found for an angle point;

S 41° 43' 21" E 317.47 feet to a 5" cedar post found for an angle point;

S 49° 16' 01" E 370.58 feet to a 6" cedar post found for an angle point;

S 32° 42' 02" E 683.73 feet to a 2" pipe post found for the Southeast corner of this tract;

THENCE: S 68° 22' 29" W 1256.52 feet along a fence with the North line of Survey No. 13 and a 195.5 Acre Tract (Volume 2458, Page 859, Deed Records) and the South line of Abstract No. 358, at 1209.80 feet pass a 1/2" iron pin found by 14" Elm, continuing without fence to the Northwest corner of said 195.5 Acre Tract and the lower Southwest corner of this tract;

THENCE: Along the center of North Salado Creek with the North line of a 61.80 Acre Tract (Document #2010063430, Official Public Records) and the South line of this tract as follows:

N 02° 31' 01" W 103.87 feet to an angle point;

N 52° 32' 58" W 74.50 feet to an angle point;

N 84° 29' 40" W 104.92 feet to an angle point;

S 85° 34' 16" W 152.08 feet to an angle point;

N 80° 01' 20" W 218.89 feet to the lower Southeast corner of said 649.53 Acre Tract and the Southwest corner of this tract;

THENCE: With the lower East line of said 649.53 Acre Tract and the West line of this tract as follows:

N 04° 31' 03" E 649.14 feet, at 72.82 feet pass a found 2" pipe post, continuing along a fence to a 12" cedar post found for an angle point;

N 02° 28' 22" E 641.86 feet along a fence to a 2" pipe post found for an angle point;

N 04° 10' 33" W 608.21 feet along a fence to the POINT OF BEGINNING.

(c) If the Act enacting this section does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7962, Special District Local Laws Code, as added by Subsection (a) of this section, is amended by adding Section 7962.0308 to read as follows:

Sec. 7962.0308. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(d) Subsection (c) of this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 6. (a) Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8010A to read as follows:

CHAPTER 8010A. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT  
NO. 49

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8010A.0101. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
- (3) "Director" means a board member.
- (4) "District" means the Williamson County Municipal Utility District

No. 49.

Sec. 8010A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8010A.0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8010A.0104. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8010A.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

Sec. 8010A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8010A.0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 6(b) of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 6(b) of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8010A.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8010A.0202, directors serve staggered four-year terms.

Sec. 8010A.0202. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) Mark Tickner;
- (2) Nick Easley;
- (3) Walter Duke;
- (4) Zachary Summers; and
- (5) Noah Terrazas.

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 8010A.0103; or
- (2) the fourth anniversary of the effective date of the Act enacting this

chapter.

(c) If permanent directors have not been elected under Section 8010A.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under Section 8010A.0103; or
- (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 8010A.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8010A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8010A.0303. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8010A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8010A.0305. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8010A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 8010A.0403.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8010A.0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8010A.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8010A.0403. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8010A.0501. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8010A.0502. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8010A.0503. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

(b) The Williamson County Municipal Utility District No. 49 initially includes all the territory contained in the following area:

TRACT 1:

A 59.891 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS, BEING OUT OF A CALLED 60.57 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 528, PAGE 376 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS A 59.891 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS, BEING OUT OF A CALLED 60.57 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 528, PAGE 376 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS. SAID 59.891 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.:

BEGINNING at a 1/2" iron rod found in the west right-of-way line of County Road 308, said point being the northeast corner of said 60.57-acre tract, for the northeast corner and POINT OF BEGINNING hereof;

THENCE S 20°52'36" E, with the west right-of-way line of said County Road 308, same being the east boundary line of said 60.57-acre tract, a distance of 2045.72 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set in the north right-of-way line of County Road 305, same being the north boundary line of a called 0.5039 acre tract of land conveyed to Williamson County, Texas by instrument recorded in Document No. 9820041 of the Official Public Records of said County, for the southeast corner hereof;

THENCE S 68°21'37" W, with the north boundary line of said 0.5039-acre tract, same being the north right-of-way line of said County Road 305, through the interior of said 60.57-acre tract, a distance of 1258.78 feet to a 1/2" iron rod found on a point in the east boundary line of a called 3.92-acre tract of land conveyed to Gary R. Sheley and Rosita R. Sheley, by instrument recorded in Document No. 2009090657 of said Official Public Records, same being the west boundary line of said 60.57-acre tract, for the southwest corner hereof;

THENCE N 21°39'56" W, departing the north right-of-way line of said County Road 305, with, in part, the east boundary lines of: said 3.92-acre tract, a called 10.00-acre tract of land conveyed to Dudley K. Bukowsky and Tami Bukowsky by instrument recorded in Document No. 2008016420 of said Official Public Records, Lot 5, Bukowsky Subdivision, recorded in Document No. 2019064044 of said Official Public Records, a called 10.51-acre tract of land conveyed to Kerry Conaway, Jr., by instrument recorded in Document No. 2006005509 of said Official Public Records and a called 10.51-acre tract of land conveyed to Darral Henderson and Elaine Henderson by instrument recorded in Document No. 2006032860 of said Official Public Records, a distance of 2053.57 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set, for the southwest corner of a called 60.99-acre tract of



land conveyed to Wayne E. Cavalier and Cyndi Pietan Cavalier, by instrument recorded in Document No. 2012099245 of said Official Public Records, for the northwest corner hereof;

THENCE N 68°48'58" E, with the south boundary line of said 60.99-acre tract, same being the north boundary line of said 60.57-acre tract, a distance of 1286.98 feet to the POINT OF BEGINNING and containing 59.891 acres of land in Williamson County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers, Inc. under Job No. 51303-00.

TRACT 2:

A 110.720 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS. BEING ALL OF A CALLED 113 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 486, PAGE 442 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, A 110.720 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS. BEING ALL OF A CALLED 113 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 486, PAGE 442 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, SAID 110.720 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.:

BEGINNING at a 1/2" iron rod with yellow cap marked "Pape-Dawson" set in the east right-of-way line of County Road 308, said point being the northwest corner of a called 169.5 acre tract of land conveyed to R.D. Hopper and Margaret Hopper Letts by instrument recorded in Volume 478, Page 349 of said Deed Records, same being the southwest corner of said 113 acre tract, for the southeast corner and POINT OF BEGINNING hereof;

THENCE N 21°22'58" W, with the east right-of-way line of said County Road 308, same being the west boundary line of said 113-acre tract, a distance of 2048.33 feet to a 5/8" iron rod found for the southwest corner of a called 17.0 acre tract of land conveyed to Gertrude Ann Braband by instrument recorded in Document No. 2016033164 of the Official Public Records of said County, same being the northwest corner of said 113-acre tract, for the northwest corner hereof;

THENCE N 69°02'46" E, departing the east right-of-way line of said County Road 308, with the south boundary line of said 17.0 acre tract, same being the north boundary line of said 113 acre tract, for a distance of 1268.96 feet to a 5/8" iron rod found for the southeast corner of said 17.0 acre tract, same being an interior ell corner in said 113 acre tract, for an ell corner hereof;

THENCE N 21°00'19" W, with the east boundary line of said 17.0 acre tract, same being a west boundary line of said 113 acre tract, a distance of 582.80 feet to a 1/2" iron rod found for the southwest corner of a called 64.797 acre tract of land conveyed to Jose G. Garcia, by instrument recorded in Document No. 2017005987 of said Official Public records, same being the southeast corner of called 10.789 acre tract of land conveyed to the Belinda Ramsey Living Trust, by instrument recorded in

Document No. 2019022035 of said Official Public Records, same being the northeast corner of said 17.0 acre tract, also being the northernmost northwest corner of said 113 acre tract, for the northernmost northwest hereof;

THENCE N 68°21'45" E, with the south boundary line of said 64.797 acre tract, same being the north boundary line of said 113 acre tract, a distance of 993.87 feet to a 1/2" iron rod found being the northwest corner of a called 177.5 acre tract of land conveyed to Charles D. Tonn and Ronald D. Tonn by instrument recorded in Document No. 9601061 of said Official Public Records, same being the north east corner of said 113-acre tract, for the northeast corner hereof:

THENCE S 21°08'10" E, departing the south boundary line of said 64.797 acre tract, with the west boundary line of said 177.5 acre tract, same being the east boundary line of said 113 acre tract, a distance of 2244.92 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set in the north boundary line of said 169.5 acre tract, said point being the southwest corner of said 177.5 acre tract, same being the southeast corner of said 113 acre tract, for the southeast corner hereof;

THENCE with the north boundary line of said 169.5 acre tract, same being the south boundary line of said 113 acre tract, the following three (3) courses and distances:

1. S 68°41'10" W, a distance of 982.01 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof,
2. S 21°25'27" E, a distance of 386.24 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof, and
3. S 68°47'37" W, a distance of 1275.22 feet to the POINT OF BEGINNING and containing 110.720 acres of land in Williamson County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers, Inc. under Job No. 51303-00.

TRACT 3:

A 172.890 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS, BEING ALL OF A CALLED 169.5 ACRE TRACT CONVEYED TO R.D. HOPPER AND MARGARET HOPPER LETT BY A 172.890 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS. BEING ALL OF A CALLED 169.5 ACRE TRACT CONVEYED TO R.D. HOPPER AND MARGARET HOPPER LETT BY INSTRUMENT RECORDED IN VOLUME 478, PAGE 349 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS. SAID 172.890 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.:

COMMENCING at a 60D nail found in the north right-of-way line of County Road 305, same being the southeast corner of a called 0.58 acre tract of land conveyed to Dewey Roger Blackman by instrument recorded in Volume 742, Page 777 of said Deed Records, also being the southwest corner of a called 47.5 acre tract recorded in Volume 734, Page 931 of said Deed Records;

THENCE S 68°58'06" W, departing the west boundary line of said 47.5 acre tract, with the north right-of-way line of said County Road 305, same being the south boundary line of said 0.58 acre tract, a distance of 110.09 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set on the southwest corner of said 0.58 acre tract, same being the southeast corner of said 169.5 acre tract, for the southeast corner and POINT OF BEGINNING hereof;

THENCE S 68°58'06" W, continuing with the north right-of-way line of said County Road 305, and in part, crossing through the right-of-way of County Road 308, same being the south boundary line of said 169.5-acre tract, a distance of 3188.95 feet to an 1/2" iron rod with yellow cap marked "Pape-Dawson" set for the southwest corner hereof;

THENCE N 21°05'48" W, with the west boundary line of said 169.5-acre tract, and in part, crossing through the right-of-way of said County Road 308, a distance of 2071.04 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set, being the southwest corner of a called 113 acre tract of land conveyed to the Letts Family Trust, by instrument recorded in Volume 486, Page 442 of said deed records, same being the northwest corner of said 169.5-acre tract, for the northwest corner hereof, from which a 5/8" iron rod found for the northwest corner of said 113 acre tract bears N 21°22'58" W, 2048.33 feet;

THENCE departing the east right-of-way line of said County Road 308, with, in part, the south boundary line of said 113-acre tract and, in part, the south boundary line of a called 177.5 acre tract of land conveyed to Charles D. Tonn and Ronald D. Tonn by instrument recorded in Document No. 9601061 of the Official Public Records of said County, same being the north boundary line of said 169.5-acre tract, the following three (3) courses and distances:

1. N 68°47'37" E, a distance of 1275.22 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof,
2. N 21°25'27" W, a distance of 386.24 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof, and
3. N 68°41'10" E, a distance of 2332.32 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set being the northeast corner of said 169.5-acre tract, for the northeast corner hereof;

THENCE S 22°06'37" E, with the south boundary line of said 177.5-acre tract, same being the east boundary line of said 169.5-acre tract, a distance of 392.10 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set in the north boundary line of a called 50-acre tract of land conveyed to Cheryl A. Chamberlain, by instrument recorded in Document No. 2013019239 of the Official Public Records of said County, same being an angle point in the east boundary line of said 169.5-acre tract, for an angle point hereof;

THENCE S 68°53'39" W, with the north boundary line of said 50-acre tract, same being the east boundary line of said 169.5-acre tract, a distance of 419.61 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set, being the northwest corner of said 50-acre tract, same being an angle point in the east boundary line of said 169.5-acre tract, for an angle point hereof;

THENCE S 20°59'42" E, with, in part, the west boundary line of said 50-acre tract and, in part, the west boundary line of a called 47.5 acre tract of land conveyed to D.C. Blackman, by instrument recorded in Volume 734, Page 931 of said Deed Records and, in part, the west boundary line of the aforementioned 0.58-acre tract, same being the east boundary line of said 169.5-acre tract, a distance of 2080.08 feet to the POINT OF BEGINNING and containing 172.890 acres of land in Williamson County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers, Inc. under Job No. 51303-00.

(c) If the Act enacting this section does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8010A, Special District Local Laws Code, as added by Subsection (a) of this section, is amended by adding Section 8010A.0306 to read as follows:

Sec. 8010A.0306. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(d) Subsection (c) of this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 7. (a) The heading to Chapter 8221, Special District Local Laws Code, is amended to read as follows:

CHAPTER 8221. WILLIAMSON COUNTY [3-B&F] MUNICIPAL UTILITY DISTRICT NO. 51

(b) Section 8221.001(3), Special District Local Laws Code, is amended to read as follows:

(3) "District" means the Williamson County [3-B&F] Municipal Utility District No. 51.

(c) Section 8221.202, Special District Local Laws Code, is amended to read as follows:

Sec. 8221.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued,[:

~~[(+) the board shall provide for the annual imposition of [impose] a continuing direct annual ad valorem tax, without limit to the rate or amount of the tax while all or part of the bonds are outstanding as provided by Sections 54.601 and 54.602, Water Code [at a rate not to exceed the rate approved at an election held under Section 8221.151, for each year that all or part of the bonds are outstanding; and~~

~~[(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:~~

~~[(A) pay the interest on the bonds or other obligations as the interest becomes due;~~

~~[(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and~~

~~[(C) pay the expenses of imposing the taxes].~~

(d) The Williamson County Municipal Utility District No. 51 retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

(e) The legislature validates and confirms all governmental acts and proceedings of the Williamson County Municipal Utility District No. 51 that were taken before the effective date of this Act.

(f) The legislature validates and confirms all governmental acts and proceedings relating to the creation and the consent to the creation of the Williamson County Municipal Utility District No. 51.

(g) Subsections (e) and (f) of this section do not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

SECTION 8. Sections 8221.003(b), 8221.105, 8221.106, 8221.107, and 8221.108, Special District Local Laws Code, are repealed.

SECTION 10. (a) Chapter 175, Local Government Code, as amended by this Act, applies according to its terms to all eligible persons who leave employment with a township on or after January 1, 2024.

(b) A township that is required by Chapter 175, Local Government Code, as amended by this Act, to provide continued health benefits coverage but that is not allowed to provide the coverage under the terms of the township's existing group health plan shall ensure that the required continued health benefits coverage is provided for in any new plan that is adopted by the township on or after January 1, 2024, unless the township is exempted under Section 175.007, Local Government Code.

Explanation: This change is necessary to:

(1) allow a firefighter, police officer, or emergency services provider employed by certain townships to receive retirement benefits;

(2) create certain special purpose districts; and

(3) change the name and certain duties of the 3 B&J Municipal Utility District.

(2) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text not in disagreement in SECTION 5 of the bill, in added Sections 7968A.0106(a) and (b), Special District Local Laws Code, by striking "Section 2" and substituting "Section 5(b)".

Explanation: This change is necessary to correct the cross-references.

(3) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTIONS 9 and 11 of the bill, adding local notice and effective date language, to read as follows:

SECTION 9. (a) The legal notice of the intention to file bills creating or affecting each district described by this Act, as applicable, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and a copy of a bill to create or affect each applicable district described by this Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to each bill to create or affect each applicable district described by this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of each bill to create or affect each applicable district described by this Act are fulfilled and accomplished.

SECTION 11. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

(b) Sections 1 and 10 of this Act take effect September 1, 2023.

Explanation: This change is necessary to comply with the constitutional requirements of publishing notice and to clarify the dates on which the Act takes effect.

**SR 710** was read and was adopted by the following vote: Yeas 31, Nays 0.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 5344 ADOPTED**

Senator Creighton called from the President's table the Conference Committee Report on **HB 5344**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Creighton, the Conference Committee Report was adopted by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Eckhardt, Flores, Gutierrez, Hancock, Hinojosa, Huffman, Johnson, King, LaMantia, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer, West, Whitmire, Zaffirini.

Nays: Hall, Hughes, Kolkhorst, Middleton.

### **SENATE RESOLUTION 708**

Senator Perry offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Joint Resolution 75 (proposing a constitutional amendment creating the Texas water fund to assist in financing water projects in this state) to consider and take action on the following matters:

(1) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change, alter, or amend text not in disagreement and add text on a matter not in disagreement in proposed SECTION 1 of the resolution, by including in added Section 49-d-16(a), Article III, Texas Constitution, text that reads as follows:

The legislature may appropriate money for the purpose of depositing the money to the fund to be available for transfer as provided by Subsection (b) of this section.

Explanation: The change is necessary to clarify that money may be appropriated to the Texas water fund.

(2) Senate Rules 12.03(1) and (3) are suspended to permit the committee to change, alter, or amend text not in disagreement and add text on a matter not in disagreement in proposed SECTION 1 of the resolution, by including in added Section 49-d-16(b), Article III, Texas Constitution, text that reads as follows: , including the transfer of money from the fund to or the restoration of the money from:

- (1) the Water Assistance Fund No. 480;
- (2) the New Water Supply for Texas Fund;
- (3) the Rural Water Assistance Fund No. 301; or
- (4) the Statewide Water Public Awareness Account.

Explanation: The change is necessary to clarify that money in the Texas water fund may be transferred to or restored from certain other funds.

(3) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the resolution in proposed SECTION 1 of the resolution, by adding Section 49-d-16(e), Article III, Texas Constitution, to read as follows:

(e) Of the amount of money initially appropriated to the Texas water fund, the administrator of the fund shall allocate not less than 25 percent to be used only for transfer to the New Water Supply for Texas Fund.

Explanation: The change is necessary to clarify the purposes for which money in the Texas water fund may be used.

(4) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the resolution in proposed SECTION 1 of the resolution, by adding Section 49-d-16(h), Article III, Texas Constitution, to read as follows:

(h) Any unexpended and unobligated balance remaining in the Texas water fund at the end of a state fiscal biennium is appropriated to the administrator of that fund for the following state fiscal biennium for the purposes authorized by this section.

Explanation: The change is necessary to clarify that unexpended and unobligated money in the Texas water fund must remain in that fund until transferred by the administrator of that fund.

**SR 708** was read and was adopted by the following vote: Yeas 31, Nays 0.

### **CONFERENCE COMMITTEE REPORT ON SENATE JOINT RESOLUTION 75 ADOPTED**

Senator Perry called from the President's table the Conference Committee Report on **SJR 75**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Perry, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

### SENATE RESOLUTION 711

Senator Perry offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 28 (relating to financial assistance provided and programs administered by the Texas Water Development Board) to consider and take action on the following matters:

(1) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, by omitting text in added Section 15.153(a), Water Code. The omitted text reads:

the acquisition or creation of

Explanation: The change is necessary to limit the purposes for which money in the new water supply for Texas fund may be used.

(2) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, by omitting added Section 15.153(b)(1)(A), Water Code. The omitted text reads:

(A) the acquisition of water from other states;

Explanation: The change is necessary to limit the purposes for which money in the new water supply for Texas fund may be used.

(3) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, by omitting text in added Section 15.153(b)(3), Water Code. The omitted text reads:

only for the acquisition or transfer of water originating outside this state

Explanation: The change is necessary to limit the purposes for which money in the new water supply for Texas fund may be used.

(4) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in proposed SECTION 6 of the bill, by omitting added Section 15.502(d), Water Code. The omitted text reads:

(d) The comptroller may not use the fund for certification under Section 49a, Article III, Texas Constitution.

Explanation: The change is necessary to clarify the purposes for which the Texas water fund may be used.

**SR 711** was read and was adopted by the following vote: Yeas 31, Nays 0.

### CONFERENCE COMMITTEE REPORT ON SENATE BILL 28 ADOPTED

Senator Perry called from the President's table the Conference Committee Report on **SB 28**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Perry, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

### SENATE RESOLUTION 706

Senator Hughes offered the following resolution:



BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 357 (the requirements to access the online tracker of an application for a ballot to be voted by mail and to the date of runoff elections) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following SECTIONS to the bill:

SECTION 1. Section 2.025, Election Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) Except as provided by Subsection (d) or as otherwise provided by this code, a runoff election shall be held on a Saturday designated by the secretary of state ~~[not earlier than the 20th or later than the 45th day after the date the final canvass of the main election is completed].~~

(e) A date designated by the secretary of state under this section for a runoff election:

(1) must be:

(A) not earlier than the 30th day after the date of the main election; and

(B) not later than the 45th day after the date of the main election; and

(2) may not:

(A) be a national or state holiday under Section 1.006(f); or

(B) have an early voting period that includes a national or state holiday

under Section 1.006(f).

SECTION 3. Section 2.025(b), Election Code, is repealed.

Explanation: This change is necessary to provide for consistency and predictability in determining the date of a runoff election.

**SR 706** was read and was adopted by the following vote: Yeas 31, Nays 0.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 357 ADOPTED**

Senator Hughes called from the President's table the Conference Committee Report on **HB 357**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Hughes, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1243 ADOPTED**

Senator Hughes called from the President's table the Conference Committee Report on **HB 1243**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Hughes, the Conference Committee Report was adopted by the following vote: Yeas 19, Nays 12.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Hinojosa, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 2315 ADOPTED**

Senator Hughes called from the President's table the Conference Committee Report on **SB 2315**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Hughes, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 12 ADOPTED**

Senator Kolkhorst called from the President's table the Conference Committee Report on **HB 12**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Kolkhorst, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 22 ADOPTED**

Senator Springer called from the President's table the Conference Committee Report on **SB 22**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Springer, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2023 - 4

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**SB 12** (87 Yeas, 54 Nays, 2 Present, not voting)

**SB 22** (140 Yeas, 0 Nays, 2 Present, not voting)

THE HOUSE HAS TAKEN THE FOLLOWING OTHER ACTION:

**HB 4390**

Point of Order Sustained.

Respectfully,

/s/Stephen Brown,

Chief Clerk

House of Representatives

**SENATE CONCURRENT RESOLUTION 59**

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 1725 has passed the Texas Senate and the Texas House of Representatives and is now in the office of the governor; and

WHEREAS, Further consideration of the bill by the senate and the house of representatives is necessary; now, therefore, be it further

RESOLVED, by the 88th Legislature of the State of Texas, That the governor be hereby requested to return Senate Bill No. 1725 to the senate for further consideration; and, be it further

RESOLVED, That the action of the president of the senate and the speaker of the house of representatives in signing Senate Bill No. 1725 be declared null and void and that the two presiding officers be authorized to remove their signatures from the enrolled bill.

HUGHES

**SCR 59** was read.

On motion of Senator Hughes and by unanimous consent, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

**RECESS**

On motion of Senator Menéndez, the Senate at 6:43 p.m. recessed until 8:00 p.m. today.

**AFTER RECESS**

The Senate met at 8:11 p.m. and was called to order by Senator Huffman.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 30 ADOPTED**

Senator King called from the President's table the Conference Committee Report on **HB 30**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator King, the Conference Committee Report was adopted by the following vote: Yeas 31, Nays 0.

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2023 - 5

The Honorable President of the Senate

Senate Chamber

Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

**SCR 59** Hughes Sponsor: Leo-Wilson  
Returning SB 1725 to the Senate for further consideration.

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**HB 5** (100 Yeas, 36 Nays, 1 Present, not voting)**HB 9** (134 Yeas, 8 Nays, 2 Present, not voting)**HB 3474** (132 Yeas, 2 Nays, 2 Present, not voting)**HB 3697** (119 Yeas, 24 Nays, 1 Present, not voting)**HB 5344** (119 Yeas, 21 Nays, 2 Present, not voting)**HJR 125** (128 Yeas, 10 Nays, 1 Present, not voting)**SB 28** (134 Yeas, 4 Nays, 2 Present, not voting)**SB 2315** (101 Yeas, 36 Nays, 2 Present, not voting)**SB 2627** (114 Yeas, 20 Nays, 2 Present, not voting)**SJR 75** (142 Yeas, 0 Nays, 1 Present, not voting)

THE HOUSE HAS DISCHARGED ITS CONFEREES AND CONCURRED IN SENATE AMENDMENTS TO THE FOLLOWING MEASURES:

**HB 1620** (129 Yeas, 9 Nays, 2 Present, not voting)**HB 4888** (131 Yeas, 6 Nays, 2 Present, not voting)

Respectfully,

/s/Stephen Brown,

Chief Clerk

House of Representatives

**(Senator Birdwell in Chair)****SENATE RESOLUTION 707**

Senator Huffman offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 9 (the development and funding of broadband and telecommunications services) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTIONS 3(a), (c), and (d) of the bill to read as follows:

(a) The comptroller of public accounts shall make a one-time transfer in the amount of \$155,200,000 from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution, to the next generation 9-1-1 service fund established under Section 771.0713, Health and Safety Code.

(c) Notwithstanding Section 5, Chapter 10 (S.B. 8), Acts of the 87th Legislature, 3rd Called Session, 2021, the comptroller of public accounts may not use funds appropriated under that section to support the Texas Broadband Pole Replacement Program established under Section 403.503, Government Code, as added by Chapter 659 (H.B. 1505), Acts of the 87th Legislature, Regular Session, 2021, after the effective date of this Act.

(d) The comptroller of public accounts shall transfer the amounts described by Subsections (a) and (b) of this section not later than September 15, 2024.

Explanation: The added text would require the comptroller of public accounts to make a one-time transfer from the broadband infrastructure fund to the next generation 9-1-1 service fund, prohibit the use of certain appropriated money in the Texas Broadband Pole Replacement Program after the effective date of the bill, and provide that the one-time transfers of money required by the bill be made not later than September 15, 2024.

**SR 707** was read and was adopted by the following vote: Yeas 31, Nays 0.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 9 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **HB 9**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Middleton.

### **SENATE RESOLUTION 709**

Senator Huffman offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Joint Resolution 125 (creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the joint resolution in proposed SECTION 1 of the joint resolution, by adding Section 49-d-16(f), Article III, Texas Constitution, to read as follows:

(f) The comptroller may transfer money from the fund to another fund as provided by general law. The state agency that administers the fund to which the money is transferred as authorized by this subsection may use the money without further appropriation only for the expansion of access to and adoption of broadband and telecommunications services as provided by general law.

Explanation: The added text would enable the comptroller of public accounts to transfer money from the broadband infrastructure fund to another fund, authorizing the state agency administering the fund to which the money is transferred to use it only for the expansion of access to and adoption of broadband and telecommunications services.

**SR 709** was read and was adopted by the following vote: Yeas 31, Nays 0.

### **CONFERENCE COMMITTEE REPORT ON HOUSE JOINT RESOLUTION 125 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **HJR 125**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Middleton.

### **SENATE RESOLUTION 705**

Senator Huffman offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 17 (official misconduct by and removal of prosecuting attorneys) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 1 of the bill, by adding to the definition of "official misconduct" in added Sections 87.011(3)(B) and (C), Local Government Code, a prosecuting attorney's adoption or enforcement of a policy instructing "law enforcement to refuse to arrest individuals suspected of committing a class or type of offense under state law".

Explanation: The change is necessary to ensure that a prosecuting attorney may not avoid committing official misconduct, as defined and amended by the bill, by instructing law enforcement to refuse to arrest individuals whom the attorney is prohibited from refusing to prosecute.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following new SECTION to the bill:

SECTION 2. Subchapter B, Chapter 87, Local Government Code, is amended by adding Section 87.0131 to read as follows:

Sec. 87.0131. DEFENSE IN CERTAIN CASES. It is a defense in an action alleging a prosecuting attorney committed official misconduct described by Section 87.011(3)(C) that the prosecuting attorney took action immediately on discovering an attorney employed by or otherwise under the direction or control of the prosecuting attorney was acting as described by Section 87.011(3)(C).

Explanation: The change is necessary to provide a defense in a removal action alleging certain official misconduct committed by a prosecuting attorney, if the attorney took immediate action on discovering the misconduct was occurring.

**SR 705** was read and was adopted by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

#### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 17 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **HB 17**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

#### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 2627 ADOPTED**

Senator Schwertner called from the President's table the Conference Committee Report on **SB 2627**. The Conference Committee Report was filed with the Senate on Sunday, May 28, 2023.

On motion of Senator Schwertner, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 1.

Nays: Hancock.

#### **RESOLUTION SIGNED**

The Presiding Officer announced the signing of the following enrolled resolution in the presence of the Senate: **SCR 59**.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 5 ADOPTED**

Senator Schwertner called from the President's table the Conference Committee Report on **HB 5**. The Conference Committee Report was filed with the Senate on Sunday, May 28, 2023.

On motion of Senator Schwertner, the Conference Committee Report was adopted by the following vote: Yeas 26, Nays 5.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Hancock, Hinojosa, Huffman, Hughes, Johnson, King, LaMantia, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer, West, Whitmire, Zaffirini.

Nays: Eckhardt, Gutierrez, Hall, Kolkhorst, Middleton.

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2023 - 6

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

**SB 640**

Schwertner

Sponsor: Metcalf

Relating to the state agencies responsible for providing facilities management services for certain state buildings allocated for legislative use.

(Committee Substitute)

Respectfully,

/s/Stephen Brown,

Chief Clerk

House of Representatives

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2023 - 7

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:



I am directed by the house to inform the senate that the house has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

**HCR 126** Wilson

Instructing the enrolling clerk of the house to make corrections in H.B. No. 3699.

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**HB 3699** (139 Yeas, 3 Nays, 1 Present, not voting)

THE HOUSE HAS REFUSED TO ADOPT THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**HB 3452** (58 Yeas, 84 Nays, 1 Present, not voting)

Respectfully,  
 /s/Stephen Brown,  
 Chief Clerk  
 House of Representatives

**SENATE RESOLUTION 693**

Senator Huffman offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 3447 (the establishment and administration of the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium) to consider and take action on the following matters:

(1) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement by omitting proposed SECTIONS 1 and 2 of the bill. The omitted text reads:

SECTION 1. Chapter 61, Education Code, is amended by adding Subchapter V-1 to read as follows:

SUBCHAPTER V-1. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY CONSORTIUM

Sec. 61.921. DEFINITIONS. In this subchapter:

(1) "Consortium" means the Texas Aerospace Research and Space Economy Consortium.

(2) "Executive committee" means the executive committee of the consortium.

Sec. 61.922. ESTABLISHMENT; PURPOSE. The Texas Aerospace Research and Space Economy Consortium is established to:

(1) identify research opportunities for entities within this state that:  
(A) strengthen this state's proven leadership in civil, commercial, and military aerospace activity;

(B) enhance this state's position in aeronautics research and development, astronautics, space commercialization, and space flight infrastructure; and

(C) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(2) provide funding and research recommendations to the Texas Space Commission established under Section 481.552, Government Code.

Sec. 61.923. CONSORTIUM COMPOSITION. The consortium is composed of:

(1) each institution of higher education; and

(2) any other entity that the executive committee considers necessary.

Sec. 61.924. ADMINISTRATIVE ATTACHMENT. (a) The consortium is administratively attached to the board for the purpose of receiving and administering appropriations and other funds under this subchapter. The board is not responsible for providing to the consortium staff, human resources, contract monitoring, purchasing, or any other administrative support services.

(b) The board may not use funds intended to carry out the purposes of this subchapter for any costs incurred by the board under this subchapter.

Sec. 61.925. EXECUTIVE COMMITTEE COMPOSITION. (a) The consortium is governed by an independent executive committee composed of the following nine members:

(1) two members appointed by the governor;

(2) two members appointed by the lieutenant governor;

(3) two members appointed by the speaker of the house of representatives;

(4) the chancellor of The Texas A&M University System or the chancellor's

designee;

(5) the chancellor of The University of Texas System or the chancellor's designee; and

(6) the president of Rice University or the president's designee.

(b) In making appointments under Subsection (a), the governor, the lieutenant governor, and the speaker of the house of representatives, respectively, shall:

(1) prioritize appointing individuals with experience in:

(A) aeronautics;

(B) space economic development; and

(C) academic engagement with the space economy; and

(2) ensure that the appointments reflect, to the extent possible, the ethnic and geographic diversity of this state.

(c) A vacancy on the executive committee is filled in the same manner as the initial appointment.

(d) The executive committee shall:

(1) elect a presiding officer from among the members of the committee; and

(2) meet at the call of the presiding officer.

Sec. 61.926. GIFTS, GRANTS, AND DONATIONS. The executive committee may solicit and accept on behalf of the consortium gifts, grants, or donations from any public or private source for the purpose of carrying out this subchapter.

Sec. 61.927. GENERAL DUTIES. (a) The executive committee shall:

(1) develop and execute a comprehensive statewide strategic plan to further the purposes of the consortium;

(2) gather and coordinate recommendations from consortium members on funding and research opportunities in accordance with the purposes of the consortium; and

(3) establish procedures and policies for the administration of the consortium, including:

(A) procedures for documenting compliance by members of the committee and consortium and consortium staff with applicable laws governing conflicts of interest;

(B) designation of a member of the committee as the committee's liaison to the Texas Space Commission established under Section 481.552, Government Code; and

(C) procedures for entering into contracts with The Texas A&M University System as necessary for that system to provide administrative and staff support to the consortium.

(b) A member of the consortium under Section 61.923 may participate in consortium fact-finding, strategic planning, and the formation of recommendations for purposes of Subsections (a)(1) and (a)(2). Before assisting the executive committee as provided by this subsection, a member of the consortium must designate a liaison to the executive committee to represent that member.

Sec. 61.928. BIENNIAL REPORT. Not later than December 31 of each even-numbered year, the executive committee shall submit to the Texas Space Commission established under Section 481.552, Government Code, a written report that includes for that biennium:

(1) the activities and objectives of the consortium;

(2) a synopsis of the funding and research opportunities identified by the consortium under Section 61.927(a);

(3) legislative recommendations, if any;

(4) prospective grants or funding the consortium members expect to receive, if any; and

(5) research accomplishments associated with the consortium, if any.

SECTION 2. Chapter 481, Government Code, is amended by adding Subchapter FF to read as follows:

#### SUBCHAPTER FF. TEXAS SPACE COMMISSION

Sec. 481.551. DEFINITIONS. In this subchapter:

(1) "Board" means the board of directors of the commission.

(2) "Commission" means the Texas Space Commission.

(3) "Fund" means the Space Exploration and Aeronautics Research Fund.

(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

Sec. 481.552. ESTABLISHMENT; PURPOSE. (a) The Texas Space Commission is established to strengthen this state's proven leadership in civil, commercial, and military aerospace activity.

(b) The purpose of the commission is to promote innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the economy of this state.

Sec. 481.553. BOARD OF DIRECTORS; EXECUTIVE DIRECTOR. (a) The commission is governed by a nine-member board of directors. The board is composed of:

(1) three members appointed by the governor;

(2) three members appointed by the lieutenant governor; and

(3) three members appointed by the governor from a list of names submitted by the speaker of the house of representatives.

(b) In making appointments or selecting persons for inclusion on the list submitted to the governor under Subsection (a), the governor, lieutenant governor, and speaker of the house of representatives shall prioritize appointing or selecting, as applicable, individuals with experience in:

(1) commercial aerospace;

(2) civil aviation;

(3) military aerospace;

(4) space economic development;

(5) space-related academic research; and

(6) nonprofit support of the space economy.

(c) Members of the board serve two-year terms and may be reappointed for additional terms.

(d) A vacancy on the board is filled in the same manner as the initial appointment.

(e) The board shall:

(1) elect a presiding officer from among the members of the board;

(2) appoint an executive director of the commission and determine the title, functions, duties, powers, and salary of the executive director; and

(3) adopt rules as necessary to implement the duties of the commission under this subchapter.

(f) The executive director of the commission may hire staff as necessary to implement the duties of the commission under this subchapter.

Sec. 481.554. ADMINISTRATIVE ATTACHMENT. (a) The commission is administratively attached to the office of the governor.

(b) The office of the governor shall provide the commission staff and facilities as necessary to assist the commission in performing the commission's duties under this subchapter.

Sec. 481.555. AUTHORITY. The commission may, as necessary to perform the commission's duties under this subchapter:

(1) execute contracts and other documents, including by authorizing one or more members of the commission to execute contracts and other documents on behalf of the commission;

(2) conduct proceedings and other activities;

(3) establish and create boards, committees, or other entities, which may include an advisory board composed of representatives of military, federal government, and private aeronautic entities, and delegate authority or duties to those entities;

(4) provide financial services to support aerospace-related development within this state, including by:

(A) capitalizing, underwriting, leasing, selling, or securing funding for aerospace-related infrastructure; and

(B) acquiring, accepting, or administering grants and contracts to perform activities consistent with the commission's purpose;

(5) execute intergovernmental agreements and development agreements consistent with existing law, including with institutions of higher education and nonprofit entities; and

(6) engage in the planning and implementation of aerospace-related educational opportunities within this state in coordination with the Texas Aerospace Research and Space Economy Consortium established under Section 61.922, Education Code.

Sec. 481.556. STRATEGIC PLAN. (a) The commission shall develop and annually update a strategic plan for the promotion of space, aeronautics, and aviation economic development in this state.

(b) The strategic plan must include a list of potential projects that further the purpose of the commission, and, for each project:

(1) the estimated total cost for completion, including a potential state matching cost; and

(2) an assessment of the availability of external funding sources.

(c) The strategic plan may include any other information the commission determines is relevant to furthering the purpose of the commission.

(d) The board shall submit the strategic plan to the governor, the lieutenant governor, and the speaker of the house of representatives not later than December 31 of each year.

Sec. 481.557. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; GRANTS. (a) The commission shall establish the Space Exploration and Aeronautics Research Fund to provide grants to eligible entities as provided by this section.

(b) The fund is a trust fund outside the treasury with the comptroller and administered by the commission.

(c) The fund is composed of:

(1) gifts, grants, or donations provided to the commission; and

(2) money from any source designated by the legislature.

(d) Using money available in the fund, the commission may provide grants to eligible entities described by Subsection (c) for the purposes of:

(1) development of emerging technologies required for any aspect of human space flight;

(2) research involving any aspect of space exploration and space flight;

(3) workforce training to promote space exploration and space flight; and

(4) curation of post-mission materials involved in space exploration and space flight.

(e) The following entities are eligible for a grant made under this section:

(1) a business or nonprofit entity involved in the space exploration, research, or aeronautics industry; and

(2) a governmental entity with which the commission has entered into an intergovernmental agreement for that purpose.

(f) The commission shall establish procedures for the administration and approval of grants made under this section, including procedures to ensure that a grant provided under this section is in the public interest and serves the public purpose of economic development and diversification.

Explanation: The change is necessary to allow the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium to be established under a new chapter of the Government Code.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding SECTION 1 of the bill to read as follows:

SECTION 1. Subtitle F, Title 4, Government Code, is amended by adding Chapter 482 to read as follows:

CHAPTER 482. TEXAS AEROSPACE AND TECHNOLOGY SUPPORT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 482.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the commission.

(2) "Commission" means the Texas Space Commission.

(3) "Fund" means the space exploration and aeronautics research fund.

(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

SUBCHAPTER B. TEXAS SPACE COMMISSION

Sec. 482.101. ESTABLISHMENT; PURPOSE. (a) The Texas Space Commission is established to strengthen this state's proven leadership in civil, commercial, and military aerospace activity.

(b) The purpose of the commission is to promote innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the economy of this state.

Sec. 482.102. ADMINISTRATIVE ATTACHMENT. (a) The commission is administratively attached to the office of the governor, and the office of the governor shall provide administrative support to the commission as provided by this section. The equal employment opportunity officer and the internal auditor of the office of the governor shall serve the same functions for the commission as they serve for the office of the governor.

(b) The office of the governor and the board shall enter into a memorandum of understanding detailing:

(1) the administrative support the commission requires from the office of the governor to fulfill the purposes of this chapter;

(2) the reimbursement of administrative expenses to the office of the governor; and

(3) any other provisions available by law to ensure the efficient operation of the commission as attached to the office of the governor.

Sec. 482.103. SUNSET PROVISION. The commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2032.

Sec. 482.104. STATE AUDITOR. Nothing in this chapter limits the authority of the state auditor under Chapter 321 or other law.

Sec. 482.105. BOARD OF DIRECTORS. (a) The commission is governed by a nine-member board of directors. The board is composed of:

(1) three members appointed by the governor;

(2) three members appointed by the lieutenant governor; and

(3) three members appointed by the speaker of the house of representatives.

(b) In making appointments under Subsection (a), the governor, lieutenant governor, and speaker of the house of representatives shall prioritize appointing individuals with experience in:

(1) commercial aerospace;

(2) civil aviation;

(3) military aerospace;

(4) space economic development;

(5) space-related academic research; and

(6) nonprofit support of the space economy.

(c) Members of the board appointed by the governor, lieutenant governor, and speaker of the house serve at the pleasure of the appointing office for staggered six-year terms, with the terms of two members expiring on January 31 of each odd-numbered year.

(d) If a vacancy occurs on the board, the appropriate appointing authority shall appoint a successor, in the same manner as the original appointment, to serve for the remainder of the unexpired term. The appropriate appointing authority shall appoint the successor not later than the 30th day after the date the vacancy occurs.

(e) Not later than the 30th day after the date a board member's term expires, the appropriate appointing authority shall appoint a replacement.

(f) The board shall elect a presiding officer from among the members of the board.

Sec. 482.106. EXECUTIVE DIRECTOR. (a) The board shall hire an executive director. The executive director shall perform the duties required by this chapter and any duty delegated by the board.

(b) The executive director must have a demonstrated ability to lead and develop academic, commercial, military, or governmental partnerships and coalitions.

(c) The executive director may hire staff as necessary to implement the duties of the commission under this chapter.

Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY. (a) The board shall:

(1) direct the activities of, establish goals for, and provide oversight to the commission;

(2) develop and execute a strategic plan in accordance with Section 482.201;

(3) establish the appropriate standards and executive bodies to ensure the proper use of funds authorized under this chapter for research and facilities development;

(4) identify research and funding opportunities for entities within this state that:

(A) strengthen and enhance this state's proven leadership position in civil, commercial, and military aeronautics research and development and space flight infrastructure;

(B) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(C) promote and further research involving materials derived from or developed through space exploration and space flight;

(5) capitalize, promote, and assist in the development of workforce training to further the development of emerging technologies required for all aspects of space exploration; and

(6) solicit proposals on funding and research opportunities related to the objectives in this chapter from the Texas Aerospace Research and Space Economy Consortium established under Subchapter G.

(b) The board shall employ a chief compliance officer to monitor and report to the board regarding compliance with this chapter and rules adopted under this chapter. The chief compliance officer shall ensure that all grant proposals comply with this chapter and rules adopted under this chapter before the proposals are submitted to the board for approval.

(c) The board may:

(1) establish ad hoc advisory committees as necessary to carry out the board's duties under this chapter;

(2) adopt and use an official seal;

(3) solicit and accept gifts or grants, and contract with any entity;

(4) acquire and convey property or an interest in property;

(5) procure insurance and pay premiums on insurance of any type, in accounts, and from insurers as the board considers necessary and advisable to accomplish any of the commission's purposes;

(6) make grants to public or private persons with an established presence within this state to encourage economic development related to space and aerospace;

(7) make grants to enhance the capacity of institutions of higher education to participate in and support classified research;

(8) provide matching funding to external funding provided by relevant federal agencies, private industry, or private research organizations; and

(9) engage in the planning and implementation of aerospace-related educational opportunities within this state in coordination with the Texas Aerospace Research and Space Economy Consortium established under Subchapter G.

#### SUBCHAPTER C. STRATEGIC PLAN

Sec. 482.201. STRATEGIC PLAN. (a) The commission shall develop and annually update a strategic plan for the promotion of space, aeronautics, and aviation economic development in this state.



(b) The strategic plan must include a list of potential projects that further the purpose of the commission, and, for each project:

(1) the estimated total cost for completion, including a potential state matching cost; and

(2) an assessment of the availability of external funding sources.

(c) The strategic plan may include any other information the commission determines is relevant to furthering the purpose of the commission.

(d) The board shall submit the strategic plan to the governor, the lieutenant governor, and the speaker of the house of representatives not later than December 31 of each year.

#### SUBCHAPTER D. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND

Sec. 482.301. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; ESTABLISHMENT. (a) The space exploration and aeronautics research fund is established to provide grants to eligible entities as provided by this chapter.

(b) The fund is a trust fund outside the treasury with the comptroller and administered by the commission.

(c) The fund is composed of:

(1) gifts, grants, and donations provided to the commission; and

(2) money from any source designated by the legislature.

Sec. 482.302. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; GRANTS. (a) Using money available in the fund, the commission may provide grants to eligible entities described by Subsection (b) for the purposes of:

(1) development of emerging technologies required for any aspect of human space flight;

(2) research involving any aspect of space exploration and space flight;

(3) workforce training to promote space exploration and space flight;

(4) curation of post-mission materials involved in space exploration and space flight; and

(5) development of infrastructure useful or necessary for the establishment or maintenance of a spaceport.

(b) The following entities are eligible for a grant made under this subchapter:

(1) a business or nonprofit entity involved in the space exploration, research, or aeronautics industry; and

(2) a governmental entity with which the commission has entered into an intergovernmental agreement for that purpose.

(c) The board shall comply with the provisions of this chapter in developing the procedures for administration and approval of grants through the fund.

(d) The commission shall provide written notification to the Legislative Budget Board not later than the 30th day after the date a grant award is made from the fund.

#### SUBCHAPTER E. ETHICS AND AUDIT

Sec. 482.401. CONFLICT OF INTEREST. (a) The board shall adopt conflict-of-interest rules to govern members of the board and commission employees.

(b) A board member or commission employee shall recuse himself or herself, as provided by Section 482.402, if the board member or employee, or a person who is related to the board member or employee within the second degree of affinity or consanguinity, has a professional or financial interest in an entity receiving or applying to receive money from the commission.

(c) A person has a financial interest in an entity receiving or applying to receive money from the commission if the person:

(1) owns or controls, directly or indirectly, an ownership interest, including sharing in profits, proceeds, or capital gains, in an entity, or in a foundation or similar organization affiliated with an entity, receiving or applying to receive money from the commission; or

(2) could reasonably foresee that an action or recommendation by the board or commission could result in a financial benefit to the person.

(d) Nothing in this subchapter limits the authority of the board to adopt additional conflict-of-interest standards.

Sec. 482.402. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL. (a) If a board member has a conflict of interest as described by Section 482.401 regarding an application that comes before the board for review or other action, the board member shall:

(1) provide written notice to the executive director and the presiding officer of the board or the next ranking member of the board if the presiding officer has the conflict of interest;

(2) disclose the conflict of interest in an open meeting of the board; and

(3) recuse himself or herself from participating in the review, discussion, deliberation, and vote on the application and from accessing information regarding the matter to be decided.

(b) If a commission employee has a conflict of interest described by Section 482.401 regarding an application that comes before the employee for review or other action, the employee shall:

(1) provide written notice to the executive director of the conflict of interest; and

(2) recuse himself or herself from participating in the review of the application and be prevented from accessing information regarding the matter to be decided.

(c) A board member or commission employee with a conflict of interest may seek a waiver as provided by Section 482.403.

(d) A board member or commission employee who reports a potential conflict of interest or another impropriety or self-dealing of the member or employee and who fully complies with the recommendations of the general counsel and recusal requirements is considered in compliance with the conflict-of-interest provisions of this subchapter. The member or employee is subject to other applicable laws, rules, requirements, and prohibitions.

(e) A board member or commission employee who intentionally violates this section is subject to removal from further participation in the commission's review process.

Sec. 482.403. EXCEPTIONAL CIRCUMSTANCES REQUIRING PARTICIPATION; INVESTIGATION OF UNREPORTED CONFLICT OF INTEREST. (a) The board shall adopt rules governing the waiver of the conflict-of-interest requirements of this subchapter under exceptional circumstances for a board member or commission employee. The rules must:

(1) authorize the executive director or a board member to propose granting a waiver by submitting to the presiding officer of the board a written statement about the conflict of interest, the exceptional circumstance requiring the waiver, and any proposed limitations to the waiver;

(2) require a proposed waiver to be publicly reported at a meeting of the board;

(3) require a majority vote of the board members present and voting to grant a waiver; and

(4) require the commission to retain documentation of each waiver granted.

(b) The board shall adopt rules governing the investigation and consequences of unreported conflicts of interest.

Sec. 482.404. CODE OF CONDUCT. (a) The board shall adopt a code of conduct applicable to each board member and commission employee.

(b) The code of conduct at a minimum must include provisions prohibiting the member, the employee, or the member's or employee's spouse from:

(1) accepting or soliciting any gift, favor, or service that could reasonably influence the member or employee in the discharge of official duties or that the member, employee, or spouse of the member or employee knows or should know is being offered with the intent to influence the member's or employee's official conduct;

(2) accepting employment or engaging in any business or professional activity that would reasonably require or induce the member or employee to disclose confidential information acquired in the member's or employee's official position;

(3) accepting other employment or compensation that could reasonably impair the member's or employee's independent judgment in the performance of official duties;

(4) making personal investments or having a financial interest that could reasonably create a substantial conflict between the member's or employee's private interest and the member's or employee's official duties;

(5) intentionally or knowingly soliciting, accepting, or agreeing to accept any benefit for exercising the member's official powers or performing the member's or employee's official duties in favor of another;

(6) leasing, directly or indirectly, any property, capital equipment, employee, or service to any entity that receives a grant from the commission;

(7) submitting a grant application for funding by the board;

(8) serving on the board of directors of an organization established with a grant from the commission; or

(9) serving on the board of directors of a grant recipient.

SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

Sec. 482.501. RULES FOR GRANT AWARD PROCEDURE. (a) The board shall adopt rules regarding the procedure for awarding grants to an applicant under this chapter, including a procedure for the Texas Aerospace Research and Space Economy Consortium to make recommendations to the board for grant awards.

(b) The board may not award a grant to an applicant who has made a gift or grant to the commission or a nonprofit organization established to provide support to the commission.

Sec. 482.502. MULTIYEAR PROJECTS. The board may grant money for a multiyear project. The board shall specify the total amount of money approved to fund the multiyear project. The total amount specified is considered for purposes of this subchapter to have been awarded in the state fiscal year that the project is approved by the board. The board shall distribute only the money that will be expended during that fiscal year. The board shall distribute the remaining grant money as the money is needed in each subsequent state fiscal year.

Sec. 482.503. PREFERENCE FOR TEXAS SUPPLIERS. The board shall establish standards to ensure that grant recipients purchase goods and services from suppliers in this state to the extent reasonably possible, in a good faith effort to achieve a goal of more than 50 percent of those purchases from suppliers in this state.

Sec. 482.504. GRANT EVALUATION. (a) The executive director shall determine the grant review process under this section. The executive director may terminate grants that do not meet contractual obligations.

(b) The executive director shall report at least annually to the board on the progress and continued merit of each grant funded by the commission.

(c) The board shall establish and implement reporting requirements to ensure that each grant recipient complies with the terms and conditions in the grant contract, including verification of the amounts of matching money dedicated to the research that is the subject of the grant award to the grant recipient.

(d) The commission shall implement a system to:

(1) track the dates on which grant recipient reports are due and are received by the commission; and

(2) monitor the status of any required report that is not timely submitted to the commission by a grant recipient.

Sec. 482.505. GRANT RECORDS. The commission shall maintain complete records of:

(1) the review of each grant application submitted to the board, including an application reviewed in accordance with rules adopted under this chapter, even if the grant application is not funded by the board or is withdrawn after submission;

(2) each grant recipient's financial reports, including the amount of matching money dedicated to the research specified for the grant award;

(3) each grant recipient's progress reports; and

(4) the board's review of the grant recipient's financial reports and progress reports.

SUBCHAPTER G. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY CONSORTIUM

Sec. 482.601. DEFINITIONS. In this subchapter:

(1) "Consortium" means the Texas Aerospace Research and Space Economy Consortium.

(2) "Executive committee" means the executive committee of the consortium.

Sec. 482.602. SUNSET PROVISION. The consortium is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the consortium is abolished and this subchapter expires September 1, 2032.

Sec. 482.603. ESTABLISHMENT; PURPOSE. The Texas Aerospace Research and Space Economy Consortium is established to:

(1) identify research opportunities for entities within this state that:

(A) strengthen this state's proven leadership in civil, commercial, and military aerospace activity;

(B) enhance this state's position in aeronautics research and development, astronautics, space commercialization, and space flight infrastructure; and

(C) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(2) provide funding and research recommendations to the commission.

Sec. 482.604. CONSORTIUM COMPOSITION. The consortium is composed of:

(1) each institution of higher education; and

(2) any other entity that the executive committee considers necessary.

Sec. 482.605. ADMINISTRATIVE ATTACHMENT. The consortium is administratively attached to the office of the governor for the purpose of receiving and administering appropriations and other funds under this subchapter. The office of the governor is not responsible for providing to the consortium staff, human resources, contract monitoring, purchasing, or any other administrative support services.

Sec. 482.606. EXECUTIVE COMMITTEE COMPOSITION. (a) The consortium is governed by an independent executive committee composed of the following nine members:

(1) two members appointed by the governor;

(2) two members appointed by the lieutenant governor;

(3) two members appointed by the speaker of the house of representatives;

(4) the chancellor of The Texas A&M University System or the chancellor's designee;

(5) the chancellor of The University of Texas System or the chancellor's designee; and

(6) the president of Rice University or the president's designee.

(b) In making appointments under Subsection (a), the governor, the lieutenant governor, and the speaker of the house of representatives, respectively, shall:

(1) prioritize appointing individuals with experience in:

(A) aeronautics;

(B) space economic development; and

(C) academic engagement with the space economy; and

(2) ensure that the appointments reflect, to the extent possible, the ethnic and geographic diversity of this state.

(c) A vacancy on the executive committee is filled in the same manner as the initial appointment.

(d) The executive committee shall:

(1) elect a presiding officer from among the members of the committee; and

(2) meet at the call of the presiding officer.

Sec. 482.607. GIFTS, GRANTS, AND DONATIONS. The executive committee may solicit and accept on behalf of the consortium gifts, grants, or donations from any public or private source for the purpose of carrying out this subchapter.

Sec. 482.608. GENERAL DUTIES. (a) The executive committee shall:

(1) develop and execute a comprehensive statewide strategic plan to further the purposes of the consortium;

(2) gather and coordinate recommendations from consortium members on funding and research opportunities in accordance with the purposes of the consortium; and

(3) establish procedures and policies for the administration of the consortium, including:

(A) procedures for documenting compliance by members of the committee and consortium and consortium staff with applicable laws governing conflicts of interest;

(B) designation of a member of the committee as the committee's liaison to the commission; and

(C) procedures for entering into contracts with The Texas A&M University System as necessary for that system to provide administrative and staff support to the consortium.

(b) A member of the consortium may participate in consortium fact-finding and strategic planning and the formation of recommendations for purposes of Subsections (a)(1) and (a)(2). Before assisting the executive committee as provided by this subsection, a member of the consortium must designate a liaison to the executive committee to represent that member.

Sec. 482.609. BIENNIAL REPORT. Not later than December 31 of each even-numbered year, the executive committee shall submit to the commission a written report that includes for that biennium:

(1) the activities and objectives of the consortium;

(2) a synopsis of the funding and research opportunities identified by the consortium;

(3) legislative recommendations, if any;

(4) prospective grants or funding the consortium members expect to receive, if any; and

(5) research accomplishments associated with the consortium, if any.

Explanation: The change is necessary to establish the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium as entities administratively attached to the office of the governor under a new chapter of the Government Code and to provide certain governance and other requirements applicable to those entities.

**SR 693** was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3447 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **HB 3447**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2023.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 2.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Eckhardt, Flores, Gutierrez, Hancock, Hinojosa, Huffman, Johnson, King, Kolkhorst, LaMantia, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer, West, Whitmire, Zaffirini.

Nays: Hall, Hughes.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3452 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **HB 3452**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer, Zaffirini.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Hinojosa, Johnson, LaMantia, Menéndez, Miles, West, Whitmire.

**MESSAGE FROM THE GOVERNOR**

The following Message from the Governor was read and was filed with the Secretary of the Senate:

STATE OF TEXAS  
OFFICE OF THE GOVERNOR

MESSAGE

TO THE MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES  
OF THE EIGHTY-EIGHTH TEXAS LEGISLATURE, REGULAR SESSION:

Article IV, Section 14 of the Texas Constitution grants the governor the power to approve or disapprove legislation passed by both chambers of the legislature. Nothing in that section or the remainder of the Constitution anticipates or describes a process for the legislature to recall a bill once it has been delivered to the governor for review.

Senate Bill No. 1725 by Hughes was passed by the Eighty-Eighth Texas Legislature, Regular Session, and properly transmitted to me on Wednesday, May 17, 2023. The Legislature has now passed and properly transmitted to me Senate Concurrent Resolution No. 59 by Hughes, requesting that I return Senate Bill No. 1725 to the Legislature.

Having taken no formal action on Senate Bill No. 1725, I am consenting to the request of the Legislature. While I am under no obligation to comply with this request, pursuant to established practice and previous case law, I hereby return the enrolled copy of Senate Bill No. 1725 along with this message to the senate and house of representatives for further consideration of technical corrections.

Respectfully submitted,

/s/Greg Abbott  
Governor

Austin, Texas  
May 28, 2023

### SENATE BILL 640 WITH HOUSE AMENDMENT

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

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

#### Amendment

Amend **SB 640** by substituting in lieu thereof the following:

#### A BILL TO BE ENTITLED AN ACT

relating to the state agencies responsible for providing facilities management services for certain state buildings allocated for legislative use.

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

SECTION 1. Subchapter F, Chapter 301, Government Code, is amended by adding Section 301.073 to read as follows:

Sec. 301.073. FACILITIES MANAGEMENT SERVICES FOR SPACE OCCUPIED BY LEGISLATURE. (a) In this section, "facilities management services" has the meaning assigned by Section 2165.007, except that the term does not include utility services or utility expenses.

(b) Notwithstanding Section 2165.007 or 2165.057(a) or other law and except as otherwise provided by this section, the State Preservation Board is responsible for providing:

(1) for the Sam Houston Building, the facilities management services designated by the administrative head of the senate;

(2) for the John H. Reagan Building, the facilities management services designated by the administrative head of the house;

(3) for an interior portion of the Robert E. Johnson Building occupied by a single legislative agency, the facilities management services designated by the administrative head of that legislative agency; and



(4) for any portion of the Robert E. Johnson Building not covered by Subdivision (3) and for the attached parking facility known as state parking garage P, the facilities management services designated by the administrative head of the Texas Legislative Council in consultation with the other affected legislative agencies occupying space in the building.

(c) The Texas Facilities Commission shall:

(1) provide any facilities management service for a facility listed in Subsection (b) that has not been designated to be performed by the State Preservation Board;

(2) operate and maintain the central utility plant in the Sam Houston Building;

(3) subject to Subdivision (4), operate and maintain the chiller utility plant attached to the Robert E. Johnson Building; and

(4) as part of phase 2 construction of the Capitol Complex master plan developed under Section 2166.105:

(A) connect the Robert E. Johnson Building to the centralized chilled water distribution system described by that plan; and

(B) subsequently decommission the chiller utility plant attached to the Robert E. Johnson Building, except for portions of the plant needed to provide backup chilled water for the building's data center or other critical infrastructure identified by the administrative head of the Texas Legislative Council.

(d) The Texas Facilities Commission shall transfer to the State Preservation Board an amount of money sufficient to reimburse the board for the costs incurred by the board to perform the services described by Subsection (b), including any deferred maintenance project performed by the board.

(e) This section does not, and may not be construed to, specifically commit the control of any public buildings or grounds to the State Preservation Board for purposes of Section 2165.002 or any other law.

(f) The administrative head of the appropriate legislative agency may select an entity to provide construction management and oversight of a project undertaken to repair or rehabilitate a facility described by Subsection (b) that is funded by money appropriated to the State Preservation Board. The entity selected is exclusively responsible for providing construction management and oversight of the project, notwithstanding Section 2165.001, Chapter 2166, or other law. On the request of the administrative head of the legislative agency, from the money appropriated to the State Preservation Board to fund the project, the board shall transfer to the legislative agency the amount of money necessary for the legislative agency to pay the costs the agency incurs in connection with the project.

(g) For the chamber and committee rooms occupied by the house and senate in the Capitol, Capitol Extension, and any legislative office building, the administrative head of agency for the appropriate house shall specify the scope, manner, and performance of all work related to audiovisual systems, including sound systems.

SECTION 2. This Act takes effect September 1, 2023.

The amendment was read.

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

The motion prevailed by the following vote: Yeas 31, Nays 0.

### SENATE CONCURRENT RESOLUTION 61

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 1725 has been adopted by the senate and the house of representatives and is being prepared for enrollment; and

WHEREAS, The bill contains a technical error that should be corrected; now, therefore, be it

RESOLVED by the 88th Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to make the following correction to the enrolled version of Senate Bill No. 1725:

In SECTION 2 of the bill, in amended Section 106.12(d), Alcoholic Beverage Code (page 2, lines 9 and 10), strike "from this event" and substitute "of this code".

HUGHES

**SCR 61** was read.

On motion of Senator Hughes and by unanimous consent, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

### SENATE RESOLUTION 716

Senator Bettencourt offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 3697 (county regulation of subdivisions and approval of subdivision plans or plats) to consider and take action on the following matters:

(1) Senate Rules 12.03(1), (3), and (4) are suspended to permit the committee to change, alter, or amend text which is not in disagreement, to add text on any matter which is not in disagreement, and to add text on any matter which is not included in either the house or senate version of the bill in proposed SECTION 1 of the bill, in Section 232.001, Local Government Code, by amending Subsection (a) and adding Subsection (g) to read as follows:

(a) The owner of a tract of land located outside the limits of a municipality must have a plat of the subdivision prepared if the owner divides the tract into two or more parts to lay out:

(1) a subdivision of the tract, including an addition;

(2) lots; or

(3) streets, alleys, squares, parks, or other parts of the tract intended by the owner of the tract to be dedicated to public use ~~[or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts].~~

(g) A plat is considered filed on the date the applicant submits the plat, along with a completed plat application and the application fees and other requirements prescribed by or under this subchapter, to:

(1) the commissioners court; or

(2) the county authority responsible for approving plats.

Explanation: The change is necessary to repeal the plat preparation requirement in relation to purchasers or owners of certain lots and to specify the date on which a plat is considered filed.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on any matter which is not included in either the house or senate version of the bill by adding the following SECTIONS to the bill:

SECTION 2. Subchapter A, Chapter 232, Local Government Code, is amended by adding Sections 232.0012 and 232.0022 to read as follows:

Sec. 232.0012. CONSTRUCTION OF SUBCHAPTER. This subchapter may not be construed to restrict a county from establishing a submittal calendar to be used by an applicant to facilitate compliance with the approval process described by Sections 232.0025, 232.0026, 232.0027, and 232.0028.

Sec. 232.0022. DELEGATION OF APPROVAL RESPONSIBILITY. (a) The commissioners court of a county or the court's designee may designate to one or more officers or employees of the county the authority to approve, approve with conditions, or disapprove a plat.

(b) An applicant has the right to appeal to the commissioners court or the court's designee if the designated person or persons disapprove a plat.

SECTION 3. The heading to Section 232.0025, Local Government Code, is amended to read as follows:

Sec. 232.0025. APPROVAL PROCEDURE: TIMELY APPROVAL OF PLATS [AND PLANS].

SECTION 5. Section 232.0026(a), Local Government Code, is amended to read as follows:

(a) A commissioners court or county authority responsible for approving plats [~~designee~~] that conditionally approves or disapproves of a plat application under this subchapter shall provide the applicant a written statement of the conditions for the conditional approval or the reasons for disapproval that clearly articulates each specific condition for the conditional approval or reason for disapproval.

SECTION 6. Sections 232.0027 and 232.0028, Local Government Code, are amended to read as follows:

Sec. 232.0027. APPROVAL PROCEDURE: APPLICANT RESPONSE TO CONDITIONAL APPROVAL OR DISAPPROVAL. After the conditional approval or disapproval of a plat application under Section 232.0026, the applicant may submit to the commissioners court or county authority responsible for approving plats [~~designee~~] that conditionally approved or disapproved the application a written response that satisfies each condition for the conditional approval or remedies each reason for disapproval provided. The commissioners court or county authority [~~designee~~] may not establish a deadline for an applicant to submit the response.

Sec. 232.0028. APPROVAL PROCEDURE: APPROVAL OR DISAPPROVAL OF RESPONSE. (a) A commissioners court or county authority responsible for approving plats [~~designee~~] that receives a response under Section 232.0027 shall determine whether to approve or disapprove the applicant's previously conditionally approved or disapproved plat application not later than the 15th day after the date the response was submitted under Section 232.0027.

(b) A commissioners court or county authority responsible for approving plats [~~designee~~] that conditionally approves or disapproves a plat application following the submission of a response under Section 232.0027:

(1) must comply with Section 232.0026; and

(2) may disapprove the application only for a specific condition or reason provided to the applicant for the original application under Section 232.0026.

(c) A commissioners court or county authority responsible for approving plats [~~designee~~] that receives a response under Section 232.0027 shall approve a previously conditionally approved or disapproved plat application if the applicant's response adequately addresses each condition for the conditional approval or each reason for the disapproval.

(d) A previously conditionally approved or disapproved plat application is approved if:

(1) the applicant filed a response that meets the requirements of Subsection (c); and

(2) the commissioners court or county authority responsible for approving plats [~~designee~~] that received the response does not disapprove the application on or before the date required by Subsection (a) and in accordance with Section 232.0026.

SECTION 8. Section 232.0025(d-1), Local Government Code, is repealed.

Explanation: The change is necessary to provide limitations on county regulation of subdivisions and approval of subdivision plats and plans.

(3) Senate Rule 12.03(4) is suspended to permit the committee to add text on any matter which is not included in either the house or senate version of the bill in proposed SECTION 4 of the bill, by amending Sections 232.0025(b), (c), (d), (f), (g), and (h), Local Government Code, and adding Section 232.0025(f-1), Local Government Code, to read as follows:

(b) If a person submits a plat application to the commissioners court that does not include all of the documentation or other information required by Subsection (a), the commissioners court or the county authority responsible for approving plats [~~court's designee~~] shall, not later than the 10th business day after the date the commissioners court receives the application, notify the applicant of the missing documents or other information. The commissioners court shall allow an applicant to timely submit the missing documents or other information.

(c) An application is considered complete when all documentation or other information required by Subsection (a) is received. Acceptance by the commissioners court or the county authority responsible for approving plats [~~court's designee~~] of a completed plat application with the documentation or other information required by Subsection (a) shall not be construed as approval of the documentation or other information.

(d) Except as provided by Subsection (f), the commissioners court or the county authority responsible for approving plats [~~court's designee~~] shall approve, approve with conditions, or disapprove a plat application not later than the 30th day after the date the completed application is received by the commissioners court or the county authority [~~court's designee~~]. An application is approved by the commissioners court or the county authority [~~court's designee~~] unless the application is disapproved within that period and in accordance with Section 232.0026.

(f) The 30-day period under Subsection (d):

(1) for a purpose related to Chapter 2007, Government Code, may be extended for a period not to exceed 30 days, if:

(A) requested and agreed to in writing by the applicant and approved by the commissioners court or the county authority responsible for approving plats [court's designee]; or

(B) Chapter 2007, Government Code, requires the county to perform a takings impact assessment in connection with the plat application; or [and]

(2) for a purpose unrelated to Chapter 2007, Government Code, may be extended for one or more periods, not to exceed 30 days, if requested and agreed to in writing by the applicant and approved by the commissioners court or the county authority.

(f-1) The 30-day period under Subsection (d) applies only to a decision wholly within the control of the commissioners court or the county authority responsible for approving plats [court's designee].

(g) The commissioners court or the county authority responsible for approving plats [court's designee] shall make the determination under Subsection (f)(1) of whether the 30-day period will be extended not later than the 20th day after the date a completed plat application is received by the commissioners court or the county authority [court's designee].

(h) The commissioners court or the county authority responsible for approving plats [court's designee] may not require an applicant to waive the time limits or approval procedure contained in this subchapter.

Explanation: The change is necessary to conform to other changes made in the bill and to change requirements relating to the timely approval of plat applications.

(4) Senate Rules 12.03(1), (3), and (4) are suspended to permit the committee to change, alter, or amend text which is not in disagreement, to add text on any matter which is not in disagreement, and to add text on any matter which is not included in either the house or senate version of the bill in proposed SECTION 4 of the bill, by amending Section 232.0025(i), Local Government Code, to read as follows:

(i) If the commissioners court or the county authority responsible for approving plats [court's designee] fails to approve, approve with conditions, or disapprove a plat application as required by this subchapter:

(1) the commissioners court shall refund the greater of the unexpended portion of any application fee or deposit or 50 percent of an application fee or deposit that has been paid;

(2) the application is granted by operation of law; [and]

(3) the applicant may apply to a district court in the county where the tract of land is located for a writ of mandamus to compel the commissioners court to issue documents recognizing the plat application's approval;

(4) the applicant shall recover reasonable attorney's fees and court costs incurred in bringing an action under Subdivision (3) if the applicant prevails; and

(5) the county may recover reasonable attorney's fees and court costs incurred in an action brought under Subdivision (3) if the county prevails and the court finds the action is frivolous.

Explanation: The change is necessary to conform to other changes made in the bill and to provide for the awarding of attorney's fees and court costs in certain actions.

**SR 716** was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3697 ADOPTED**

Senator Bettencourt called from the President's table the Conference Committee Report on **HB 3697**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Bettencourt, the Conference Committee Report was adopted by the following vote: Yeas 18, Nays 13.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Huffman, Hughes, King, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Hinojosa, Johnson, Kolkhorst, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

**SENATE RESOLUTION 717**

Senator Bettencourt offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 88th Legislature, Regular Session, 2023, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 3699 (municipal regulation of subdivisions and approval of subdivision plans or plats) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following SECTIONS to the bill:

SECTION 1. Sections 212.001(2) and (3), Local Government Code, are amended to read as follows:

(2) [~~"Plan" means a subdivision development plan, including a subdivision plan, subdivision construction plan, site plan, land development application, and site development plan.~~

~~(3)] "Plat" includes a preliminary plat, [general plan,] final plat, and replat.~~

SECTION 2. Subchapter A, Chapter 212, Local Government Code, is amended by adding Section 212.0015 to read as follows:

Sec. 212.0015. CONSTRUCTION OF SUBCHAPTER. This subchapter may not be construed to restrict a municipality from establishing a submittal calendar to be used by an applicant to facilitate compliance with the approval process described by Sections 212.009, 212.0091, 212.0093, and 212.0095.

SECTION 6. Sections 212.0065(a) and (c), Local Government Code, are amended to read as follows:

(a) The governing body of a municipality or the municipal planning commission may delegate to one or more officers or employees of the municipality or of a utility owned or operated by the municipality the ability to approve, approve with conditions, or disapprove a plat [:

~~[(1) amending plats described by Section 212.016;~~

~~[(2) minor plats or replats involving four or fewer lots fronting on an existing street and not requiring the creation of any new street or the extension of municipal facilities; or~~

~~[(3) a replat under Section 212.0145 that does not require the creation of any new street or the extension of municipal facilities].~~

(c) An applicant has the right to appeal to the governing body of the municipality or the municipal planning commission if the designated [The] person disapproves a [or persons shall not disapprove the] plat [and shall be required to refer any plat which the person or persons refuse to approve to the municipal authority responsible for approving plats within the time period specified in Section 212.009].

SECTION 9. Section 212.0091(a), Local Government Code, is amended to read as follows:

(a) A municipal authority or governing body that conditionally approves or disapproves a [~~plan or~~] plat under this subchapter shall provide the applicant a written statement of the conditions for the conditional approval or reasons for disapproval that clearly articulates each specific condition for the conditional approval or reason for disapproval.

SECTION 10. Sections 212.0093, 212.0095, and 212.0096, Local Government Code, are amended to read as follows:

Sec. 212.0093. APPROVAL PROCEDURE: APPLICANT RESPONSE TO CONDITIONAL APPROVAL OR DISAPPROVAL. After the conditional approval or disapproval of a [~~plan or~~] plat under Section 212.0091, the applicant may submit to the municipal authority or governing body that conditionally approved or disapproved the [~~plan or~~] plat a written response that satisfies each condition for the conditional approval or remedies each reason for disapproval provided. The municipal authority or governing body may not establish a deadline for an applicant to submit the response.

Sec. 212.0095. APPROVAL PROCEDURE: APPROVAL OR DISAPPROVAL OF RESPONSE. (a) A municipal authority or governing body that receives a response under Section 212.0093 shall determine whether to approve or disapprove the applicant's previously conditionally approved or disapproved [~~plan or~~] plat not later than the 15th day after the date the response was submitted.

(b) A municipal authority or governing body that conditionally approves or disapproves a [~~plan or~~] plat following the submission of a response under Section 212.0093:

(1) must comply with Section 212.0091; and

(2) may disapprove the [~~plan or~~] plat only for a specific condition or reason provided to the applicant under Section 212.0091.

(c) A municipal authority or governing body that receives a response under Section 212.0093 shall approve a previously conditionally approved or disapproved [~~plan or~~] plat if the response adequately addresses each condition of the conditional approval or each reason for the disapproval.

(d) A previously conditionally approved or disapproved [~~plan or~~] plat is approved if:

(1) the applicant filed a response that meets the requirements of Subsection (c); and

(2) the municipal authority or governing body that received the response does not disapprove the [~~plan or~~] plat on or before the date required by Subsection (a) and in accordance with Section 212.0091.

Sec. 212.0096. APPROVAL PROCEDURE: ALTERNATIVE APPROVAL PROCESS. (a) Notwithstanding Sections 212.009, 212.0091, 212.0093, and 212.0095, an applicant may elect at any time to seek approval for a [~~plan or~~] plat under an alternative approval process adopted by a municipality if the process allows for a shorter approval period than the approval process described by Sections 212.009, 212.0091, 212.0093, and 212.0095.

(b) An applicant that elects to seek approval under the alternative approval process described by Subsection (a) is not:

(1) required to satisfy the requirements of Sections 212.009, 212.0091, 212.0093, and 212.0095 before bringing an action challenging a disapproval of a [~~plan or~~] plat under this subchapter; and

(2) prejudiced in any manner in bringing the action described by Subdivision (1), including satisfying a requirement to exhaust any and all remedies.

SECTION 11. Section 212.0099, Local Government Code, is amended to read as follows:

Sec. 212.0099. JUDICIAL REVIEW OF DISAPPROVAL. In a legal action challenging a disapproval of a [~~plan or~~] plat under this subchapter, the municipality has the burden of proving by clear and convincing evidence that the disapproval meets the requirements of this subchapter or any applicable case law. The court may not use a deferential standard.

Explanation: This change is necessary to provide limitations on municipal regulation of subdivisions and approval of subdivision plans or plats.

(2) Senate Rules 12.03(1), (3), and (4) are suspended to permit the committee to change, alter, or amend text which is not in disagreement, to add text on a matter which is not in disagreement, and to add text on a matter which is not included in either the house or senate version of the bill in proposed SECTION 4 of the bill, in Section 212.004, Local Government Code, by amending Subsections (a) and (b) and adding Subsections (f) and (g) to read as follows:

(a) The owner of a tract of land located within the limits or in the extraterritorial jurisdiction of a municipality who divides the tract in two or more parts to lay out a subdivision of the tract, including an addition to a municipality, to lay out suburban, building, or other lots, or to lay out streets, alleys, squares, parks, or other parts of the tract intended by the owner of the tract to be dedicated to public use [~~or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts~~] must have a plat of the subdivision prepared. A division of a



tract under this subsection includes a division regardless of whether it is made by using a metes and bounds description in a deed of conveyance or in a contract for a deed, by using a contract of sale or other executory contract to convey, or by using any other method. A division of land under this subsection does not include a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.

(b) To be recorded, the plat must:

(1) describe the subdivision by metes and bounds;

(2) locate the subdivision with respect to a corner of the survey or tract or an original corner of the original survey of which it is a part; and

(3) state the dimensions of the subdivision and of each street, alley, square, park, or other part of the tract intended by the owner of the tract to be dedicated to public use ~~[or for the use of purchasers or owners of lots fronting on or adjacent to the street, alley, square, park, or other part].~~

(f) A plat is considered filed on the date the applicant submits the plat, along with a completed plat application and the application fees and other requirements prescribed by or under this subchapter, to:

(1) the governing body of the municipality; or

(2) the municipal authority responsible for approving plats.

(g) The governing body of a municipality or the municipal authority responsible for approving plats may not require an analysis, study, document, agreement, or similar requirement to be included in or as part of an application for a plat, development permit, or subdivision of land that is not explicitly required by state law.

Explanation: This change is necessary to repeal the plat preparation requirement in relation to purchasers or owners of certain lots, to specify the date on which a plat is considered filed, and to prohibit a municipality or municipal authority from requiring certain additional materials for a plat, development permit, or subdivision of land.

(3) Senate Rules 12.03(3) and (4) are suspended to permit the committee to add text on a matter which is not in disagreement and to add text on a matter which is not included in either the house or senate version of the bill in proposed SECTION 8 of the bill, by amending Sections 212.009(a), (b), (c), and (d), Local Government Code, to read as follows:

(a) The municipal authority responsible for approving plats shall approve, approve with conditions, or disapprove a ~~[plan or]~~ plat within 30 days after the date the ~~[plan or]~~ plat is filed. A ~~[plan or]~~ plat is approved by the municipal authority unless it is disapproved within that period and in accordance with Section 212.0091.

(b) If an ordinance requires that a ~~[plan or]~~ plat be approved by the governing body of the municipality in addition to the planning commission, the governing body shall approve, approve with conditions, or disapprove the ~~[plan or]~~ plat within 30 days after the date the ~~[plan or]~~ plat is approved by the planning commission or is approved by the inaction of the commission. A ~~[plan or]~~ plat is approved by the governing body unless it is disapproved within that period and in accordance with Section 212.0091.

(c) If a [~~plan or~~] plat is approved, the municipal authority giving the approval shall endorse the [~~plan or~~] plat with a certificate indicating the approval. The certificate must be signed by:

(1) the authority's presiding officer and attested by the authority's secretary;  
or

(2) a majority of the members of the authority.

(d) If the municipal authority responsible for approving plats fails to approve, approve with conditions, or disapprove a [~~plan or~~] plat within the prescribed period, the authority on the applicant's request shall issue a certificate stating the date the [~~plan or~~] plat was filed and that the authority failed to act on the [~~plan or~~] plat within the period. The certificate is effective in place of the endorsement required by Subsection (c).

Explanation: This change is necessary to conform to other changes made in the bill.

(4) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 8 of the bill, in amended Section 212.009(b-2), Local Government Code, by striking "a period" and substituting "one or more periods, each [a period]".

Explanation: This change is necessary to provide for multiple extensions for the deadlines provided by Section 212.009, Local Government Code.

(5) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 12 of the bill, in added Section 212.010(e), Local Government Code, by striking "The prevailing party may recover reasonable and necessary attorney's fees and court costs in the action." and substituting the following:

The applicant shall recover reasonable attorney's fees and court costs in the action if the applicant prevails. The municipality may recover reasonable attorney's fees and court costs in the action if the municipality prevails and the court finds the action is frivolous.

Explanation: This change is necessary to provide different standards for recovery of attorney's fees and court costs for an applicant and a municipality.

**SR 717** was read and was adopted by the following vote: Yeas 31, Nays 0.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3699 ADOPTED**

Senator Bettencourt called from the President's table the Conference Committee Report on **HB 3699**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2023.

On motion of Senator Bettencourt, the Conference Committee Report was adopted by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Springer.

Nays: Alvarado, Blanco, Eckhardt, Gutierrez, Johnson, LaMantia, Menéndez, Miles, West, Whitmire, Zaffirini.

**HOUSE CONCURRENT RESOLUTION 126**

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 3699 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED, by the 88th Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to make the following correction to the enrolled version of House Bill No. 3699:

In SECTION 4 of the bill, in added Section 212.004(g), Local Government Code, strike "required" and substitute "allowed".

BETTENCOURT

**HCR 126** was read.

On motion of Senator Bettencourt and by unanimous consent, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

**AT EASE**

The Presiding Officer at 10:30 p.m. announced the Senate would stand At Ease subject to the call of the Chair.

**IN LEGISLATIVE SESSION**

Senator Birdwell at 10:54 p.m. called the Senate to order as In Legislative Session.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 5**

Senator Schwertner submitted the following Conference Committee Report:

Austin, Texas  
May 28, 2023

Honorable Dan Patrick  
President of the Senate

Honorable Dade Phelan  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **HB 5** have had the same under consideration, and beg to report it back with the recommendation that it do pass.

SCHWERTNER  
CAMPBELL  
JOHNSON  
KING  
NICHOLS

On the part of the Senate

HUNTER  
MEYER  
BUTTON  
SHINE

On the part of the House

The Conference Committee Report on **HB 5** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 2627**

Senator Schwertner submitted the following Conference Committee Report:

Austin, Texas  
May 28, 2023

Honorable Dan Patrick  
President of the Senate  
Honorable Dade Phelan  
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 2627** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

SCHWERTNER  
KING  
JOHNSON  
CAMPBELL  
NICHOLS  
On the part of the Senate

HUNTER  
PATTERSON  
ANCHÍA  
GEREN  
SPILLER  
On the part of the House

A BILL TO BE ENTITLED  
AN ACT

relating to funding mechanisms to support the construction, maintenance, modernization, and operation of electric generating facilities.

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

SECTION 1. This Act may be cited as the Powering Texas Forward Act.

SECTION 2. Subtitle B, Title 2, Utilities Code, is amended by adding Chapter 34 to read as follows:

CHAPTER 34. FACILITY FUNDING

SUBCHAPTER A. TEXAS ENERGY FUND; GRANTS AND LOANS

Sec. 34.0101. DEFINITIONS. In this subchapter:

(1) "Advisory committee" means the Texas Energy Fund Advisory Committee.

(2) "Fund" means the Texas energy fund established by Section 49-q, Article III, Texas Constitution.

(3) "Trust company" means the Texas Treasury Safekeeping Trust Company.

Sec. 34.0102. FUND. (a) The fund is a special fund in the state treasury outside the general revenue fund to be administered and used by the commission for the purposes authorized by this chapter. The commission may establish separate accounts in the fund.

(b) The fund and the fund's accounts are kept and held by the trust company for and in the name of the commission.

(c) Money deposited to the credit of the fund may be used only as provided by this chapter.

(d) The fund consists of:

(1) money appropriated, credited, transferred, or deposited to the credit of the fund by or as authorized by law, including money from any source transferred or deposited to the credit of the fund at the commission's discretion;

(2) revenue that the legislature by statute dedicates for deposit to the credit of the fund;

(3) investment earnings and interest earned on money in the fund; and

(4) gifts, grants, and donations contributed to the fund.

Sec. 34.0103. GRANTS FOR FACILITIES OUTSIDE ERCOT POWER REGION. (a) The commission may use money in the fund without further appropriation to provide grants to be used for transmission and distribution infrastructure and electric generating facilities in this state outside the ERCOT power region for:

(1) facility modernization;

(2) facility weatherization;

(3) reliability and resiliency facility enhancements; or

(4) vegetation management.

(b) In evaluating an application for a grant under this section, the commission:

(1) shall evaluate whether the project for which the grant is requested is reasonable; and

(2) may consider any other appropriate factors.

(c) Information submitted to the commission in an application for a grant under this section is confidential and not subject to disclosure under Chapter 552, Government Code.

(d) Proceeds of a grant received under this section may not be used for:

(1) compliance with weatherization standards adopted before December 1, 2023; or

(2) debt payments.

Sec. 34.0104. LOANS FOR ERCOT POWER REGION. (a) The commission may use money in the fund without further appropriation to provide loans to finance upgrades to existing dispatchable electric generating facilities providing power for the ERCOT power region that result in a net increase of at least 100 megawatts of capacity for each facility or the construction of dispatchable electric generating facilities providing power for the ERCOT power region that each have a generation capacity of at least 100 megawatts. For the purposes of this section, a generating facility is considered to be dispatchable if the facility's output can be controlled primarily by forces under human control. An electric energy storage facility is not eligible for a loan under this section.

(b) The commission may provide a construction loan under this section only:

(1) for construction of a facility that will have a generation capacity of at least 100 megawatts and that does not meet the planning model requirements necessary to be included in the Capacity Demand and Reserves Report of the independent organization certified under Section 39.151 for the ERCOT power region before June 1, 2023;

(2) in an amount that does not exceed 60 percent of the estimated cost of the facility to be constructed; and

(3) if the agreement ensures that the loan is to be the senior debt secured by the facility.

(c) The commission shall evaluate an application for a loan under this section based on:

(1) the applicant's:

(A) quality of services and management;

(B) efficiency of operations;

(C) history of electricity generation operations in this state and this country;

(D) resource operation attributes;

(E) ability to address regional and reliability needs;

(F) access to resources essential for operating the facility for which the loan is requested, such as land, water, and reliable infrastructure, as applicable; and

(G) evidence of creditworthiness and ability to repay the loan on the terms established in the loan agreement, including the applicant's total assets, total liabilities, net worth, and credit ratings issued by major credit rating agencies;

(2) the generation capacity and estimated costs of the project for which the loan is requested; and

(3) any other factors the commission considers appropriate.

(d) Outstanding loans provided under this section and grants provided under Section 34.0105, considered together, may not support the addition or construction of more than 10,000 megawatts of generation capacity.

(e) An electric utility other than a river authority may not receive a loan under this section.

(f) A loan provided under this section must:

(1) have a term of 20 years;

(2) be payable ratably starting on the third anniversary of the estimated commercial operation date of the facility for which the loan was provided, as stated in the loan application; and

(3) bear an interest rate of three percent.

(g) The commission shall require each recipient of a loan under this section to deposit in an escrow account held by the comptroller an amount of money equal to three percent of the estimated cost of the project for which the loan is provided. The deposit must be made before the initial loan funds are disbursed. The loan recipient may not withdraw the deposit unless authorized by the commission.

(h) For money deposited under Subsection (g) for a loan for the construction of a new facility, the commission:

(1) shall authorize the loan recipient to withdraw the deposit from the escrow account if the facility for which the loan was provided is interconnected in the ERCOT power region before the fourth anniversary of the date the initial loan funds were disbursed; or

(2) after the fourth anniversary of the date the initial loan funds were disbursed, may authorize the loan recipient to withdraw the deposit from the escrow account if the facility for which the loan was provided is interconnected in the ERCOT power region not later than the fifth anniversary of the date the initial loan funds were disbursed and the commission determines that extenuating circumstances justify the delay in completion.

(i) For money deposited under Subsection (g) for a loan for an upgrade to an existing facility, the commission:

(1) shall authorize the loan recipient to withdraw the deposit from the escrow account if the project for which the loan was provided is completed before the third anniversary of the date the initial loan funds were disbursed; or

(2) after the third anniversary of the date the initial loan funds were disbursed, may authorize the loan recipient to withdraw the deposit from the escrow account if the project for which the loan was provided is completed not later than the fourth anniversary of the date the initial loan funds were disbursed and the commission determines that extenuating circumstances justify the delay in completion.

(j) The comptroller shall deposit to the credit of the fund any escrow funds described by Subsection (g) that the commission may not authorize to be withdrawn by a loan recipient.

(k) Information submitted to the commission in an application for a loan under this section is confidential and not subject to disclosure under Chapter 552, Government Code.

(l) The commission may not disburse the initial funds for a loan under this section after December 31, 2025.

(m) This section expires September 1, 2050.

Sec. 34.0105. COMPLETION BONUS GRANTS. (a) The commission shall provide, using money available in the fund for the purpose without further appropriation, a completion bonus grant for the construction of dispatchable electric generating facilities in the ERCOT power region. For the purposes of this section, a generating facility is considered to be dispatchable if the facility's output can be controlled primarily by forces under human control. An electric energy storage facility is not eligible for a grant under this section.

(b) The amount of a grant under this section must be based on the megawatts of capacity provided to the ERCOT power region by the facility.

(c) The commission may provide a grant under this section only for construction of a facility that:

(1) will have a generation capacity of at least 100 megawatts; and

(2) does not meet the planning model requirements necessary to be included in the Capacity Demand and Reserves Report of the independent organization certified under Section 39.151 for the ERCOT power region before June 1, 2023.

(d) The commission shall evaluate an application for a grant under this section based on:

(1) the applicant's:

(A) quality of services and management;

(B) efficiency of operations;

(C) history of electricity generation operations in this state and this

country;

(D) resource operation attributes; and

(E) ability to address regional and reliability needs;

(2) the generation capacity and estimated construction costs of the facility for which the grant is requested; and

(3) any other factors the commission considers appropriate.

(e) Information submitted to the commission in an application for a grant under this section is confidential and not subject to disclosure under Chapter 552, Government Code.

(f) Unless the commission determines that extenuating circumstances justify extending the deadlines provided by this subsection, the commission may not provide a grant under this section of more than:

(1) \$120,000 per megawatt of capacity provided by a facility that is interconnected in the ERCOT power region before June 1, 2026; or

(2) \$80,000 per megawatt of capacity provided by a facility that is interconnected in the ERCOT power region on or after June 1, 2026, and before June 1, 2029.

(g) Unless the commission determines that extenuating circumstances justify extending the deadline provided by this subsection, the commission may not provide a grant under this section for a facility that is interconnected in the ERCOT power region on or after June 1, 2029.

(h) The commission shall provide for the proceeds of each grant awarded under this section to be disbursed to the grant recipient by equal annual payments over a 10-year period that begins on the first anniversary of the commercial operations date of the facility for which the grant is provided. The annual payments are subject to being withheld or discounted in accordance with Subsection (i). The total of the annual disbursements may not exceed the maximum amount as limited by Subsection (f).

(i) The commission by rule shall establish performance standards for grant recipients based on reliability metrics, appropriate for the types of facilities for which grants may be provided, for performance during the 100 hours with the least quantity of operating reserves for each year. The commission may not disburse a grant recipient's annual payment under Subsection (h) if the performance of the facility for which the grant was provided is equal to or below the median performance standard established under this subsection during a test period designated by the commission for that year. The commission may disburse a discounted amount of a grant recipient's annual payment under Subsection (h) if the performance of the facility for which the grant was provided is above the median performance standard established under this subsection during a test period designated by the commission for that year but less than an optimal performance standard established by the commission. The



commission shall by rule adopt a system for determining the amount by which the commission will discount an annual payment based on facility performance under this subsection.

(j) This section expires December 1, 2040.

Sec. 34.0106. LOAN AND GRANT RESTRICTIONS. (a) If the commission has more than four pending applications for loans to be made from the fund on the date the commission awards a loan, the amount of the loan awarded may not exceed 25 percent of the fund balance on that date.

(b) The commission may not provide a loan or a grant under this chapter:

(1) for a facility that will be used primarily to serve an industrial load or private use network; or

(2) for the construction or operation of a natural gas transmission pipeline.

(c) The commission shall require each recipient of a loan under this chapter to enter into a debt covenant that requires the recipient to meet facility performance standards adopted by the commission. The commission by rule shall adopt performance standards for the purposes of this subsection based on reliability metrics appropriate for the types of facilities for which loans may be provided.

(d) Each facility for which a loan or grant is provided under Section 34.0104 or 34.0105 must participate in the ERCOT wholesale electricity market.

(e) The commission may provide from the fund:

(1) for grants under Section 34.0103, not more than \$1 billion;

(2) for loans and grants under Sections 34.0104 and 34.0105, not more than \$7.2 billion; and

(3) for grants or loans under Subchapter B, not more than \$1.8 billion.

Sec. 34.0107. MANAGEMENT AND INVESTMENT OF FUND. (a) The trust company shall hold and invest the fund, and any accounts established in the fund, for and in the name of the commission, taking into account the purposes for which money in the fund may be used. The fund may be invested with the state treasury pool and commingled with other investments.

(b) The overall objective for the investment of the fund is to maintain sufficient liquidity to meet the needs of the fund while striving to preserve the purchasing power of the fund over a full economic cycle.

(c) In managing the assets of the fund, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(d) The reasonable expenses of managing the fund's assets shall be paid from the fund.

(e) The trust company annually shall provide a written report to the commission and to the advisory committee with respect to the investment of the fund.

(f) The trust company shall adopt a written investment policy that is appropriate for the fund. The trust company shall present the investment policy to the investment advisory board established under Section 404.028, Government Code. The investment advisory board shall submit to the trust company recommendations regarding the policy.

(g) The commission annually shall provide to the trust company a forecast of the cash flows into and out of the fund. The commission shall provide updates to the forecasts as appropriate to ensure that the trust company is able to achieve the objective specified by Subsection (b).

(h) The trust company shall disburse money from the fund as directed by the commission.

Sec. 34.0108. RECEIVERSHIP OF DEFAULT GENERATING FACILITY. (a) In this section, "default" means:

- (1) default in payment of the principal of or interest on a loan; or
- (2) a failure to perform any of the terms of a loan.

(b) The state, including the commission, the advisory committee, and the trust company, may not retain an ownership interest in a project or facility for which a loan is provided under this chapter.

(c) In the event of a default on a loan made under this chapter, at the request of the commission, the attorney general shall bring suit in a district court in Travis County for the appointment of a receiver to collect the assets and carry on the business of a loan recipient if the action is necessary to cure a default by the recipient.

(d) The court shall vest a receiver appointed by the court with any power or duty the court finds necessary to cure the default, including the power or duty to:

- (1) perform audits;
- (2) direct ongoing operation of the assets;
- (3) fund reserve accounts;
- (4) make payments of the principal of or interest on bonds, securities, or

other obligations; and

(5) take any other action necessary to prevent or to remedy the default, including the sale of assets.

(e) The receiver shall execute a bond in an amount to be set by the court to ensure the proper performance of the receiver's duties.

(f) After appointment and execution of bond, the receiver shall take possession of the books, records, accounts, and assets of the defaulting loan recipient specified by the court. Until discharged by the court, the receiver shall perform the duties that the court directs and shall strictly observe the final order involved.

(g) On a showing of good cause by the defaulting loan recipient, the court may dissolve the receivership.

Sec. 34.0109. TEXAS ENERGY FUND ADVISORY COMMITTEE. (a) The advisory committee is composed of the following six members:

(1) three members of the senate appointed by the lieutenant governor, including:

(A) a member of the committee of the senate having primary jurisdiction over matters relating to the generation of electricity; and

(B) a member of the committee of the senate having primary jurisdiction over finance; and

(2) three members of the house of representatives appointed by the speaker of the house of representatives, including:

(A) a member of the committee of the house of representatives having primary jurisdiction over the generation of electricity; and

(B) a member of the committee of the house of representatives having primary jurisdiction over finance.

(b) A member of the advisory committee serves at the will of the person who appointed the member.

(c) The lieutenant governor shall appoint a co-presiding officer of the advisory committee from among the members appointed by the lieutenant governor. The speaker of the house of representatives shall appoint a co-presiding officer of the advisory committee from among the members appointed by the speaker.

(d) The advisory committee may hold public hearings, formal meetings, and work sessions. Either co-presiding officer of the advisory committee may call a public hearing, formal meeting, or work session of the advisory committee at any time. The advisory committee may not take formal action at a public hearing, formal meeting, or work session unless a quorum of the committee is present.

(e) Except as otherwise provided by this subsection, a member of the advisory committee is not entitled to receive compensation for service on the committee or reimbursement for expenses incurred in the performance of official duties as a member of the committee. Service on the advisory committee by a member of the senate or house of representatives is considered legislative service for which the member is entitled to reimbursement and other benefits in the same manner and to the same extent as for other legislative service.

(f) The advisory committee:

(1) may provide comments and recommendations to the commission for the commission to use in adopting rules regarding the use of the fund or on any other matter; and

(2) shall review the overall operation, function, and structure of the fund at least semiannually.

(g) The advisory committee may adopt rules, procedures, and policies as needed to administer this section and implement its responsibilities.

(h) Chapter 2110, Government Code, does not apply to the size, composition, or duration of the advisory committee.

(i) The advisory committee is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the advisory committee is abolished September 1, 2035.

Sec. 34.0110. RULES. (a) The commission by rule may establish procedures for:

(1) the application for and award of a grant or loan under this chapter; and

(2) the administration of the fund.

(b) The commission shall give full consideration to comments and recommendations of the advisory committee.

SUBCHAPTER B. TEXAS POWER PROMISE: BACKUP POWER PACKAGES

Sec. 34.0201. DEFINITION. In this subchapter, "Texas backup power package" means a stand-alone, behind-the-meter, multiday backup power source that can be used for islanding.

Sec. 34.0202. PURPOSE. The purpose of this subchapter is to facilitate and provide funding for the design, procurement, installation, and use of Texas backup power packages to ensure the reliability or adequacy of an electric power grid in this state for facilities on which communities rely for health, safety, and well-being.

Sec. 34.0203. COMMISSION DUTIES. (a) The commission shall convene an advisory committee in the manner provided by Chapter 2110, Government Code.

(b) The advisory committee shall recommend criteria for the commission to employ in making a grant or loan under this subchapter.

(c) The commission shall contract with a research entity that has experience in microgrid design to analyze critical facility characteristics and requirements in this state and develop for Texas backup power packages:

(1) sets of specifications for standard backup power packages of various sizes that can serve most critical facilities in this state; and

(2) specifications for standard interconnection, communications, and controls for Texas backup power packages.

Sec. 34.0204. TEXAS BACKUP POWER PACKAGES. The commission may use money in the Texas energy fund without further appropriation to provide a grant or loan for the operation of a Texas backup power package that:

(1) is engineered to minimize operation costs;

(2) uses interconnection technology and controls that enable immediate islanding from the power grid and stand-alone operation for the host facility;

(3) is capable of operating for at least 48 continuous hours without refueling or connecting to a separate power source;

(4) is designed so that one or more Texas backup power packages can be aggregated on-site to serve not more than 2.5 megawatts of load at the host facility;

(5) provides power sourced from:

(A) a combination of natural gas or propane with photovoltaic panels and battery storage; or

(B) battery storage on an electric school bus; and

(6) is not used by the owner or host facility for the sale of energy or ancillary services.

Sec. 34.0205. GRANTS AND LOANS. (a) The commission by rule may establish procedures for the application for and award of a grant or loan under this subchapter.

(b) The amount of a grant provided under this subchapter may not exceed \$500 per kilowatt of capacity.

(c) The commission may provide a loan under this subchapter for procurement and operating costs.

(d) The commission shall maintain and publish a list of approved vendors eligible to assist with the sale, installation, operation, and ongoing maintenance of Texas backup power packages.

(e) The commission may not provide a grant or loan under this subchapter for:

(1) a commercial energy system, a private school, or a for-profit entity that does not directly serve public safety and human health; or

(2) a source of backup power that does not follow the design and use standards of a Texas backup power package.

SECTION 3. Section 35.005, Utilities Code, is amended by adding Subsections (d), (e), (f), and (g) to read as follows:

(d) This subsection applies only to a facility in the ERCOT power region for which a loan or grant is provided under Subchapter A, Chapter 34. The independent organization certified under Section 39.151 for the ERCOT power region shall work with electric utilities to ensure that each facility in the ERCOT power region for which a loan or grant is provided is fully interconnected in the region not later than the date the facility is ready for commercial operation. The independent organization certified under Section 39.151 for the ERCOT power region shall give priority to interconnecting each facility for which a loan or grant is provided except that the organization shall prioritize transmission projects that the organization has formally designated as critical for reliability over a facility for which a loan or grant is provided. An electric utility that enters into an interconnection agreement for a facility for which a loan or grant is provided shall give priority to interconnecting the facility and complete construction of any other facilities necessary to interconnect the facility not later than the date the facility is ready for commercial operation except that the utility shall prioritize transmission projects that the independent organization certified under Section 39.151 for the ERCOT power region has formally designated as critical for reliability over a facility for which a loan or grant is provided.

(e) If the commission receives an application under Chapter 37 for a certificate of convenience and necessity related to facilities necessary to interconnect a facility to which Subsection (d) applies and does not approve the application before the 90th day after the date the commission received the application, the deadline established by Subsection (d) is extended one day for each day after the 90th day in which the commission does not approve the application.

(f) The commission may extend the deadline established by Subsection (d) after notice, hearing, and a determination on a showing of good cause that fully interconnecting the facility before the deadline is not feasible.

(g) In this subsection, "Texas backup power package" has the meaning assigned by Section 34.0201. The commission by rule shall adopt procedures to expedite an electric utility interconnection request for a Texas backup power package for which a loan or grant is awarded under Chapter 34.

SECTION 4. Subchapter C, Chapter 382, Health and Safety Code, is amended by adding Section 382.069 to read as follows:

Sec. 382.069. TEXAS BACKUP POWER PACKAGE. (a) In this section, "Texas backup power package" has the meaning assigned by Section 34.0201, Utilities Code.

(b) The commission by rule shall adopt a process to expedite the permitting of a Texas backup power package for which a permit is required under this chapter and for which a loan or grant is awarded under Chapter 34, Utilities Code.

SECTION 5. Not later than June 1, 2024, the Public Utility Commission of Texas shall begin accepting loan applications for loans authorized by Subchapter A, Chapter 34, Utilities Code, as added by this Act. Not later than December 31, 2025, the Public Utility Commission of Texas shall approve or deny each loan application and disburse initial loan funds for each approved applicant.

SECTION 6. This Act takes effect on the date on which the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, providing for the creation of the Texas energy fund to support the construction, maintenance, modernization, and operation of electric generating facilities takes effect. If that amendment is not approved by the voters, this Act has no effect.

The Conference Committee Report on **SB 2627** was filed with the Secretary of the Senate.

#### **CO-AUTHOR OF SENATE BILL 2627**

On motion of Senator Schwertner, Senator Alvarado will be shown as Co-author of **SB 2627**.

#### **CO-SPONSOR OF HOUSE BILL 5**

On motion of Senator Schwertner, Senator Alvarado will be shown as Co-sponsor of **HB 5**.

#### **RESOLUTIONS OF RECOGNITION**

The following resolutions were adopted by the Senate:

##### **Memorial Resolutions**

**SR 702** by West, In memory of Johnny Welton Self.

**SR 722** by Blanco, In memory of Abel Blanco.

##### **Congratulatory Resolutions**

**SR 701** by West, Recognizing Eta Phi Beta Sorority, Incorporated, Epsilon Chapter on the occasion of its 65th anniversary.

**SR 703** by Eckhardt and Flores, Recognizing Connie Sinclair on the occasion of her retirement.

**SR 712** by Flores, Recognizing the DPS Troopers Foundation Burn and Turn BBQ Cook-Off.

**SR 713** by West, Recognizing Teresa Jasso Moreno for 30 years of service in the office of Senator Royce West.

**SR 714** by West, Recognizing La Juana Dianne Barton for 30 years of service in the office of Senator Royce West.

**SR 718** by Menéndez, Recognizing Patti Radle for her service to the San Antonio Independent School District Board of Trustees.

**SR 721** by Schwertner, Recognizing the staff of the Legislative Reference Library for their contributions.

**SR 723** by Blanco, Recognizing Melissa Harcrow for her service on the occasion of Women Veterans Day.

**SR 724** by Blanco, Recognizing Lachrishua Jane Walton for her service on the occasion of Women Veterans Day.

**SR 725** by Blanco, Recognizing Evelyn Hollis for her service on the occasion of Women Veterans Day.

**SR 726** by Blanco, Recognizing members of the El Paso Special Needs Athletic Group 915 Stars for winning performances.

**SR 727** by Blanco, Recognizing Marta E. Artiga for her service on the occasion of Women Veterans Day.

### **Official Designation Resolutions**

**SR 719** by Menéndez, Recognizing September 23, 2023, as Fentanyl Victims Remembrance Day.

**SR 720** by Menéndez, Recognizing May 2023 as ALS Awareness month.

### **ADJOURNMENT**

On motion of Senator Blanco, the Senate at 10:56 p.m. adjourned, in memory of Elena Peña Gallegos, until 11:00 a.m. tomorrow.

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## **APPENDIX**

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### **BILLS AND RESOLUTIONS ENROLLED**

May 28, 2023

**SB 18, SB 409, SB 1367, SB 1404, SB 1500, SB 1585, SB 1624, SB 1677, SB 1933, SB 2192, SB 2440, SCR 22, SCR 59, SJR 93, SR 693, SR 700, SR 701, SR 702, SR 703, SR 704, SR 705, SR 706, SR 707, SR 708, SR 709, SR 710, SR 711, SR 712, SR 713, SR 714, SR 716, SR 717, SR 718, SR 719, SR 720, SR 721, SR 722, SR 723, SR 724, SR 725, SR 726, SR 727**

### **SENT TO GOVERNOR**

May 28, 2023

**SCR 59**

### **SIGNED BY GOVERNOR**

May 28, 2023

**SCR 59**

