

# Summary of Enactments 77th Legislature

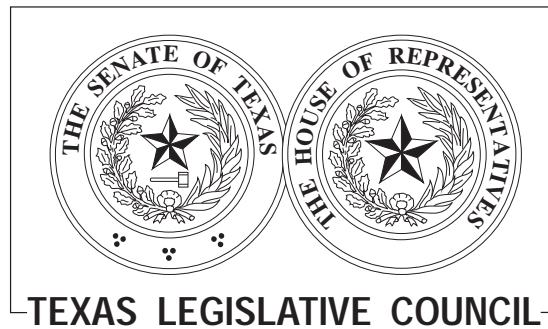
Regular Session 2001



Texas Legislative Council  
October 2001

# Summary of Enactments 77th Legislature

Regular Session 2001



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## FOREWORD

The Summary of Enactments of the 77th Legislature provides synopses of all bills enacted and all joint resolutions proposing amendments to the Texas Constitution passed by the legislature during the 2001 Regular Session. Chapters on changes to governmental entities, sunset legislation, and the governor's vetoes are also included.

This publication is intended to be a convenient reference for the main features of enacted measures within particular subject areas. A summary of an act should not be considered a comprehensive or legal analysis, nor should it be used as a source of authority for legal interpretation. For specific, detailed information, the act itself should be examined.

Copies of enrolled bills and resolutions from the 77th Legislature may be obtained from house and senate document distribution offices until November 2002. House measures are available from the Document Distribution Office, located in Room B.324 of the Robert E. Johnson, Sr., Legislative Office Building, 1501 N. Congress Avenue (P.O. Box 12128, Austin, Texas 78711; (512) 463-1144). Senate measures are available from the Senate Bill Distribution Office, located in Room 190 in the Sam Houston State Office Building, 201 E. 14th Street (P.O. Box 12068, Austin, Texas 78711; (512) 463-0252). The public may also access copies of all enrolled bills and resolutions from the Legislative Reference Library, located in Room 2N.3 of the Capitol (P.O. Box 12488, Austin, Texas 78711; (512) 463-1252).

Online access to legislative information, including enrolled bills, resolutions, text for all bill versions, bill history, bill analyses, and fiscal notes, is available through the Internet at <http://www.capitol.state.tx.us>.





## INTRODUCTION

The Regular Session of the 77th Legislature convened on January 9, 2001, and adjourned *sine die* on May 28, 2001. Of the 1,600 bills enacted during the session, 82 bills and several items of appropriation in Senate Bill 1, the General Appropriations Act, were subsequently vetoed by Governor Rick Perry. Lawmakers also passed 20 joint resolutions proposing amendments to the Texas Constitution, and 19 of these will be submitted to Texas voters for approval in the November 6, 2001, election. The remaining proposition will be offered for ratification on November 5, 2002.

	<b>Filed</b>	<b>Passed</b>	<b>Vetoed*</b>
<b>Bills</b>	5,544	1,600**	82
<b>Joint Resolutions</b>	168	20	0

\* The governor also vetoed several items of appropriation in Senate Bill 1, the General Appropriations Act.

\*\* This number does not include Senate Bill 1672, which was enrolled and then recalled from the governor and not enacted after its recall.



# CHAPTER 1

## ENACTMENTS OF THE 77TH LEGISLATURE

### AGRICULTURE

**HOUSE BILL 453****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Swinford et al.**SENATE SPONSOR:** Haywood

House Bill 453 amends the Agriculture Code to create the Agriculture Policy Board, composed of the commissioner of agriculture, the chairs of the House Agriculture and Livestock Committee and Senate Natural Resources Committee Subcommittee on Agriculture, three state representatives appointed by the speaker of the house of representatives, and three senators appointed by the lieutenant governor. Appointed legislators preferably are to have expertise in agriculture or be from predominately rural or agricultural districts. The bill directs the policy board, through research and analysis, to advocate and recommend strategies that enhance agricultural production, income, and employment, that benefit consumers, and that promote efficient and sustainable natural resource use. Staff support is provided by employees of the two legislative standing committees. The bill also requires the board to create a 15-member ad hoc advisory committee.

**HOUSE BILL 1686****EFFECTIVE:** 6-11-01**HOUSE AUTHOR:** Kolkhorst et al.**SENATE SPONSOR:** Ogden

The Agriculture Code provides that the Texas Animal Health Commission may by rule require a veterinarian to report certain animal diseases within 24 hours after diagnosis. House Bill 1686 amends the code to list 13 diseases, including anthrax and scabies, that veterinarians are by law required to report.

**HOUSE BILL 1687****EFFECTIVE:** 5-28-01**HOUSE AUTHOR:** Kolkhorst et al.**SENATE SPONSOR:** Ogden

House Bill 1687 amends the Agriculture Code to authorize the Texas Animal Health Commission, on request of a commodity producers organization in an industry it regulates, to assist in the development, support, and oversight of a food safety or quality assurance program, including the provision of testing services. The bill also authorizes the commission to solicit and accept gifts, grants, and donations for purposes of general disease and pest control. Sources and amounts must be reported to the legislature annually.

**HOUSE BILL 1880****EFFECTIVE:** 6-16-01**HOUSE AUTHOR:** Swinford et al.**SENATE SPONSOR:** Duncan

House Bill 1880 adds a new Agriculture Code chapter, the Agricultural Development District Act, authorizing a new type of conservation and reclamation district to increase economic opportunities, including value-added operations, and thereby retain agriculture as a vital force in the Texas economy. An agricultural development district, which may be created by a petition and confirmation election process, has specified economic development and agricultural development powers, including but not limited to the promotion or operation of agricultural enterprises, the pursuit of agricultural research and innovation, and the development or expansion of transportation resources for agricultural purposes. With the approval of the

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Texas Department of Agriculture and the commissioners court in each relevant county, a district may designate projects relating to agricultural development and the preservation and conservation of soil and water. The act confers powers to issue bonds and to impose assessments on real property or on an agricultural product produced from that property. Bonds secured by assessments must be acceptable to affected property owners. A district may apply for and receive Texas Agricultural Finance Authority assistance, and with county approval and cooperation it may benefit from the use of tax increment financing through reinvestment zone establishment. A district may not include territory inside municipal boundaries unless approved by the municipality, and district creation requires a pledge to make county and school district payments in lieu of taxes. District powers, except for assessment imposition and the power of eminent domain, may reach outside district boundaries.

### **HOUSE BILL 2091**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Miller et al.

**SENATE SPONSOR:** Haywood

Federal regulations that formerly designated the entire state of Texas as a modified accredited area for purposes of bovine tuberculosis control have been revised to confer split status, recognizing parts of El Paso and Hudspeth counties as a modified accredited advanced zone and the rest of the state as an accredited tuberculosis-free zone. House Bill 2091 amends the Agriculture Code to conform to the federal change. It eliminates specific requirements relating to identification of diseased cattle by branding and tagging, and instead mandates compliance with bovine tuberculosis identification requirements to be set by the Texas Animal Health Commission.

### **HOUSE BILL 2246**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** D. Ellis et al.

**SENATE SPONSOR:** Staples

House Bill 2246, a measure to combat timber theft, amends the Natural Resources Code to make bill of sale requirements applicable uniformly to trees, timber, logs, pulpwood, and in-woods chips. The requirements are not applicable to the sale of trees, logs, or pulpwood with a commercial value of less than \$250; logs or pulpwood from a wood yard, transfer yard, mill site, or storage yard; finished wood products; or trees from a nursery. The bill deletes provisions relating to the branding of floated or rafted logs or timber and provisions allowing a statement in lieu of a bill of sale for staves and crossties. It defines alternatives for the form of a bill of sale and revises bill of sale content specifications. A purchaser must retain the bill of sale for not less than two years. The bill requires that a notice be posted at specified delivery points that highlights the threat of punishment for theft or fraud, emphasizes bill of sale requirements and the penalty for their violation, and provides the Texas Forest Service Timber Theft Hotline number. The new penalty for failure to satisfy bill of sale requirements is a fine of not more than \$500 for each offense. Failure to post the written notice is a misdemeanor subject to a fine in the same amount.

### **HOUSE BILL 2354**

**EFFECTIVE:** 5-25-01

**HOUSE AUTHOR:** Swinford

**SENATE SPONSOR:** Haywood

House Bill 2354 amends the Agriculture Code to grant the Texas Department of Agriculture administrative penalty powers with respect to violations of the code chapter and attendant rules relating to elective commodity programs among commodity producers. The amount of a penalty is \$1,000. The bill authorizes a commodity producers board to forward to the Texas Department of Agriculture a complaint relating to the failure by a processor to collect or remit a commodity assessment. It gives the department associated investigatory, audit, and inspection

powers and provides for related procedures and remedies, including a department order for payment of the due amount, an administrative penalty, and referral to the attorney general or a county or district attorney for legal action in pursuit of civil or criminal penalties, injunctive relief, or order enforcement. If the department and its counsel prevail in a lawsuit, they are entitled to also recover investigation costs and fees, reasonable attorney's fees, and court costs.

**HOUSE BILL 2586**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Swinford  
**SENATE SPONSOR:** Bivins

House Bill 2586 amends Agriculture Code provisions regulating operators of public grain warehouses. It amplifies the powers of the Texas Department of Agriculture, authorizing that agency to examine warehouse operator obligations to a depositor, order grain delivery to a depositor, seal an unsafe or unlicensed warehouse, regulate non-warehouse temporary grain storage, and take various other corrective, enforcement, and administrative actions. The department may intervene in a suit for bankruptcy, receivership, garnishment, or other action affecting operator or depositor assets. The bill adds provisions relating to the licensing of multiple warehouses, allowing a single license for multiple warehouses or facilities that are located within a 60-mile diameter. Bond provisions make a single bond mandatory for warehouses licensed as a single facility or combination. The bill eliminates the bond cap and bases the requisite bond amount on a \$20,000 minimum or six cents per bushel of storage capacity. New provisions govern the cancellation of a letter of credit or certificate of deposit or cash approved by the department in lieu of a bond. Casualty insurance requirements expand to cover additional types of potential losses.

The bill increases the maximum administrative penalties from \$500 to \$10,000 and provides for civil penalties of \$500 to \$10,000. It makes interference with a sealed warehouse or a department inspection or investigation a third-degree felony. The bill also covers business information confidentiality, intermingling and segregation of deposited grain, loadout fees, judicial appeal of department actions by operators, and other matters. Additional changes affect operators of certain other types of public warehouses that store agricultural commodities or produce.

**HOUSE BILL 3023**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum  
**SENATE SPONSOR:** Bivins

House Bill 3023 amends the Water Code to require the Texas Natural Resource Conservation Commission in setting water quality standards to designate watershed protection zones to clarify when a concentrated animal feeding operation is close enough to a sole-source surface drinking water supply to trigger water quality permitting requirements, including environmental permitting procedures. The bill sets specific distance parameters for relevant surface water bodies and streams, and the requirements are triggered if any part of a feeding operation pen, lot, pond, or other type of control or retention facility or structure is within such a protection zone. A land application area is not considered a control or retention facility.

**HOUSE BILL 3673**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Swinford et al.  
**SENATE SPONSOR:** Bivins

House Bill 3673 revises Agriculture Code provisions relating to the feeding of garbage to swine. Under previous law, such feeding required registration with and a permit from the Texas Animal Health Commission, plus the heating of the garbage to a specified temperature for a specified duration. The bill instead establishes two classes of garbage. Restricted

## Agriculture

garbage includes animal refuse and waste, or commingled garbage containing animal matter. The feeding of restricted garbage to swine, or the provision of restricted garbage to another for the purpose of feeding swine, is prohibited, except that a Texas Department of Criminal Justice facility may use restricted garbage that is treated according to federal requirements. Unrestricted garbage is limited to refuse and waste from food containing only vegetable matter. Registration and permitting requirements continue as before for unrestricted garbage, but the bill eliminates the heating requirement.

The bill enhances the commission's associated regulatory powers and requires the commission to attempt to inform each supplier of restricted garbage and each feeder of garbage to swine of the new law. It further requires the commission to assist those feeding garbage to swine in identifying nonrestricted sources. The bill authorizes the commission or its executive director to issue an emergency order to suspend a registration or to quarantine and close a garbage feeding facility if a determination is made that feeding practices present a danger to public health or the livestock industry. Such an order must expire not later than the end of the second month after its effective date. The bill authorizes the commission or executive director, pursuant to a like determination, to issue an order prohibiting the feeding of restricted garbage to swine in all or part of the state.

**SENATE BILL 331**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Haywood et al.  
**HOUSE SPONSOR:** Swinford

In 1999 the 76th Legislature adopted a state agricultural policy. Senate Bill 331 amends the Agriculture Code to elaborate on policy provisions regarding water availability, soil and water resources, land preservation, pest and disease control, food safety, Texas product promotion, value-added enterprises, federal policy-making participation, research and education, infrastructure development, roads and transportation, rural fire service, availability of capital, state taxation, and state regulation. The bill adds new state policy provisions relating to eradication, control, or exclusion of noxious plants and brush species. Changes relating to property rights and the right to farm address the promotion and protection of agricultural activities that are established before nearby nonagricultural activities. For such purposes, agricultural activities are presumed to be reasonable and not a nuisance, and to not adversely affect public health or safety if undertaken in conformity with federal, state, and local laws and regulations.

**SENATE BILL 571**  
**EFFECTIVE:** 5-21-01

**SENATE AUTHOR:** Lucio et al.  
**HOUSE SPONSOR:** Flores

Senate Bill 571 amends the Agriculture Code and Transportation Code to make changes in the "Go Texan" partner program at the Texas Department of Agriculture, which boosts Texas agricultural products. The bill expands the definition of such products to add livestock and poultry feed and by-products and products associated with equine species and wildlife. It broadens the program to include not just products and ingredients grown in Texas but also products processed in Texas, and broadens it to include not just promotion but also marketing. The bill revises the membership and voting qualifications of the program's advisory board and grants the department certain rulemaking and enforcement powers for program administration. Fiscal changes remove the cap on the fee charged program participants, eliminate use of fee revenue for product promotion, expand the list of vehicles for which "Go Texan" license plates may be issued, authorize the department to sell or contract for the sale of "Go Texan" paraphernalia, channel the sale proceeds to the program account, and allow minor expenditures for refreshments at promotional events.

**SENATE BILL 716**  
**EFFECTIVE: 5-2-01**

**SENATE AUTHOR:** Duncan et al.  
**HOUSE SPONSOR:** Bernsen

Senate Bill 716 amends the Agriculture Code to expand the Texas Agricultural Finance Authority (TAFAs) linked deposit program to encourage the development or expansion of businesses in rural areas, to allow linked deposit to loans to businesses providing nonagricultural goods or services that provide an economic benefit to a city or county in a rural area of the state, and to allow a Farm Credit System institution headquartered in Texas to participate in the linked deposit program as an eligible lender.

The bill increases from \$25 million to \$30 million the amount that may be placed in linked deposits, dedicates \$5 million exclusively to financing the economic development of businesses in rural areas, and caps an individual loan to finance a business in a rural area at \$250,000. For TAFAs program purposes, the bill includes any business in a rural area in the definition of "agricultural business." The bill also allows the proceeds from revenue bonds issued by TAFAs to be used to finance programs designed to further rural economic development and provide financial assistance to eligible agricultural businesses, and it requires TAFAs to provide for payment from the Texas agricultural fund for the purpose of reducing the interest rate on certain agricultural loans.

**SENATE BILL 717**  
**EFFECTIVE: 5-18-01**

**SENATE AUTHOR:** Duncan  
**HOUSE SPONSOR:** Hawley

Senate Bill 717 amends the Agriculture Code to eliminate interim advisory groups under the boll weevil eradication program and to authorize the agriculture commissioner instead to appoint advisory committees for existing or contemplated eradication zones. Duties of a committee are similar to those of an interim advisory group, but recommendation jurisdiction becomes discretionary and the list of recommendation topics is modified to delete crediting of cotton grower assessments. The bill authorizes the Texas Boll Weevil Eradication Foundation, Inc., to cooperate with a state agency outside Texas with respect to a contiguous area of weevil infestation. It gives the Texas Department of Agriculture certain audit and inspection powers relating to the failure to pay assessments. The bill provides that an assessment lien is subject to and preempted by the federal Food Security Act of 1985, is to be treated in the same manner as a security interest created by the seller, and is not an agricultural lien under Uniform Commercial Code provisions on secured transactions. The bill amends the conditions under which a buyer of cotton takes free of an assessment lien.

**SENATE BILL 858**  
**EFFECTIVE: 9-1-01**

**SENATE AUTHOR:** Bernsen  
**HOUSE SPONSOR:** Zbranek

Senate Bill 858 amends the Health and Safety Code to require the comptroller to compare the records of the fees collected on oyster sales to records from the Parks and Wildlife Department relating to oyster barrel purchases. The bill specifies that a discrepancy in records, which reflects an underreporting of oysters harvested, purchased, handled, or processed, constitutes prima facie evidence of a violation that is subject to penalty. The bill also allows the members of the Texas Oyster Council to be reimbursed for expenses incurred by their service on the council.

Senate Bill 858 amends the Agriculture Code to entitle members of the Oyster Advisory Committee to be reimbursed for certain expenses and modifies the composition of the advisory committee.



## Agriculture

### **SENATE BILL 938**

**EFFECTIVE:** 5-7-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Cook

Senate Bill 938 amends Agriculture Code provisions and other laws to make various changes relating primarily to the powers and authority of the commissioner of agriculture and Texas Department of Agriculture. The bill transfers from the comptroller to the commissioner the authority to impose and administer certain fees relating to sales of motor fuel mixtures and redirects associated fee revenue accordingly. The fees are to be imposed on retail dealers rather than distributors, suppliers, wholesalers, and jobbers. The bill authorizes the department to enter into cooperative agreements with private and governmental entities. It revises regulatory license sanctions and gives the department discretion in applying them. A clarification makes commodity producers boards subject to the open meetings law, the open records law, and the Tort Claims Act. Other provisions relate largely to plant and seed inspection and to revisions to the department's statistics collecting functions.

### **SENATE BILL 1339**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** McReynolds

Senate Bill 1339 amends the Water Code to require an owner or operator of a poultry facility to implement and maintain a water quality management plan for the facility that is certified by the State Soil and Water Conservation Board. The bill empowers the Texas Natural Resource Conservation Commission to bring a cause of action to remedy or prevent a violation of the requirement or of other regulatory provisions relating to disposal of poultry waste. It sets deadlines for development and submission of site-specific water quality management plans, with each plan based on the particular site's date of initial operation, and clarifies that a poultry operation may be designated as a point source of pollution only in limited circumstances. The plan implementation requirement and the commission's authority to bring a cause of action take effect January 1, 2002. Other portions of the bill, including the schedule for development and submission of required plans, take effect September 1, 2001.

### **SENATE BILL 1454**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Flores

Senate Bill 1454 amends the Agriculture Code to create the Texas Food for Health Advisory Council. The council's duties include developing educational materials to promote fruit and vegetable consumption, issuing requests for research proposals and awarding research grants to enhance health benefits of fruits and vegetables and to help growers maximize crop yields, and developing educational programs on safe and appropriate methods of storing, preparing, and serving fresh produce. The bill attaches the council administratively to the Texas Agricultural Experiment Station and requires that entity to submit a related annual report to specified state officials. It provides that the Texas Department of Agriculture will serve the council in a resource and advisory capacity.

## APPROPRIATIONS

### **HOUSE BILL 1333**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** R. Ellis

House Bill 1333 makes \$669.3 million in emergency transfers and appropriations for FY2001. Transfers come from certain unencumbered funds appropriated to state agencies in 1999 and represent 76 percent of that total. Major expenditures include \$489,944,000 in transfers and appropriations to the Texas Department of Health (TDH) for Medicaid services and \$109,300,000 to the Texas Department of Criminal Justice for prison capacity and career ladder salary adjustments. The TDH funds, most of which if unexpended are available in FY2002 as well, are unavailable. Other recipient agencies include the State Office of Risk Management to pay workers' compensation claims, the adjutant general's department to pay utility costs, the Texas Natural Resource Conservation Commission (TNRCC) for any necessary purposes for which it received a FY2001 appropriation from general revenue, the Texas Department of Transportation to fund planning and design contracts, and the Department of Protective and Regulatory Services to allow it to manage a higher than expected caseload.

The bill appropriates \$66,889,231 from the general revenue fund to various agencies for FY2002. Recipients include the governor's office for criminal justice planning, and emergency and deficiency grants and disaster grants, the Texas Higher Education Coordinating Board for Toward EXcellence, Access, and Success (TEXAS) grants, the Texas Historical Commission for archeological heritage protection and resource evaluation and interpretation, the State Preservation Board for general purposes, the General Services Commission for property enhancements and computer acquisition, and the TNRCC for low-level radioactive waste assessment. The bill authorizes the Texas Department of Economic Development to spend \$4 million in previously appropriated smart job funds to make community grants in connection with the creation of qualified defense-related jobs.

### **HOUSE BILL 2065**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Eiland

**SENATE SPONSOR:** R. Ellis

House Bill 2065 amends the Government Code to authorize the attorney general to certify to the comptroller and the Legislative Budget Board that money awarded to the state in settlement of a claim is to be credited to a specific account for particular appropriation purposes if current law is not clear on the account to which the money should be credited. The bill establishes a timetable of 31 days during which the board may concur or certify instead that the settlement money be credited to another account or not be credited to any account for particular appropriation purposes.

### **HOUSE BILL 2071**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** Haywood

House Bill 2071 amends the Government Code to require that the annual statewide cost allocation plan, prepared by the office of the governor to apportion indirect costs associated with providing support services to state agencies, include a billing procedure to ensure agency billing for all allocated costs the agency is not otherwise obligated to pay another agency. The bill requires a state agency to send to the comptroller for transfer to the general revenue fund allocable federal money, agency fees, and any remaining amounts necessary to pay the billed amount. The legislature in the General Appropriations Act may waive payment of the billed

## Appropriations

amount to the extent that it would be made from the agency's general revenue appropriation. The bill requires the comptroller to adopt rules relating to the timing and method of transfers and the manner in which a state agency sends to the comptroller certain information requisite to the transfer.

**HOUSE BILL 2852**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell  
**SENATE SPONSOR:** R. Ellis

House Bill 2852 appropriates from the general revenue fund, dedicated accounts in that fund, and other state and federal funds almost \$1.75 million to pay miscellaneous claims and judgments against the State of Texas. Each payment is subject to verification and substantiation of the claim or judgment and approval by the attorney general and the comptroller.

**HOUSE BILL 3244**  
**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Gallego  
**SENATE SPONSOR:** Duncan

House Bill 3244 amends the Government Code to authorize, for Texas Department of Health cash-management purposes, the temporary transfer of appropriated available earnings from among the permanent funds for tobacco education and enforcement, children and public health, emergency medical services and trauma care, and community hospital capital improvement. The department may direct a transfer by the comptroller to pay, from one fund's earnings, certain obligations the department incurs in regard to another of the funds. Not later than the 90th day after the transfer, the department must direct the comptroller to return the money to the fund from which it was appropriated.

**SENATE BILL 1**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. Ellis  
**HOUSE SPONSOR:** Junell

Senate Bill 1, the General Appropriations Act, appropriates almost \$113.8 billion for the FY2002-FY2003 fiscal biennium beginning September 1, 2001. That amount, from all funding sources except interagency contracts, reflects an expenditure increase of 11.6 percent over FY2000-FY2001. Of the biennial appropriations, \$66.2 billion, or 58.2 percent, is derived from general revenue, both dedicated and undedicated. Another \$34.8 billion, or 30.6 percent, comes from federal funding.

Education receives almost \$48.7 billion, an increase of 7.6 percent over the preceding biennium, and includes \$452.2 million to cover a projected deficit in the Teacher Retirement System of Texas health insurance fund. Of the \$35 billion appropriated for health and human services, \$25 billion is for the Medicaid program and includes \$1.3 billion for Medicaid caseload growth and annualization of 2001 rates, \$206.1 million to cover a less favorable federal matching rate than in the preceding fiscal biennium, and \$392.1 million to fund a 24th Medicaid payment in the fiscal biennium, rather than 23 payments as were appropriated for in the last biennium. Total funding for health and human services represents a 17.1 percent increase.

Business and economic development, including transportation, is funded at \$13.9 billion, an increase of 9.1 percent over the preceding biennium. Public safety and criminal justice receives \$8.3 billion and includes \$146 million for salary increases and to extend the career ladder for correctional officers, parole officers, and other correctional personnel. Total funding for public safety and criminal justice represents an increase of 2.5 percent. Natural resources

receives \$2 billion, an increase of two percent. That funding includes \$179.7 million to the Texas Natural Resource Conservation Commission for petroleum storage tank remediation and program administration.

Senate Bill 1 satisfies all four constitutional spending limits. The “pay-as-you-go” limit, which requires comptroller certification that certain expenditures are within available revenue, is below the limit by \$100 million. The rate of growth of certain appropriations from undedicated state taxes, which is limited to the estimated rate of growth of the state’s economy, is \$1.6 billion below the spending limit, excluding contingency appropriations, and will still be below the limit if all contingency appropriations are certified. The limit on the amount of state funds that may be spent on welfare grants to needy dependent children and their caretakers is one percent of the state budget in the biennium, or \$1.138 billion. The amount appropriated to Temporary Assistance for Needy Families for the biennium is \$243.2 million, or \$894.5 million less than the one percent limit. Debt service payable from general revenue, excluding certain constitutionally dedicated revenues, is limited to no more than five percent of the average annual unrestricted general revenue for the three preceding fiscal years. The estimated level for FY2002 is 1.6 percent.

**SENATE BILL 736**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Wilson

Senate Bill 736 requires that all fees and funds collected by the Texas State Board of Public Accountancy, the Texas Board of Professional Engineers, and the Texas Board of Architectural Engineers while participating in the self-directed semi-independent agency pilot project are to be deposited in interest-bearing accounts in the Texas Treasury Safekeeping Trust Company. The bill requires the comptroller to contract with the agency for the maintenance of the deposit accounts under terms comparable to a contract between a commercial banking institution and its customers. It appropriates an amount equal to 50 percent of each agency’s appropriated amount for fiscal year 2001 for use after the conclusion of that fiscal year and requires the agency to repay that amount to the general revenue fund as funds become available.

**SENATE BILL 1091**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. Ellis

**HOUSE SPONSOR:** Junell

Under previous law, state agency payments to settle claims for which the agency was liable were limited to \$5,000 per claim and to five percent of the agency’s appropriation for all claims in a fiscal year. Senate Bill 1091 amends the Civil Practice and Remedies Code to provide that the payment made by a state agency for a single claim and the payments made for all claims in a fiscal year may not exceed limitations imposed by the General Appropriations Act.



## BANKING AND FINANCE

### **HOUSE BILL 198**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt et al.

**SENATE SPONSOR:** Carona

House Bill 198 amends the Finance Code to provide that an acquisition charge on a loan with a cash advance of more than \$100 is considered earned at the time the loan is made and is not subject to refund in the event of early repayment of the loan.

### **HOUSE BILL 1166**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Denny et al.

**SENATE SPONSOR:** Carona

House Bill 1166 amends the Finance Code to expand and update the regulation of the business of selling checks to cover electronic transactions and to incorporate changes resulting from the passage of federal financial modernization laws. The bill also includes under the definition of “money” monetary units established by agreement between two or more nations (i.e., the euro). The bill expands the authority of the Finance Commission of Texas to adopt rules to enforce and administer the Sale of Checks Act.

The bill requires the banking commissioner to conduct examinations of license holders annually, periodically, or more often as necessary and includes provisions relating to the confidentiality of information gathered and reported as a result of an examination or in the course of licensing, including personal or private information relating to specific check purchasers. The bill authorizes the banking commissioner to enter into cooperative, coordinating, or information-sharing agreements with other governmental agencies with respect to the regulation of check sellers, and it requires a seller to be licensed if it sells checks to purchasers located in this state or if the seller or its agent is located in this state. The bill exempts certain governmental entities and persons for whom the business of selling checks is only incidentally or peripherally related to the person’s primary business.

The bill elaborates certain disqualifications for licensing related to conviction of crimes involving deception, dishonesty, or defalcation or offenses relating to currency exchange, transmission, or money laundering, and it requires certain additional information relating to the identity, business plan, and bonding of a license applicant to be included in the license application. The bill gives the banking commissioner the flexibility to determine the amount of a licensee’s surety bond within certain specified limits, and it requires the commissioner to hold a hearing on denial of an application within 60 days of receiving a request for such a hearing. The bill authorizes a check seller to do business through physical or electronic facilities and to charge a different price for checks based on the type of facility used in the transaction under certain circumstances. Finally, the bill includes a provision relating to liability for payment of a money order when a stop-payment order has been issued.

### **HOUSE BILL 1493**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wise et al.

**SENATE SPONSOR:** Staples

House Bill 1493 amends the Finance Code to require the Finance Commission of Texas, by rule, to adopt standard forms for use by mortgage brokers or loan officers to indicate a mortgage loan applicant’s preapproval or prequalification. The bill also requires the savings and loan commissioner to obtain criminal history record information from the Federal Bureau of Investigation for an applicant for a mortgage broker or loan officer license. The bill requires each licensed mortgage broker to file with the savings and loan commissioner an annual report that includes information relating to loan origination for the mortgage broker and each loan



officer sponsored by the broker, and it provides that such information is confidential. The bill provides that an appeal of an administrative penalty under the Mortgage Broker License Act is considered a contested case.

**HOUSE BILL 1636**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McCall et al.  
**SENATE SPONSOR:** Sibley

House Bill 1636 amends the Finance Code to continue the office of savings and loan commissioner and the Savings and Loan Department until September 1, 2013. In addition to including across-the-board sunset provisions, the bill requires, rather than permits, the commissioner to obtain criminal history record information maintained by the Federal Bureau of Investigation on an applicant for a mortgage broker or loan officer license, and it requires the commissioner to issue a provisional license if the information has not been received for an otherwise qualified applicant before the 61st day after it was requested. If the information has not been received within 181 days of being requested, the license's provisional status ends, and the license is subject to the same provisions as a regular license. The bill also requires each licensed mortgage broker to file with the department an annual report containing information on loan originations and loan officers sponsored by the broker and specifies that certain information included in the report is confidential. Finally, the bill authorizes the commissioner to conduct investigations of licensees as necessary and at any time.

**HOUSE BILL 1684**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solomons  
**SENATE SPONSOR:** Carona

House Bill 1684 amends the Finance Code to authorize the holder of a motor vehicle retail installment contract to include, as a separate charge in the contract, a policy or agent fee charged in connection with a credit life insurance policy, credit health and accident insurance policy, or involuntary unemployment insurance policy that is provided as additional protection for the contract.

**HOUSE BILL 1763**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McCall et al.  
**SENATE SPONSOR:** Sibley

House Bill 1763 amends the Finance Code to continue the Finance Commission of Texas until September 1, 2013, and to include across-the-board sunset provisions. The bill changes the role of the finance commission, specifying that it is the policy-making and sole rulemaking body for the Texas Department of Banking, the Savings and Loan Department, and the Office of Consumer Credit Commissioner, together defined as "finance agencies," and that it is not a separate state agency. The bill makes changes in accordance with this altered role throughout applicable sections of the Finance Code. The bill requires the finance commission to prepare and periodically update a strategic plan for coordinating the state financial system.

The bill changes the composition of the finance commission to replace one banking executive and one savings executive with a consumer credit executive and a mortgage broker. The bill also requires the Texas Department of Banking and the Savings and Loan Department to jointly conduct a continuing review of the condition of the state banking system and requires the departments to report to the finance commission on the results of the review, which must include a review of all available national and state economic forecasts and an analysis of changing banking practices and new banking legislation.

Finally, the bill requires the finance commission and the Department of Information Resources to create and direct a committee consisting of representatives of the pawnbroker industry, law enforcement, and the computer software industry to devise standard formats for pawnbrokers

to electronically provide reportable data to law enforcement agencies, considering privacy issues to ensure the protection of the financial information of pawnbroker customers. The committee is to report its findings and recommendations to the legislature by June 30, 2002.

**HOUSE BILL 1994**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Marchant

**SENATE SPONSOR:** Carona

House Bill 1994 amends the Finance Code to increase from \$50 to \$75 the maximum documentary fee that a seller of a motor vehicle may charge for handling documents and performing other services in connection with the closing of retail installment sales of certain vehicles and with motor vehicle installment sales.

**HOUSE BILL 1995**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Marchant

**SENATE SPONSOR:** Carona

House Bill 1995 amends the Property Code to allow an encumbrance to be properly fixed on homestead property for home equity loans or reverse mortgages that meet the requirements set forth in the Texas Constitution.

**HOUSE BILL 2139**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Marchant

**SENATE SPONSOR:** Carona

House Bill 2139 amends the Finance Code to allow a retail installment contract for the purchase of a motor vehicle to include a charge for a debt cancellation agreement or waiver by which the holder of the contract agrees to cancel the debt on the contract if the vehicle is rendered a total loss. The bill sets forth the method of computing the exact amount of the debt to be canceled, allows the holder to agree to waive the deductible amount on the buyer's collision insurance policy, and provides that a debt cancellation agreement or waiver is not insurance or an insurance product or service regulated by the insurance commissioner or the Texas Department of Insurance.

**HOUSE BILL 2153**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt

**SENATE SPONSOR:** Sibley

House Bill 2153 amends the Government Code to expand the powers of the Texas Public Finance Authority (TPFA) to include the general authority to issue and sell bonds to finance construction or purchase and renovation of buildings outside of Travis County. The bill also resolves conflicting provisions relating to the TPFA's exclusive authority to issue bonds on behalf of certain institutions of higher education, increases the size of the TPFA's governing board from six to seven members, requires the governor to appoint the new member as soon as practicable to a term expiring February 1, 2007, reconciles provisions relating to the terms of governing board members, and updates certain provisions relating to the TPFA's duties.

**HOUSE BILL 2154**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt

**SENATE SPONSOR:** Shapiro

House Bill 2154 amends the Finance Code to authorize a retail seller or the holder of a motor vehicle retail installment sales contract that provides for interest accrual on unpaid installments to charge both a delinquency charge and the interest accrued on a delinquent installment at the contracted rate.



**HOUSE BILL 2155**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt  
**SENATE SPONSOR:** Sibley

House Bill 2155 amends the Finance Code to resolve inconsistencies between state and federal banking laws by enhancing state bank and trust company charters and to authorize activities beyond those allowed for national banks and their subsidiaries. The bill grants the banking commissioner flexibility to allow state banks and trust companies to offer certain additional financial services.

The bill allows a state bank to provide financial, investment, or economic services; issue or sell instruments representing pools of assets in which a bank may invest indirectly; and, with the banking commissioner's approval, engage in a financial activity or an activity that is incidental or complementary to a financial activity. The bill similarly allows a trust company, under certain conditions, to engage in a financial activity or an incidental or complementary activity, either directly or through a subsidiary. In both cases, the bill allows the finance commission, by rule, to determine that an activity not otherwise approved or authorized for a state bank by law is a financial activity or is incidental or complementary to a financial activity.

**HOUSE BILL 2255**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McCall et al.  
**SENATE SPONSOR:** Harris

House Bill 2255 amends The Securities Act to continue the State Securities Board until September 1, 2013, and to include or update sunset across-the-board provisions. The bill also increases the membership of the board from three to five members and requires that their terms be staggered, with as near as possible to one-third of the terms expiring January 20 of each odd-numbered year; requires the securities commissioner to develop and implement investor education initiatives to inform the public about the basics of investing in securities; prohibits a person from rendering services as an investment adviser or an investment adviser representative in this state unless the person registers with the board or is specifically exempt under the act or board rule; and includes registered investment advisers and representatives in provisions relating to the application and examination for registration, the posting of registration certificates, fees, and administrative sanctions and enforcement actions.

The bill authorizes the securities commissioner to access criminal history record information maintained by the Department of Public Safety relating to certificate applicants, certificate holders, applicants for employment, and employees. The bill also authorizes the commissioner to inspect registered dealers or investment advisers to ensure compliance with applicable law and rules and to issue emergency cease and desist orders to or assess an administrative fine against a person, including an investment adviser or investment adviser representative, engaging in or about to engage in fraud. Finally, the bill provides that a corporation is criminally responsible for certain offenses if their commission is authorized, requested, or condoned by a majority of the corporation's governing board or by a high managerial agent acting on its behalf and that investment advisers and investment adviser representatives are civilly liable to purchasers for damages under certain circumstances.

**HOUSE BILL 2728**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Crownover  
**SENATE SPONSOR:** Fraser

House Bill 2728 amends The Securities Act to exempt from regulation under the act the sale or distribution of securities under certain written compensation plans or contracts established for the benefit of (1) general partners, managers, or officers of the issuer or its subsidiary; (2)

trustees, if the issuer or subsidiary is a business trust; or (3) consultants or advisors who provide to the issuer or subsidiary certain services unrelated to the offer or sale of securities in a capital-raising transaction.

**HOUSE BILL 3015**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Crownover

**SENATE SPONSOR:** Fraser

House Bill 3015 exempts the donation of certain securities by the issuer to a nonprofit charitable organization from regulation under The Securities Act.

**HOUSE BILL 3567**

**EFFECTIVE:** 5-24-01

**HOUSE AUTHOR:** Marchant

**SENATE SPONSOR:** Truan

House Bill 3567 amends the Natural Resources Code to authorize the Veterans' Land Board to provide loans to veterans for the purchase of land that are secured by a mortgage, deed of trust, or other lien on the land. The bill authorizes the board to enter into contracts with lending institutions to handle the administration of such loans; sets forth provisions relating to payment, fees, interest, and foreclosure on the loans; and includes proceeds, interest, and other benefits from such loans in the veterans' land fund. The bill requires the board to insure itself against a portion of the losses associated with defaults on such loans and authorizes the board to permit a person to combine a loan made under the subchapter with a home loan made under the Veterans' Housing Assistance Program. A veteran receiving such a loan is prohibited from leasing, selling, or otherwise transferring the land for three years, but the board is authorized to waive the three-year requirement in certain circumstances.

**SENATE BILL 272**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Thompson

Senate Bill 272 amends the Finance Code to authorize an alternate maximum interest charge for certain small consumer loans that are not secured by real property. For such loans, the bill also limits the maximum loan term, prohibits the lender from charging an administrative fee more than once every 365 days, prohibits certain activities involving multiple loan contracts, and authorizes a delinquency charge on the amount of any payment in default for a period of not less than 10 days. The bill increases from 50 cents to \$1 the portion of the administrative fee associated with a loan that is to be deposited with the comptroller for use in carrying out the finance commission's responsibilities.

The bill also requires the finance commission to instruct the consumer credit commissioner to establish a program to address alternatives to high-cost lending in this state, including a study and report on the problem, evaluation of alternatives to high-cost lending, development of models to provide lower-cost alternatives, and tracking of certain geographic and demographic information relating to lenders of high-cost loans. The bill authorizes the program to provide funding for pilot programs and to make grants to nonprofit institutions working to provide alternatives to high-cost loans.

**SENATE BILL 314**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** McCall

Senate Bill 314 amends the Finance Code to continue the office of banking commissioner until September 1, 2013, and to include across-the-board sunset provisions. The bill authorizes the commissioner to place a permit holder whose permit is suspended on probation, to require the permit holder to report regularly to the department, and to limit its activities as prescribed

by the commissioner. The bill also requires a sales contract for prepaid funeral benefits to be written in plain language and easily readable, and it requires the Finance Commission of Texas to establish a standard disclosure to be included in such contracts regarding the goods and services to be provided or excluded under the contract and any contract modifications. The bill provides that the purchaser of a prepaid funeral contract, upon cancellation of the contract, must receive a refund of half of all earnings attributable to the amount paid for the contract as well as the actual amount paid and sets forth the circumstances under which the goods and services provided under a fully paid prepaid funeral benefits contract may be modified after the death of the beneficiary. The bill also requires a waiver of the right of cancellation of a prepaid funeral benefits contract to be contained in a separate document and to be signed by the purchaser and seller not earlier than the 15th day after the date of the purchase of the contract.

Senate Bill 314 also amends the Health and Safety Code to authorize the finance commission to adopt rules relating to perpetual care cemeteries and to clarify provisions relating to examinations of perpetual care cemetery records and enforcement of the law or administrative rules relating to such cemeteries by the commission. The bill provides that a perpetual care cemetery owner or operator may not bury the remains of a person who caused the death of another person and was convicted of a crime in connection with that death, or was identified as the cause but died before being convicted, in the same cemetery as the victim of the crime if the prohibition is requested by the person having the right to control the disposition of the victim's remains, and it provides for damages to be paid by the cemetery to the person requesting the prohibition if this provision is violated.

The bill also requires a trier of fact who finds, after a hearing under the Administrative Procedures Act, a pattern of wilful disregard for the law or rules of the finance commission to recommend that the maximum administrative penalty be imposed or that the person's permit be canceled or denied renewal if the person holds a permit. Finally, the bill amends the Insurance Code to exempt a funeral home employee who is licensed to sell certain life insurance policies relating to the delivery of funeral services under regulated prepaid funeral contracts from continuing education requirements for licensing, and it amends the Business & Commerce Code to require the payment of a check at par by a payor bank on which the check is drawn regardless of whether the payee holds an account at the bank.

**SENATE BILL 317**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** McCall

Senate Bill 317 amends the Finance Code to continue the Office of Consumer Credit Commissioner until September 1, 2013, and to include across-the-board sunset provisions. The bill deletes provisions that set annual license fees for certain regulated lenders and pawnshops in statute and instead requires the Finance Commission of Texas to set fees for licensing and examination for consumer loan licensees, motor vehicle installment sales licensees, and pawnshops by rule and to include model contracts in rules relating to loan contract and retail installment transaction contracts, which are required to be written in plain language and printed in an easily readable font and type size. A person using a contract other than a model contract must submit that contract to the commissioner for approval. The bill also requires the finance commission to regulate deferred presentment transactions, prohibits a party to such a transaction from attempting to evade regulations by subterfuge or pretense, and authorizes the seller in a sale-leaseback agreement to terminate the agreement at any time by returning the property that is the subject of the agreement. The bill prohibits the buyer in a sale-leaseback transaction who requires the seller to provide a check as security for the transaction from filing

or threatening to file a charge, complaint, or criminal prosecution based on nonpayment of the check and provides that violation of this provision is a misdemeanor punishable by a fine of not more than \$1,000.

Senate Bill 317 deletes provisions requiring holders of motor vehicle installment sales contracts to register with the office and requires holders of such contracts who are not authorized lenders or credit unions to be licensed by the office. The bill sets forth the application requirements for and grounds for approval and denial of such a license, as well as for disciplinary actions against license holders; requires the consumer credit commissioner to investigate applicants; provides for an initial investigation fee, an annual license fee, and a fee to cover periodic examination costs and a proportionate share of administration expenses; and authorizes the commissioner and the Texas Department of Transportation to share information relating to license holders.

Finally, the bill clarifies and conforms provisions relating to insurance premium financing, adjusts certain amounts used in the calculation of ceilings on pawn service charges, reduces the period a pawnbroker is required to hold pledged goods from 60 to 30 days after the maturity date stated in the pawn ticket, authorizes the office to obtain criminal history information relating to applicants for or holders of consumer loan licenses and motor vehicle installment sale licenses, repeals a provision relating to reductions in annual license fees for a pawnshop license application submitted after June 30, and requires the finance commission and the consumer credit commissioner to conduct a study of mortgage lending practices to identify any possible predatory and discriminatory lending patterns or practices.

Senate Bill 317 takes effect September 1, 2001, except for the repeal of provisions relating to registration of holders of motor vehicle installment sales contracts and provisions relating to licensing of such holders, which take effect September 1, 2002.

**SENATE BILL 433**  
**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Solomons

Senate Bill 433 amends the Business & Commerce Code to make technical changes to Uniform Commercial Code sections relating to secured transactions, to reenact transition provisions relating to the revision of those sections in the code, and to include provisions to allow and govern the amendment of a financing statement filed before the effective date of the revision.

**SENATE BILL 565**  
**EFFECTIVE:** 7-1-01

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Capelo

Senate Bill 565 adds a chapter to the Government Code establishing provisions relating to the validity, perfection, ranking, and enforcement of public securities. The bill establishes that a security interest created by a governmental issuer by means of a security agreement is perfected from the time the security agreement is entered into or adopted until the termination of the security agreement or, in the case of a security interest in real property, when an instrument creating the security interest is recorded in the appropriate county. The bill further establishes that such a security interest is valid and effective according to the terms of the security agreement; is ranked as to priority in order of the time of perfection; and may be enforced as provided by the security agreement or the law that authorizes the security agreement.

**SENATE BILL 585**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Averitt

Senate Bill 585 amends the Mortgage Broker License Act to exempt Farm Credit System institutions from the provisions of the act, and to require the savings and loan commissioner to reimburse a licensed employee of a Farm Credit System institution any fees paid under the act attributable to the period between September 1, 2001, and the license's expiration date.

**SENATE BILL 707**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Averitt

Senate Bill 707 amends Finance Code provisions relating to collateral protection insurance. The bill repeals a section of the Finance Code that regulated notice and payment procedures for collateral protection insurance that is required by a creditor and paid by the debtor and replaces it with a more detailed chapter that regulates the coverage, terms, conditions of purchase, liability, cancellation, and other aspects of collateral protection insurance.

The bill defines "collateral protection insurance" as insurance purchased by a creditor and payable by a debtor under the terms of a credit agreement to provide the creditor with monetary protection against loss of, damage to, or liability arising out of ownership of the collateral involved in the credit agreement. The insurance may be purchased by the creditor from any authorized insurer on behalf of the debtor at the debtor's expense when the debtor fails to obtain or maintain insurance covering that collateral. The bill sets forth the specific circumstances under which a creditor may place collateral protection insurance pursuant to a credit agreement; the content, timing, format, and method of delivery of notices that the creditor must provide to the debtor relating to the policy purchase; and certain terms for payment that must be included in the agreement. A debtor may cause the cancellation of the policy at any time by providing evidence to the creditor that the debtor has obtained a policy as required by the credit agreement. In the event the creditor's policy is canceled or expires, the bill requires the creditor to refund unearned premiums to the debtor and sets forth the method and timing of such a refund.

**SENATE BILL 935**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Pitts

Senate Bill 935 amends the Finance Code to exempt an authorized Internal Revenue Service e-file provider from the requirement to be licensed by the consumer credit commissioner in order to make loans based on federal income tax refunds on a financial institution's behalf.

**SENATE BILL 1581**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West

**HOUSE SPONSOR:** Y. Davis

Senate Bill 1581 amends the Finance Code to regulate certain high-cost home loans. The bill prohibits a lender from replacing or consolidating a low-rate home loan from a government or nonprofit lender before the seventh anniversary of the date of the loan unless the new or consolidated loan has a lower interest rate, points, and fees than the original loan or is a restructure to avoid foreclosure. The bill also requires a lender that makes a home loan with an interest rate of 12 percent or higher, until September 1, 2003, to provide borrowers with certain information relating to the availability and value of mortgage counseling and a list of resources for mortgage information. A lender that fails to provide the required information is liable to the borrower for actual and punitive damages and court costs. The bill requires a lender that

offers certain credit insurance policies on a prepaid single premium basis to provide loan applicants with a statement containing the applicants' rights in relation to such insurance and an estimate of the policies' premium costs.

Senate Bill 1581 also provides that a high-cost home loan, as defined in the bill, may not require a balloon payment that is more than twice as large as the average of earlier scheduled monthly payments unless the balloon payment becomes due not less than 60 months after the date the loan is made. The bill prohibits negative amortization of a high-cost home loan except in certain circumstances, prohibits a lender from engaging in a pattern or practice of extending credit to consumers under high-cost home loans based on the consumers' collateral without regard to the obligor's ability to repay the loan, and prohibits prepayment penalties in a high-cost home loan.

Senate Bill 1581 is effective and applies to loans closed or applications received on or after September 1, 2001, except for provisions relating to disclosure on prepaid single premiums, which apply only to a loan closed on or after the later of January 1, 2002, or the date the Texas Department of Insurance approves a product allowing lenders to offer certain credit insurance products and certifies to the Finance Commission of Texas that this coverage is available.





## BUSINESS RELATIONS

### **HOUSE BILL 269**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Berman

**SENATE SPONSOR:** Staples

House Bill 269 amends the Alcoholic Beverage Code to make it a Class B misdemeanor to engage in certain restricted activities involving alcoholic beverages in dry areas and a state jail felony if the person has previously been convicted two or more times. The bill also requires the Texas Alcoholic Beverage Commission to compile a listing of the precincts, municipalities, and counties that are dry areas and requires each municipality and county to cooperate with the commission in producing and providing the information.

### **HOUSE BILL 337**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hawley

**SENATE SPONSOR:** Armbrister

House Bill 337 amends the Alcoholic Beverage Code to allow the Texas Alcoholic Beverage Commission or administrator to cancel or deny a permit or license for the retail sale or service of alcoholic beverages if it finds that the permit holder, license holder, or applicant has not paid delinquent ad valorem taxes due on the permitted or licensed premises to any taxing authority in the county of the premises.

### **HOUSE BILL 394**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Keffer

**SENATE SPONSOR:** Staples

House Bill 394 amends the Business & Commerce Code to require a person conducting a going out of business sale to file an original inventory, a sale inventory, and a final inventory with the chief appraiser of the appraisal district in which the business is located, rather than with the county clerk. The chief appraiser, rather than the county clerk, is responsible for issuing the permit for the sale. The bill also requires the chief appraiser to send notice of the original inventory filing to the comptroller, the county clerk of the county in which the business is located, and the tax collector for each of the taxing units that tax the property described in the original inventory.

### **HOUSE BILL 402**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings

**SENATE SPONSOR:** Carona

House Bill 402 amends the Alcoholic Beverage Code to repeal provisions that authorize the Texas Alcoholic Beverage Commission to issue medicinal and physician's permits, which authorize certain pharmacists and physicians to buy and dispense liquor for medicinal purposes or to write prescriptions for liquor.

### **HOUSE BILL 409**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Shields et al.

**SENATE SPONSOR:** Madla

House Bill 409 amends the Government Code to provide that a performance or payment bond, when required of a contractor by a governmental entity for specified contract amounts under the code, must contain either on the bond or on a bond attachment the name, mailing address, physical address, and telephone number of the surety company, plus the Texas Department of Insurance toll-free telephone number for obtaining the surety company's address. The governmental entity must provide the telephone number, and the prime contractor must provide both the number and the name of the surety, on the request of certain suppliers of



## Business Relations

public works labor or material. Amendments to the Property Code provide that bonds furnished by a general contractor to pay liens or claims by subcontractors under a private contract must contain the same detailed information, including the toll-free number, as applies to public work performance or payment bonds. The bill further amends the two codes to provide that requirements of notice to a surety are satisfied if notice is sent by certified or registered mail to the surety at the address on the bond or bond attachment, the address on file with the Texas Department of Insurance, or any other address allowed by law.

### **HOUSE BILL 472**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Solomons et al.

**SENATE SPONSOR:** Shapleigh

House Bill 472 amends the Business & Commerce Code to adopt the Texas Telemarketing Disclosure and Privacy Act. The bill prohibits a telemarketer from blocking, interfering with, or failing to provide caller identification information in the course of certain telemarketing calls and requires a telemarketer to include in a facsimile solicitation information that allows the recipient to request that the sender not send any further transmissions.

House Bill 472 also requires the Public Utility Commission of Texas, with the assistance of the Department of Information Resources, if requested, to establish a no-call list containing the names, addresses, and telephone numbers of consumers who have requested to be on the list and prohibits telemarketers from making calls to numbers on the list. The bill provides for the updating and publication of the list and the inclusion, expiration, renewal, and deletion of data on the list and authorizes the commission to charge consumers up to \$3 to place a number on the list.

The bill provides for the investigation of complaints by the commission, state licensing agencies, and the attorney general; provides for the imposition of administrative and civil penalties for violations of the act; and authorizes a consumer whose number is on the no-call list to bring a civil action based on the second or a subsequent violation of the no-call provisions under certain circumstances. The bill requires the commission and the attorney general each to submit a biennial report to the lieutenant governor and the speaker of the house of representatives on complaints received and enforcement efforts. The commission's report must also include information on the no-call list, including the number of telephone numbers on the list, the number of lists distributed, and amounts collected for compilation and distribution. The bill also deletes or repeals redundant provisions relating to telemarketing in the Business & Commerce Code and the Utilities Code. The bill takes effect January 1, 2002, except for the repeal of telephone solicitation provisions in the Utilities Code, which takes effect June 17, 2001.

### **HOUSE BILL 627**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hilderbran

**SENATE SPONSOR:** Fraser

House Bill 627 amends the Alcoholic Beverage Code to allow a winery located in a dry area to sell wine directly to consumers at the winery for consumption off the premises under certain specified conditions.

### **HOUSE BILL 678**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McCall

**SENATE SPONSOR:** Duncan

House Bill 678 prohibits a person from capturing an individual's biometric identifier, including a retina or iris scan, fingerprint, voiceprint, or record of hand or face geometry, for a commercial purpose unless the individual being identified has been informed of and consents

to the capture. The bill also prohibits, with certain exceptions, a person or a governmental body from selling, leasing, or otherwise disclosing an individual's biometric identifier to another person, and it requires the person or governmental body possessing the biometric identifier to store, transmit, and protect the identifier from disclosure using reasonable care. The bill provides for a civil penalty of not more than \$25,000 for each violation by a person other than a governmental body and exempts biometric identifiers in the possession of a governmental body from disclosure under statutes relating to public information.

**HOUSE BILL 688**  
**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Woolley et al.  
**SENATE SPONSOR:** Whitmire

House Bill 688 amends the Alcoholic Beverage Code to include certain private schools under provisions prohibiting possession, consumption, or sale of alcoholic beverages near schools and sets forth the method by which the distance between a place of business located on or above the fifth story of a multistory building and a school is to be determined.

**HOUSE BILL 892**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Swinford et al.  
**SENATE SPONSOR:** Duncan

House Bill 892 amends the Alcoholic Beverage Code to establish the Texas Wine Marketing Assistance Program in the Department of Agriculture, requires the commissioner of agriculture to appoint an advisory committee to assist in establishing and implementing the program, and provides for the funding of the program. The bill sets out the program's responsibilities relating to the promotion and marketing and education of the public about wines produced in Texas and authorizes the commissioner to request that the commission require all package stores to participate in the program under certain circumstances. The bill authorizes a purchaser of wine in this state to ship it from the winery to the person's residence, if the person is physically present at the time of the purchase and is 21 years of age or older, and to a package store that participates in the program if the person is not present. The bill also authorizes a package store that participates in the program to ship wine to a person who resides in a dry area.

House Bill 892 limits the sale of wine to ultimate consumers by a holder of a wine permit located in a dry area to an amount not to exceed 25,000 gallons annually sold in unbroken packages and authorizes the holder of a wine permit to organize no more than four wine festivals annually. The bill requires a petition for a local option election related to the legal sale of wine on the premises of the holder of a winery permit to have the signatures of 25 percent of the registered voters in the political subdivision who voted in the most recent election and prescribes the ballot presentation for such an election.

**HOUSE BILL 1148**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Cook  
**SENATE SPONSOR:** Armbrister

House Bill 1148 adds a new subchapter to the Business & Commerce Code relating to wireless communication facilities. The bill requires that certain information regarding the proposed construction of a wireless communication facility that is taller than 100 feet be filed, 30 days before construction begins, with the county clerk or other county official designated by the commissioners court of the county. In addition, the bill requires that notice of the proposed construction be mailed to a public airport located within three miles of the proposed facility location, the Texas Department of Agriculture, and either each owner of land within two miles of the proposed facility, if the proposed location is not within a metropolitan statistical area, or a newspaper of general circulation in the county of construction. The bill sets out provisions

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relating to the transfer of ownership and the removal of a wireless communication facility and establishes a prohibition regarding the construction of a facility more than 15 feet in height in a certain specified location.

House Bill 1148 requires the highest guy wires of an antenna structure to be marked in the manner generally used for antennae structures if the antenna structure is used to provide commercial wireless communication services and is located in a cultivated field or within 100 feet of a cultivated field.

House Bill 1148 provides that the provisions of the subchapter do not preempt a local ordinance regulating a wireless communication facility and also provides for exceptions to the filing and notice requirements for certain entities.

**HOUSE BILL 1196**  
**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Brimer  
**SENATE SPONSOR:** Cain

House Bill 1196 amends the Texas Racing Act to expand the definition of “Texas-bred horse” to include a Thoroughbred or Arabian horse foaled in Texas by an accredited Texas-bred mare if the mare was bred outside Texas and returned to Texas on or before August 15 of the calendar year of conception. The bill provides that such horses are eligible for only half of certain incentives awarded as part of the Texas-bred program and that the remaining portion must be retained by the appropriate state horse breed registry for general distribution. The bill also provides that a Texas-bred Thoroughbred horse that finishes first, second, or third in a race other than a Texas-bred race shall receive an owner’s bonus award as a purse supplement and establishes an annual schedule beginning in 2002 to phase in the allocation of Texas-bred program funds to fund the bonus awards.

**HOUSE BILL 1222**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Truitt et al.  
**SENATE SPONSOR:** Harris

House Bill 1222 amends the Alcoholic Beverage Code to authorize certain cities and towns to hold a local option election to permit or prohibit the legal sale of wine for off-premises consumption. The bill applies only to cities or towns that meet certain population and location requirements and that already permit the sale of alcohol.

House Bill 1222 also amends provisions relating to authorized activities of holders of wine only package store permits.

**HOUSE BILL 1268**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dukes  
**SENATE SPONSOR:** Jackson

House Bill 1268 amends the Business & Commerce Code to make it a Class A misdemeanor for a lender, in connection with a mortgage loan transaction, to pay or offer to pay for an appraisal if the payment is contingent on a minimum, maximum, or pre-agreed estimate of the property’s value and interferes with the appraiser’s ability or obligation to provide an independent and impartial appraisal.

**HOUSE BILL 1460**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Williams  
**SENATE SPONSOR:** Armbrister

House Bill 1460 amends the Health and Safety Code to prohibit a cemetery corporation from using “perpetual care,” “endowment care,” or similar terms in its name or advertising if it does not operate as a perpetual care cemetery.

**HOUSE BILL 1506**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Yarbrough

**SENATE SPONSOR:** Whitmire

House Bill 1506 amends the Alcoholic Beverage Code to exempt elected state or federal government officers from the requirement to pay a security bond when contesting an application for a license to distribute, manufacture, or sell beer at retail.

**HOUSE BILL 1514**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Junell et al.

**SENATE SPONSOR:** Harris

House Bill 1514 amends the Business & Commerce Code to prohibit a commercial enterprise from being required to change its mode of operation if, when it was established, the area in which it is located was not primarily used for residential purposes. The bill establishes the extent of that area based on either the population of the municipality in which the enterprise is located or its location in an unincorporated area of a county.

**HOUSE BILL 1612**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goolsby

**SENATE SPONSOR:** Carona

House Bill 1612 amends the Alcoholic Beverage Code to expand the list of forms of payment that may accompany an alcoholic beverage permit application to include teller's checks, checks drawn on the account of a corporation, credit cards, charge cards, or other forms of electronic payment approved by the Texas Alcoholic Beverage Commission. The bill authorizes the commission to set a fee for the processing of an electronic payment.

**HOUSE BILL 1614**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wise

**SENATE SPONSOR:** Cain

House Bill 1614 amends the Alcoholic Beverage Code to reduce from 75 to 50 percent the proportion of gross receipts that may be attributable to alcohol sales in order for certain alcoholic beverage permit and license holders to remain eligible for a food and beverage certificate and to operate as a food service establishment.

**HOUSE BILL 1669**

**EFFECTIVE:** 11-1-01

**HOUSE AUTHOR:** B. Turner

**SENATE SPONSOR:** Cain

House Bill 1669 amends the Utilities Code to require an excavator to include in a notice to a notification center operated by the Texas Underground Facility Notification Corporation a telephone facsimile number, an e-mail address, or another electronic number or address to which an operator may send notification of intent not to mark. Not later than 48 hours after receiving notice, an operator of an underground facility is required to notify the excavator of the operator's plans not to mark the proximate location of an underground facility at or near the site of the proposed excavation.

**HOUSE BILL 1793**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wise

**SENATE SPONSOR:** Cain

House Bill 1793 amends the Alcoholic Beverage Code to delete provisions that apply certain statutes and rules relating to holders of wine and beer retailer's permits, mixed beverage permits, private club permits, and retail dealer's on premise licenses to holders of food and beverage certificates.

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### **HOUSE BILL 1794**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wise

**SENATE SPONSOR:** Cain

House Bill 1794 amends the Alcoholic Beverage Code to authorize the members of a private club, including a holder of a food and beverage certificate, to fund the original purchase of alcoholic beverages for a pool system of storage by a cash contribution from each member or from a loan to the club by a third person guaranteed by all members. The bill provides that a loan for an original purchase may be repaid from an alcoholic beverages replacement account, authorizes a private club to combine certain accounts of its own into a master account, and authorizes a third party club manager to combine the master accounts of a number of clubs.

### **HOUSE BILL 1806**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Menendez et al.

**SENATE SPONSOR:** Van de Putte

House Bill 1806 amends the Alcoholic Beverage Code to require a person applying for a private club registration permit or a permit or license authorizing the retail sale of alcoholic beverages for on-premises consumption to give written notice of the application to each residential address and established neighborhood association located within 300 feet of any property line of the premises for which the permit is sought. The bill requires the applicant to submit with the application a list of each residential address to which it provided notice. The bill authorizes a county judge to give due consideration to any recommendations made by the state senator and the state representative who represent the area in question in a case of an application to sell beer at retail. The bill requires the commission to prescribe the form for the notice on or before December 1, 2001, and provides that an applicant is not required to comply with notice requirements until January 1, 2002.

### **HOUSE BILL 1948**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Keel

**SENATE SPONSOR:** Ogden

House Bill 1948 amends the Alcoholic Beverage Code to require a petition for a local option election related to the legalization of the sale of wine on the premises of a holder of a winery permit to be signed by 25 percent of the registered voters in the subdivision who voted in the most recent general election and specifies the ballot language for such elections.

### **HOUSE BILL 1989**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hamric

**SENATE SPONSOR:** Lindsay

House Bill 1989 amends the Alcoholic Beverage Code and the Government Code to provide that the judge of a statutory county court may be delegated the authority to hear certain alcoholic beverage permit applications.

### **HOUSE BILL 2186**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Y. Davis

**SENATE SPONSOR:** Carona

House Bill 2186 amends the Property Code to prohibit a commercial landlord from assessing a charge, excluding a charge for rent or physical damage to the leased premises, to a tenant unless the amount of the charge or the method by which it is to be computed is included in the lease agreement.



**HOUSE BILL 2331**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uresti et al.  
**SENATE SPONSOR:** Van de Putte

House Bill 2331 amends the Alcoholic Beverage Code to increase the period for which the Texas Alcoholic Beverage Commission or an administrator may cancel or suspend certain licenses and permits from 60 to 90 days for serving an alcoholic beverage to a minor. For a second offense, the period is increased from three to six months. The bill also makes the offense of furnishing alcohol to a minor a Class A rather than a Class B misdemeanor.

**HOUSE BILL 2495**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Haggerty  
**SENATE SPONSOR:** Armbrister

House Bill 2495 amends the Transportation Code to require a person who operates a valet parking service to establish financial responsibility through a liability insurance policy, a surety bond, or a deposit with the comptroller in the amount of \$450,000. The bill establishes minimum coverage amounts for liability insurance policies for such services, and it requires the owner or operator of a valet service to provide evidence of financial responsibility in the same manner as a motor vehicle owner and to exhibit that evidence at the public accommodation whose patrons use the service. The bill also provides (1) that a person who operates a service without financial responsibility commits an offense punishable by a fine; (2) that it is a defense to prosecution if the person charged provides evidence of financial responsibility that was in effect at the time of the alleged offense; and (3) that it is not a defense under common law in an action brought by a person against an owner or operator of a valet service that the person bringing the action was guilty of contributory negligence or assumed the risk of injury, death, or property damage.

**HOUSE BILL 2530**  
**EFFECTIVE:** 11-1-01

**HOUSE AUTHOR:** Junell et al.  
**SENATE SPONSOR:** R. Ellis

House Bill 2530 amends the Business & Commerce Code to prohibit a person who conducts a sweepstakes through the mail from (1) engaging in certain activities, including requiring an individual to order or purchase a good or service in order to enter the sweepstakes or conditioning a person's chances of winning on an order or purchase; (2) providing certain misleading information relating to an individual's chance of winning the sweepstakes, including stating or implying that those chances are raised, lowered, or different because of a factor not related to the manner of selecting a winner; (3) conducting another game or sweepstakes within 30 days of concluding a sweepstakes; (4) publishing incomplete or inconsistent descriptions of sweepstakes prizes; or (5) stating that the recipient of a mailing is a winner if the recipient is not, or that the recipient may be or will be a winner or may be or will be among the group from which a winner will be chosen.

The bill exempts certain organizations that conduct sweepstakes from regulation under these provisions, allows the attorney general to file suit for a violation of these provisions, requires a district court to award the attorney general a civil penalty of not less than \$5,000 or more than \$50,000 or each violation, and authorizes the court to award injunctive or other equitable or ancillary relief to prevent future violations.

**HOUSE BILL 2878**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Goolsby  
**SENATE SPONSOR:** Carona

House Bill 2878 amends the Alcoholic Beverage Code to define “restaurant club,” to authorize a restaurant club to contract with another entity to manage the club, and to authorize the entity to establish and staff a membership committee, purchase and manage the club’s alcoholic beverage inventory, establish prices for certain services, and keep club records. The bill authorizes certain individuals to form a committee to be designated as the charter members and as the members of the liquor pool of a restaurant club, authorizes the committee to sponsor an application for a private club registration permit as a nonprofit corporation, and includes certain other provisions relating to a club’s bylaws and membership committees.

House Bill 2878 authorizes a private club that was originally formed as an association of persons to incorporate and requires the Texas Alcoholic Beverage Commission to issue a replacement permit to the corporate entity on payment of a \$100 service fee. The bill extends from three to seven days the amount of time a preliminary membership for a private club is valid. The bill authorizes, rather than requires, a service check for an alcoholic beverages replacement account to have the percentage of the service charge to be deposited in the account printed on it, authorizes certain records to be maintained in an electronic storage format, and requires the commission to provide a management entity written notice of a request for inspection of documents.

**HOUSE BILL 3016**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Haggerty  
**SENATE SPONSOR:** Shapiro

House Bill 3016 amends the Alcoholic Beverage Code to authorize a person to access electronically readable information on a driver’s license or identification certificate for the purpose of complying with the Alcoholic Beverage Code or a rule of the Texas Alcoholic Beverage Commission. The bill prohibits a person from retaining the information unless the commission requires the information to be retained, and it prohibits the information from being marketed in any manner. The bill makes an offense under the provision a Class A misdemeanor.

**HOUSE BILL 3081**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Burnam et al.  
**SENATE SPONSOR:** Moncrief

House Bill 3081 amends the Property Code to authorize a person who fuels an aircraft to hold a lien on the aircraft for the amount due for the fuel. The bill also extends the deadline for a person who stores, fuels, repairs, or performs maintenance on an aircraft to file notice with the Federal Aviation Administration Aircraft Registry in order to record a lien on an aircraft from 120 to 180 days after the end of the storage period or the performance of the last repair or maintenance.

**SENATE BILL 377**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro  
**HOUSE SPONSOR:** Madden

Senate Bill 377 amends the Alcoholic Beverage Code to specify that provisions requiring a city or town, rather than a county, to hold an election apply to an election to permit or prohibit the legal sale of beer and wine in an incorporated city or town that does not permit beer and wine sales on September 1, 2001, and is located in certain counties.

**SENATE BILL 393**  
**EFFECTIVE:** 1-1-02

**SENATE AUTHOR:** Carona et al.  
**HOUSE SPONSOR:** Brimer

Senate Bill 393 adds a chapter to the Business & Commerce Code to create the Uniform Electronic Transactions Act to regulate the use of electronic records and signatures in business, commercial, or governmental transactions. The bill provides that a signature, record, or contract may not be denied legal effect or enforceability solely because of its electronic nature; that if a law requires a signature or a record to be in writing, an electronic signature or record satisfies the law; and that electronic transmission of information in a record that is capable of retention by the recipient satisfies a requirement to provide the information in writing unless the law requires the record to be posted, sent, or formatted in a specific manner. The bill sets forth the circumstances under which electronic records are considered to have been sent and received, as well as the effect on both parties of a change or error in transmission of an electronic record, and it authorizes the parties to a transaction involving an electronic record to vary these requirements by agreement in certain circumstances. The bill also includes provisions relating to the notarization, retention, admissibility in evidence, and transfer of electronic records. The bill authorizes the Department of Information Resources and the Texas State Library and Archives Commission to promulgate rules relating to the format of electronic records accepted or distributed by governmental agencies, the type of electronic signature required, if any, and procedures to ensure security, confidentiality, and auditability; authorizes the department to encourage and promote consistency and interoperability with respect to electronic communications; and requires state agencies to decide whether, and the extent to which, the agency will accept and use electronic records and signatures.

Senate Bill 393 also provides that the act is exempted from preemption by the federal Electronic Signatures in Global and National Commerce Act, repeals existing provisions in the Business & Commerce Code relating to digital signatures, and amends Local Government Code provisions relating to the acceptance, filing, and recording of electronic records by county clerks.

**SENATE BILL 714**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Sibley  
**HOUSE SPONSOR:** Averitt

Senate Bill 714 creates the Vehicle Protection Product Regulatory Act under the authority of the Texas Department of Licensing and Regulation and establishes the Vehicle Protection Warrantor Advisory Board to assist the department and the commissioner of licensing and regulation in administering the act. The bill sets forth regulations for warrantors of vehicle protection products, establishes the details and scope of vehicle protection product warranties, and provides rulemaking and disciplinary authority to the commissioner of licensing and regulation.

**SENATE BILL 788**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** West  
**HOUSE SPONSOR:** Averitt

Senate Bill 788 amends the Health and Safety Code to require court costs and attorney's fees to be awarded to the prevailing party in a suit brought by a perpetual care cemetery plot owner asserting that the corporation organized to operate the cemetery has not maintained proper care of the cemetery.



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### **SENATE BILL 965**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** Eiland

Senate Bill 965 amends the Alcoholic Beverage Code to add wineries located in certain counties that border the Gulf of Mexico or that contain American viticultural areas to the list of winery permit holders authorized to sell or dispense wine to ultimate consumers for consumption on or off the winery premises.

### **SENATE BILL 1127**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Yarbrough

Senate Bill 1127 amends the Alcoholic Beverage Code to decrease from 6 ounces to 1.6 ounces the minimum size of a container of liquor that a person may import, sell, or possess with intent to sell, with certain exceptions. The bill also establishes labeling and packaging requirements for containers of liquor offered for sale that have a capacity of less than six fluid ounces.

### **SENATE BILL 1235**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Cain

**HOUSE SPONSOR:** Wilson

Senate Bill 1235 amends the Alcoholic Beverage Code to authorize the Texas Alcoholic Beverage Commission to waive the requirement that the holder of an alcoholic beverage license or permit furnish a bond if the commission determines that submission of the bond is no longer necessary.

### **SENATE BILL 1236**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Cain

**HOUSE SPONSOR:** Wilson

Senate Bill 1236 amends the Alcoholic Beverage Code to extend the grace period during which the holder of an alcoholic beverage license or permit may renew it from 10 to 30 days after its expiration date. The bill requires that the renewal application be accompanied by the license or permit fee and a late fee as provided by rules of the commission. The bill prohibits the holder of an expired license or permit from operating until a renewal application is filed.

### **SENATE BILL 1318**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Staples

**HOUSE SPONSOR:** Woolley

Senate Bill 1318 amends the Occupations Code to eliminate the requirement that the secretary of state publish notice of a closed health spa and to require that the spa's certificate holder post such a notice at the spa's location and notify the secretary of state of both the closing and the posting. The bill sets forth requirements for the format, location, and duration of the posting and requires the secretary of state to post the notice if the certificate holder fails to do so. The bill also requires the secretary of state to post notice of the closing on its website.

### **SENATE BILL 1320**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Staples

**HOUSE SPONSOR:** Solomons

Senate Bill 1320 amends the Texas Limited Liability Company Act, the Texas Non-Profit Corporation Act, the Texas Revised Limited Partnership Act, the Texas Revised Partnership Act, and the Texas Business Corporation Act. The bill authorizes a person who has reserved a limited liability company name to cancel the reservation by filing an application for cancellation with the secretary of state's office and paying a fee, and it prescribes certain certifying statements that must be included in the articles of merger for limited liability companies. The bill lengthens the intervening period between the secretary of state's revocation of the certificate of

authority for a foreign limited liability company and possible reinstatement of the company from 24 to 36 months and similarly extends the period between dissolution of a domestic or foreign nonprofit corporation and possible reinstatement from 12 to 36 months. The bill specifies that a partner is considered to have withdrawn from a partnership upon conversion of the partnership if the partner (1) did not consent to the conversion and (2) failed to notify the partnership of his or her desire not to withdraw within a certain time period after the conversion, and it provides that such a withdrawal is not a wrongful withdrawal. The bill provides that a person who is required to file a change of registered office or agent, an application or certificate of withdrawal or termination, or articles of dissolution with the secretary of state and fails to do so within a certain period of time commits an offense and is liable to the state for a civil penalty as well as to a plaintiff or other party bringing suit for damages and certain expenses, including attorney's fees. Finally, the bill corrects a number of statutory cross-references in the above-named acts and repeals the Texas Professional Corporation Act.

**SENATE BILL 1637****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Bernsen et al.**HOUSE SPONSOR:** Homer

Senate Bill 1637 amends the Business & Commerce Code to prohibit the sale, advertising, or distribution of cards that purport to be prescription drug identification cards such as those issued under a health benefits plan with pharmacy benefits in accordance with commissioner of insurance rules, that offer discounts on health care goods or services but that are not, in fact, evidence of insurance coverage, unless (1) the discount is authorized under an agreement between the seller of the card and the provider of the goods and services; (2) the seller does not represent that the card provides insurance coverage; and (3) the discount is not false, misleading, or deceptive.

**SENATE BILL 1667****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Cain**HOUSE SPONSOR:** Haggerty

Senate Bill 1667 amends the Alcoholic Beverage Code to allow a permittee who distills, rectifies, manufactures, or receives any liquor to retain certain records in electronic or microfiche formats.

**SENATE BILL 1684****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Jackson et al.**HOUSE SPONSOR:** Flores

Senate Bill 1684 amends the Alcoholic Beverage Code to authorize a mixed beverage permit holder who also holds a brewpub license to sell or offer certain alcoholic beverages produced by the permit holder for consumption on or off the premises in an amount not to exceed one-half barrel, provided that no more than 1,000 barrels, in the aggregate, is removed annually from the premises.



## **CIVIL REMEDIES AND PROCEDURES**

**HOUSE BILL 176**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Luna

**SENATE SPONSOR:** R. West

House Bill 176 amends the Civil Practice and Remedies Code to authorize a trial judge, with the agreement of the parties, to order that a hearing of a preliminary matter or witness testimony at trial be conducted by any method of two-way electronic communication that is capable of visually and audibly recording the proceedings. The bill provides that expenses incurred by a court in conducting such a proceeding or recording a transmission are to be assessed and collected as court costs.

The bill authorizes the testimony or deposition of an inmate who is in the custody of the Texas Department of Criminal Justice and who is required to testify as a witness in a criminal proceeding to be conducted by electronic means under certain conditions.

**HOUSE BILL 259**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** G. Lewis et al.

**SENATE SPONSOR:** Armbrister

House Bill 259 amends the Civil Practice and Remedies Code to prohibit a person who owns or operates a public accommodation from restricting an individual from access or admission to the facility solely because of race, creed, sex, religion, or national origin of the individual or because the individual operates a motorcycle, is a member of an organization or association that operates motorcycles, or wears clothing that displays the name of an organization or association. Access or admission may be denied to a person if the conduct of the person poses a risk to other people or property or if the person's clothing does not conform with an established dress code.

The bill authorizes a person to bring a cause of action for injunctive relief or damages or both and provides that a person who prevails in the action is entitled to reasonable attorney's fees and court costs. The person may recover actual damages incurred by the person and exemplary damages up to \$500.

The provisions of House Bill 259 do not apply to a private or independent institution of higher education or to a student while attending a private or public middle school, a junior high school, a high school, or an activity or event sponsored by one of those schools.

**HOUSE BILL 451**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Talton

**SENATE SPONSOR:** J. E. Brown

House Bill 451 amends the Government Code and the Civil Practice and Remedies Code to expand the list of persons who may administer an oath and provide a certificate of the fact and who may take an acknowledgment or proof of a written instrument to include an employee of a personal bond office if the oath or the acknowledgment or proof is required from a personal bond applicant.

**HOUSE BILL 560**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Keffer

**SENATE SPONSOR:** Haywood

House Bill 560 amends the Civil Practice and Remedies Code to provide that a religious charitable organization that owns or leases a motor vehicle is not liable for damages arising from the negligent use of the vehicle by an authorized driver while providing transportation services to certain welfare recipients. The bill does not affect other legal duties arising from the use of a motor vehicle and does not apply to any claims arising from an incident in which the vehicle operator was intoxicated.

**HOUSE BILL 785**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Isett

**SENATE SPONSOR:** Duncan

House Bill 785 amends the Government Code to establish that, in the absence of a contract, a municipality or county that requests and obtains law enforcement services from another municipality or county is responsible for any civil liability that arises from the furnishing of those services.

**HOUSE BILL 792**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wolens et al.

**SENATE SPONSOR:** R. West

Under state law, the Texas Supreme Court has authority over attorney disciplinary proceedings. The court establishes guidelines for disciplinary proceedings and delegates the authority over the administration of disciplinary matters to the State Bar of Texas. House Bill 792 amends the Government Code to add provisions relating to disciplinary and disability procedures, including prohibiting the state bar or a court from requiring an attorney against whom a disciplinary action has been brought to disclose information protected by the attorney-client privilege, unless the client initiated the complaint; requiring a grievance committee to disclose the number of members voting for a finding of just cause, the number voting against, and the number abstaining from voting; providing that a member of a grievance committee may vote on a grievance matter only if the member is present at the hearing at which the vote takes place; and providing that when a grievance is dismissed under certain conditions and becomes final, the respondent attorney may deny that a grievance was pursued. In any disciplinary action that is tried to verdict before an evidentiary panel or a district court and a take-nothing final judgment is entered, the respondent attorney is authorized to file a motion with the tribunal seeking expunction of the file on the matter. In the event an expunction is granted, the evidentiary panel or district court is required to order that certain records be destroyed and the respondent attorney is authorized to deny the grievance was filed. Other provisions relate to membership and quorum requirements for a panel of a district grievance committee of the state bar.

The bill requires the state bar, not later than September 1, 2002, to study the rules governing attorney disciplinary and disability procedures and the Texas Rules of Disciplinary Procedure to determine the extent to which the rules conform to the requirements of state law and to submit to the lieutenant governor and the speaker of the house of representatives a report, including recommendations for revisions to the rules and the Texas Rules of Disciplinary Procedure that conflict with the requirements of state law.

**HOUSE BILL 845**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Nixon et al.

**SENATE SPONSOR:** Shapiro

House Bill 845 amends the Insurance Code to authorize a Holocaust victim, as defined, or the heir, assignee, beneficiary, or successor of a Holocaust victim, who resides in Texas and has a claim arising out of an insurance policy purchased or in effect in Europe before 1946 to bring an action in a Texas court against an insurer to recover on the claim. The bill prohibits the action from being dismissed for failure to comply with any applicable limitations period if the action is brought before December 31, 2012, and provides for certain sanctions and administrative penalties if an insurer fails to comply by denying the claim on those grounds.

**HOUSE BILL 947**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** S. Turner

**SENATE SPONSOR:** Duncan

House Bill 947 amends the Civil Practice and Remedies Code to establish that if a plaintiff who is a surviving spouse dies while a lawsuit relating to the wrongful death of the plaintiff's spouse is pending, the child of the spouse who is the subject of the lawsuit may be made the plaintiff and the lawsuit may proceed as though the surviving spouse had not died.

**HOUSE BILL 978**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Eiland

**SENATE SPONSOR:** Bernsen

House Bill 978 amends the Civil Practice and Remedies Code to provide that an interlocutory appeal regarding a temporary injunction does not have the effect of staying the commencement of a trial in the trial court pending the resolution of the appeal. The bill provides that the denial of a motion for summary judgment, special appearance, or plea to the jurisdiction by a governmental unit is not subject to an automatic stay of the commencement of the trial unless it is filed and requested for submission or hearing before the trial court not later than a certain date.

House Bill 978 authorizes a district court to issue a written order for an interlocutory appeal in a civil action that is not otherwise appealable if both parties agree to the order and acknowledge that the order involves a controlling question of law as to which there is a substantial ground for difference of opinion and an immediate appeal from the order may materially advance the ultimate termination of the litigation. The appeal does not stay the proceedings unless the parties agree and the district court, the court of appeals, or a judge of the court of appeals orders a stay of the proceedings. The bill authorizes the appellate court to permit an appeal from that order if made within a certain time.

**HOUSE BILL 1047**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

House Bill 1047 amends the Civil Practice and Remedies Code to provide that the indemnity provisions in certain mineral agreements regulated by Chapter 127 of the code do not affect the right of an electric cooperative corporation to secure indemnity from a lessee, operator, contractor, or other person who performs services for or provides materials or products to the corporation that relate to lignite mining.

**HOUSE BILL 1080**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McReynolds

**SENATE SPONSOR:** Bivins

House Bill 1080 amends the Natural Resources Code to increase the liability insurance coverage that a certified prescribed burn manager who is conducting a burn on agricultural land must carry in order to limit the liability of an owner, lessee, or occupant of the land to include a policy period minimum aggregate limit of at least \$2 million.

**HOUSE BILL 1515**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Janek

**SENATE SPONSOR:** Bernsen

House Bill 1515 amends the Civil Practice and Remedies Code to authorize a parent, managing conservator, or guardian of a claimant to join a suit brought by a claimant for a personal injury if, at the time the cause of action accrued, the claimant was under a legal disability, the claimant brought the suit within the limitations period after the disability was removed, and the parent, managing conservator, or guardian incurred medical expenses on behalf of the claimant and has not recovered damages for those expenses in a previous suit. A parent, managing conservator, or guardian may recover the damages in the person's own name without regard to whether the limitations period has expired in relation to the person's own cause of action.

**HOUSE BILL 1823**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Howard

**SENATE SPONSOR:** Armbrister

House Bill 1823 amends the Civil Practice and Remedies Code to provide that a person who establishes a cause of action for interception of communications is entitled to statutory damages of \$10,000 for each occurrence rather than \$1,000, and actual damages in excess of \$10,000 rather than \$1,000.

**HOUSE BILL 2087**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Clark et al.

**SENATE SPONSOR:** Haywood

House Bill 2087 amends the Civil Practice and Remedies Code to provide that a person who manufactures methamphetamine in violation of certain provisions in the Health and Safety Code is strictly liable for damages for personal injury, death, or property damage arising from the manufacture. The bill provides that a person who manufactures methamphetamine is jointly liable with any other defendant for the entire amount of damages arising from the manufacture. The bill exempts an action against a manufacturer of methamphetamine from provisions relating to proportionate responsibility and limitations on exemplary damages.

**HOUSE BILL 2312**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Bosse

**SENATE SPONSOR:** Cain

House Bill 2312 amends the Government Code to exempt a contract executed or awarded on or before August 30, 1999, or a contract that does not include a provision relating to a dispute resolution process from provisions relating to the resolution of certain contract claims against the state. The bill prohibits the total amount recoverable on a claim for breach of contract from exceeding an amount equal to the sum of the balance due and owing on the contract price and the amount or fair market value of orders or requests for additional work made by a unit of state government to the extent that the additional work was actually performed. The bill also sets forth provisions reaffirming the authority of the legislature to deny or grant a waiver of immunity to suit against a unit of state government.



**HOUSE BILL 2367**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Williams

**SENATE SPONSOR:** Bernsen

House Bill 2367 amends the Charitable Immunity and Liability Act of 1987 to include in the definition of “charitable organization” fire protection or prevention services, emergency medical or hazardous material response services, and homeowners’ associations that are listed under Section 501(c)(4) of the Internal Revenue Code of 1986.

**HOUSE BILL 2400**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Geren et al.

**SENATE SPONSOR:** Moncrief

House Bill 2400 amends the Civil Practice and Remedies Code to establish liability provisions for livestock show participants or sponsors equivalent to existing provisions in the code for equine activities. The bill provides an exception to the liability limitation when an injury or death occurs as a result of a livestock show activity and the injured or deceased person was not a participant registered to compete in the livestock show. The bill requires a livestock show sponsor to post and maintain a sign that contains a prescribed warning if the sponsor manages or controls a stable, barn, corral, or arena where a livestock show is conducted. The sign must be posted in a clearly visible location near the stable, barn, corral, or arena, and the sponsor must include the same prescribed warning in every written contract that the sponsor enters into with a participant.

**HOUSE BILL 2557**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** E. Jones

**SENATE SPONSOR:** Wentworth

House Bill 2557 amends provisions of the Civil Practice and Remedies Code relating to the payment of certain judgments. The bill specifies that if a creditor refuses to accept payment of a judgment on a claim from a debtor, or if the creditor refuses to issue a release of judgment after accepting payment, the court is required to set the matter for hearing on a party’s motion or on the court’s own motion to determine whether or not a release should be filed. The bill authorizes a court to direct the debtor to prepare and file a recordable release of the judgment with the court clerk after finding that the judgment has been paid into the registry of the court or that the creditor has accepted payment and refused to execute a release of judgment.

**HOUSE BILL 2580**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Bosse

**SENATE SPONSOR:** Whitmire

House Bill 2580 amends the Civil Practice and Remedies Code to add enforcement of land use restrictions to the list of governmental functions of a municipality. The bill amends the Local Government Code to clarify that an action filed by a municipality to enforce a land use restriction is a governmental function of a municipality.

**HOUSE BILL 2723**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Raymond

**SENATE SPONSOR:** Shapleigh

House Bill 2723 adds provisions to the Civil Practice and Remedies Code relating to civil actions involving a person who files a complaint with a governmental agency. The bill establishes that in a civil action filed against such a complainant by a person who may be adversely affected by the filing of the complaint, a complainant who makes a complaint in good faith is not liable for monetary damages arising from the complaint or subject to injunctive or declaratory relief with respect to the complaint.



## Civil Remedies and Procedures

The bill requires the court to promptly grant summary judgment with respect to a claim if the complainant demonstrates that a complaint was made in good faith, or if the pleadings fail to allege a cause of action against the complainant or facts sufficient to rebut the presumption that the complaint was filed in good faith. On motion of the complainant, a court that grants the summary judgment is required to promptly hold a hearing on the claim.

If the complainant established that the complaint was filed in good faith and that the person who sued the complainant has harassed or caused another person to harass the complainant, or brought the action in bad faith, the person who sued may be liable for certain damages, costs, and fees and subject to injunctive or declaratory relief. If the action is found to have been brought in bad faith, the bill provides that the person who sued and the person's attorney are jointly and severally liable for damages, and the attorney is also subject to discipline for professional misconduct and to suspension or disbarment for dishonorable conduct.

**HOUSE BILL 3136**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hilbert  
**SENATE SPONSOR:** Jackson

House Bill 3136 amends the Civil Practice and Remedies Code to provide that the statute of limitation for an injury or loss caused by an error in a survey is a statute of repose and is independent of any other limitations period.

**HOUSE BILL 3152**  
**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Capelo  
**SENATE SPONSOR:** J. E. Brown

House Bill 3152 amends the Health and Safety Code to authorize a physician, podiatrist, or dentist to require a hospital to participate in mediation if a hospital's credentials committee fails to take action on a completed application as required by law or if the physician, podiatrist, or dentist is subject to a professional review action that may adversely affect the person's medical staff membership or privileges.

**HOUSE BILL 3335**  
**EFFECTIVE:** 5-21-01

**HOUSE AUTHOR:** Telford  
**SENATE SPONSOR:** Moncrief

House Bill 3335 amends the Human Resources Code to provide that a person who has knowledge concerning the possible abuse, neglect, or exploitation of an elderly or disabled person that was obtained during the scope of the person's employment has a duty to report the information to either the Department of Protective and Regulatory Services or the appropriate state agency. The bill establishes that an employer whose employee reports the suspected abuse, neglect, or exploitation is immune from civil or criminal liability unless the employer is the subject of the investigation.

**HOUSE BILL 3473**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat  
**SENATE SPONSOR:** Shapleigh

House Bill 3473 amends the Family Code to prohibit an employer from suspending or terminating the employment of, or otherwise discriminating against, a professional who in good faith reports child abuse or neglect to certain entities, or initiates or cooperates with an investigation or proceeding by a governmental entity relating to an allegation of child abuse or neglect. The bill defines "professional" as a person licensed or certified by the state or an employee of a facility licensed, certified, or operated by the state where the person has direct contact with children during the course of normal duties, including teachers, nurses, day-care workers, juvenile probation officers, and doctors.

The bill authorizes a person who is suspended, terminated, or discriminated against under this provision to sue for injunctive relief and damages, including actual damages, exemplary damages, court costs, and reasonable attorney's fees. The bill provides that a person who prevails in a suit is also entitled to reinstatement to the person's former or a comparable position, reinstatement of any fringe benefits and seniority rights, and compensation for lost wages.

The bill authorizes a public employee to bring suit under this section against a state or local governmental entity, and sovereign immunity is waived and abolished. The bill limits the amount a person may recover in compensatory damages in a suit against a governmental entity and provides that a person suing under this section has the burden of proof.

**SENATE BILL 84**

**EFFECTIVE:** 5-14-01

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** McCall

Senate Bill 84 amends the Charitable Immunity and Liability Act of 1987 to include a volunteer center, as defined in the Government Code, in the definition of "charitable organization" for purposes of protection under the act.

**SENATE BILL 276**

**EFFECTIVE:** 5-11-01

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Solomons

Senate Bill 276 amends the Civil Practice and Remedies Code to specify that an embossed seal is not required on a certificate of an acknowledgment that is electronically transmitted.

The bill also amends the Government Code to provide that the seal of a notary public need not be embossed on an electronically transmitted authenticated document; however, the required elements of the seal must be legibly reproduced on the document.

**SENATE BILL 277**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Counts

Senate Bill 277 amends the Civil Practice and Remedies Code to enact the Structured Settlement Protection Act. The bill establishes procedures and conditions for the transfer of structured settlement payment rights and provides that certain provisions may not be waived by the individual (payee) who is receiving the payments under a structured settlement and proposing to transfer the rights to another. It requires the party (transferee) who is acquiring the structured settlement payment rights through a transfer to provide a disclosure statement containing certain information to the payee at least three days before the payee signs the transfer agreement. The bill provides that no direct or indirect transfer of structured settlement payment rights is effective unless the transfer has been approved in advance in a final court order. After the transfer of structured settlement payment rights, the structured settlement obligor and the annuity issuer are discharged and released from all liability for the transferred payments and certain liabilities are established for the transferee.

**SENATE BILL 486**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Nixon

Senate Bill 486 amends the Human Resources Code to require the state to indemnify a juvenile board member in the same manner and under the same conditions that it indemnifies an officer of a state agency.

**SENATE BILL 536**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** R. Ellis et al.

**HOUSE SPONSOR:** Dutton et al.

Senate Bill 536 amends Civil Practice and Remedies Code provisions relating to compensation for wrongful imprisonment. A person who was serving a concurrent sentence for another crime for which the person was not wrongfully imprisoned is not entitled to compensation. The bill deletes the requirement that the person had pled not guilty to the charge for which the person was convicted and that led to the imprisonment, and it specifies that the person must have received a full pardon on the basis of innocence or have been granted relief on the basis of actual innocence of the crime for which the person was sentenced.

The bill provides that a person entitled to compensation either may file a claim for administratively awarded compensation with the comptroller's office or may file suit against the state, and it sets forth application procedures and rules for filing suit.

If an applicant for administratively awarded compensation is found to be entitled to compensation, the person is authorized to receive \$25,000 for each year served in prison if the time served was less than 20 years, or \$500,000 if the time served was more than 20 years. If requested by the claimant, the bill requires the Texas Department of Mental Health and Mental Retardation to provide appropriate counseling to the claimant for one year at no charge.

If a petitioner to the court is found to be entitled to compensation, the person is authorized to receive damages up to \$500,000, including expenses incurred by the petitioner in connection with all associated criminal proceedings and appeals in obtaining discharge from imprisonment. The petitioner would also be entitled to (1) fines, court costs, attorney's fees, and wages, salary, or other income lost due to imprisonment and (2) medical and counseling expenses incurred as a direct result of the wrongful imprisonment.

The bill prohibits a person who receives compensation for wrongful imprisonment from bringing any action against any governmental unit or its employees involving the person's arrest, conviction, or length of confinement. The bill provides that a person's compensation payments terminate if the person is convicted of a crime punishable as a felony after becoming eligible for compensation, or on the date of a person's death.

**SENATE BILL 561**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** Bosse

Senate Bill 561 amends the Civil Practice and Remedies Code to expand the definition of "construction contract" to include a contract or agreement made or entered into by a registered architect or a licensed engineer. The bill establishes that a covenant or promise associated with a construction contract, other than a contract for a single-family or multifamily residence, is void and unenforceable if the covenant or promise provides for a registered architect or a licensed engineer whose work product is the subject of the construction contract to indemnify or hold harmless an owner or owner's agent or employee from liability for damage that is caused by or results from the negligence of an owner or an owner's agent or employee.

The bill deletes a provision of the code that authorized a covenant or promise under which a registered engineer or architect agrees to indemnify or hold harmless a governmental agency or its agent or employees against liability arising from the personal injury or death of the architect or engineer or the employees of the architect or engineer.

**SENATE BILL 591**

**EFFECTIVE:** 6-11-01

Senate Bill 591 amends the Property Code to authorize a sheriff or constable to use reasonable force in executing a writ of reentry for a commercial rental property that gives a tenant immediate and temporary possession of the premises after an unlawful lockout.

**SENATE AUTHOR:** Barrientos

**HOUSE SPONSOR:** Naishtat

**SENATE BILL 731**

**EFFECTIVE:** 9-1-01

Senate Bill 731 amends the Texas Non-Profit Corporation Act to provide that an officer is not liable to the corporation or any other person for an action taken or omission made by the officer in the person's official capacity unless the officer's conduct was not exercised in good faith, with ordinary care, and in a manner the officer reasonably believed to be in the best interest of the corporation.

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Bosse

**SENATE BILL 1288**

**EFFECTIVE:** 6-11-01

Senate Bill 1288 amends the Texas Miscellaneous Corporation Laws Act to limit the liability of the directors in a corporation organized under the Texas Housing Finance Corporations Act.

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** E. Jones

**SENATE BILL 1319**

**EFFECTIVE:** 9-1-01

Senate Bill 1319 amends the Civil Practice and Remedies Code to provide that duplicate copies of process for a nonresident that are served on the secretary of state must contain a statement of the name and address of the nonresident and that when the secretary mails a copy of the process to the nonresident, it will be sent to the address provided in the statement.

**SENATE AUTHOR:** Staples

**HOUSE SPONSOR:** Solomons

**SENATE BILL 1419**

**EFFECTIVE:** 5-22-01

Senate Bill 1419 amends the Business & Commerce Code to provide that the six-year statute of limitation for bringing a civil lawsuit to require a party to pay an outstanding debt does not bar a right of action of a public institution of higher education or the Texas Higher Education Coordinating Board.

**SENATE AUTHOR:** R. West

**HOUSE SPONSOR:** Thompson

**SENATE BILL 1632**

**EFFECTIVE:** 9-1-01

Senate Bill 1632 amends the Civil Practice and Remedies Code to authorize all municipalities, rather than only home-rule municipalities, to institute and prosecute suits without giving security for cost and to appeal from judgment without giving supersedeas or cost bond.

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Zbrank

**SENATE BILL 1654**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Dunnam

Senate Bill 1654 amends provisions of the Insurance Code relating to the provision of defense counsel to insureds by liability insurers. The bill prohibits an insurer that issues certain liability insurance policies from submitting to a defense counsel a litigation-management guideline that requires or suggests that a defense attorney perform an activity that interferes with the attorney's independence, loyalty to the insured, or attorney-client relationship with the insured, or that would result in a waiver of any privilege of the insured. An insurer that refuses to pay a defense counsel's fee or expenses based on such a litigation-management guideline is liable to the counsel and the insured for the reasonable value of any unpaid legal services or expenses. The bill provides that an insurer that violates the prohibition is liable for a civil penalty, authorizes an insured to bring an action to recover actual damages and obtain injunctive relief, and authorizes a court to award attorney's fees to a person who recovers damages or obtains injunctive relief.

## CORRECTIONS

### **HOUSE BILL 772**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Haggerty et al.

**SENATE SPONSOR:** Armbrister

House Bill 772 amends the Government Code to replace references to “special needs parole” with “medically recommended intensive supervision” and to expand the list of inmates eligible for release under the program to include those having a condition requiring long-term care. The bill transfers the authority to identify those eligible from the institutional division of the Texas Department of Criminal Justice to the Texas Council on Offenders with Mental Impairments (TCOMI), in cooperation with the Correctional Managed Health Care Committee. The bill requires the TCOMI, in cooperation with the pardons and paroles division, to prepare a medically recommended intensive supervision plan to be approved before release. The TCOMI and the Texas Department of Human Services are required to jointly request proposals from public or private vendors to provide services for inmates released on medically recommended intensive supervision.

The bill requires a parole panel to mandate as a condition of release that the offender remain under the care of a physician and in a medically suitable placement. The parole panel is authorized, under certain conditions, to modify conditions of release and to impose new conditions on the offender.

### **HOUSE BILL 1075**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Haggerty

**SENATE SPONSOR:** Staples

House Bill 1075 amends the Government Code by deleting the provision that requires the community justice assistance division of the Texas Department of Criminal Justice to require each community supervision and corrections department to submit certain information relating to the use of ignition interlock devices to the division.

### **HOUSE BILL 1314**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hopson

**SENATE SPONSOR:** Staples

House Bill 1314 amends the Government Code to require an inmate to participate in a treatment program if it is mandated by law or by Texas Department of Criminal Justice policy.

### **HOUSE BILL 1585**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Gallego et al.

**SENATE SPONSOR:** Staples

House Bill 1585 amends the Government Code to authorize the Board of Pardons and Parole to give a person, whose parole, mandatory supervision, or conditional pardon was revoked, credit toward the person’s remaining prison sentence for the time spent on parole, mandatory supervision, or conditional pardon.

### **HOUSE BILL 1617**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Allen

**SENATE SPONSOR:** Armbrister

House Bill 1617 amends the Government Code to establish that the Texas Department of Criminal Justice may lease prison land to a private business at a mutually agreed upon price, rather than at fair market value. The bill creates the private sector prison industry expansion account and the private sector prison industry crime victims assistance account and prescribes how the money may be appropriated and the amount collected from the wages of program participants.



**HOUSE BILL 1649**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego et al.

**SENATE SPONSOR:** Staples

House Bill 1649 amends the Government Code to provide that it is a ground for removal from the Board of Pardons and Paroles (board) if a member fails to comply with the policies or rules adopted by the Board of Pardons and Paroles Policy Board (policy board). The bill establishes that the presiding officer reports directly to the governor and serves as the administrative head of the policy board and the board. The bill directs the policy board to establish required work hours for the members and to require the members to file activity reports providing information on the hours worked and duties performed.

The board is required to determine which inmates are to be released on parole. House Bill 1649 expands that duty to include determining which inmates will be released on mandatory supervision, special conditions for parole or mandatory supervision, and the modifications and withdrawal of conditions of parole or mandatory supervision. If a parolee has successfully served a significant portion of his or her parole, mandatory supervision, or conditional pardon before it was revoked, the board is authorized to give the parolee credit toward the parolee's remaining prison sentence for the time spent on parole, mandatory supervision, or conditional pardon. The bill transfers certain duties from the board to a parole panel.

**HOUSE BILL 1658**

**EFFECTIVE:** 6-8-01

**HOUSE AUTHOR:** Ritter

**SENATE SPONSOR:** Staples

House Bill 1658 amends the Code of Criminal Procedure to require a county that has transferred an inmate or defendant to the Texas Department of Criminal Justice to promptly notify the department if the charges for which the inmate was convicted or transferred are dismissed.

**HOUSE BILL 1659**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Ritter

**SENATE SPONSOR:** Staples

House Bill 1659 amends the Code of Criminal Procedure to require a county to notify the Texas Department of Criminal Justice if an inmate or defendant who has been transferred from the custody of the department to the county is released on bail or the charges against the person are dismissed.

**HOUSE BILL 2097**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Morrison et al.

**SENATE SPONSOR:** Staples

House Bill 2097 amends the Penal Code to add an official of a correctional facility, a person other than an employee who works for compensation at a correctional facility, and a volunteer at a correctional facility to the list of people who commit an offense by denying or impeding a person's civil rights or engaging in sexual contact, sexual intercourse, or deviate sexual intercourse with a person in custody.

**HOUSE BILL 2179**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Hochberg et al.

**SENATE SPONSOR:** Armbrister

House Bill 2179 amends the Civil Practice and Remedies Code to add a chaplain or spiritual advisor who was performing services under a contract with the Texas Department of Criminal Justice, the Texas Youth Commission, or the Texas Juvenile Probation Commission to the list of people the state is required to indemnify for actual damages, court costs, and attorney's fees.

**HOUSE BILL 2247**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** D. Ellis  
**SENATE SPONSOR:** Staples

House Bill 2247 amends the Government Code to require the Texas Department of Criminal Justice to adopt an exit interview procedure for institutional division employees who terminate their employment voluntarily and to analyze the employees' response based on certain categories. The bill provides that employee participation in the interview process is voluntary.

**HOUSE BILL 2818**  
**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Counts  
**SENATE SPONSOR:** Shapleigh

House Bill 2818 amends the Local Government Code to increase from 500 to 2,000 inmates the maximum average daily population that a municipal jail facility that is contracted out to a county or private entity must be designed to hold.

**HOUSE BILL 3185**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** B. Turner et al.  
**SENATE SPONSOR:** Whitmire

House Bill 3185 amends the Government Code to require the Texas Department of Criminal Justice, in conjunction with the Texas Board of Criminal Justice human resources committee or any committee created by the board instead of the human resources committee, to review the implementation of and make necessary recommendations for rule and policy changes to certain personnel matters and procedures, and to submit a biennial report to the legislature on those issues.

The bill requires the department to adopt an exit interview procedure for institutional division employees who terminate their employment voluntarily and to analyze the employees' responses based on certain categories. The department is required to submit annually to the board a report on the process used to resolve employment-related grievances and to develop certain career advancement programs and implement policies relating to management-employee meetings.

**HOUSE BILL 3504**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Allen  
**SENATE SPONSOR:** Armbrister

House Bill 3504 amends the Government Code to authorize the Board of Pardons and Paroles to require a person whose parole or mandatory supervision is modified after violating conditions of release to remain under custodial supervision in a county jail for a period of not less than 60 days or more than 180 days. The bill requires a sheriff to accept an inmate if the commissioners court of the county in which the sheriff serves and the Texas Department of Criminal Justice have entered into a contract providing for the housing of persons sanctioned under this provision.

**SENATE BILL 288**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** D. Ellis

Senate Bill 288 amends the Government Code to authorize district judges to appoint a fiscal officer, other than the county auditor, to a community supervision and corrections department to be responsible for the financial transactions of the department. The bill requires the district judge to set the salary of the fiscal officer and requires the department to pay all costs associated with the functions of the officer. The bill also specifies the duties and qualifications of the fiscal officer.



**SENATE BILL 347**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown  
**HOUSE SPONSOR:** Haggerty

Senate Bill 347 amends the Government Code to require a contract entered into by the Correctional Managed Health Care Committee on behalf of the Texas Department of Criminal Justice implementing the department's managed health care plan to include provisions to ensure that The University of Texas Medical Branch at Galveston is eligible for and makes reasonable efforts to participate in the purchase of prescription drugs under the Public Health Service Act. The contract must also authorize the medical branch to contract directly with the Texas Tech University Health Sciences Center for the provision of inmate health care services.

**SENATE BILL 636**  
**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Maxey

Senate Bill 636 requires the Texas Department of Criminal Justice to conduct a cost-benefit analysis of the potential use of the Texas Medication Algorithm Project to treat inmates with mental illness. The bill requires the Texas Youth Commission to review the benefits of the potential use of the Children's Medication Algorithm Project to treat children with mental illness in the custody of the commission. The bill requires the Texas Council on Offenders with Mental Impairments, in conjunction with the Criminal Justice Policy Council, to oversee the analysis conducted by the department and the review conducted by the commission and to report to the legislature on the results.

**SENATE BILL 644**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief  
**HOUSE SPONSOR:** Gray

Senate Bill 644 amends the Health and Safety Code to require additional information in the memorandum of understanding establishing responsibilities among the Texas Department of Criminal Justice, the Texas Department of Mental Health and Mental Retardation, certain representatives of local mental health or mental retardation authorities, and the directors of community supervision and corrections departments to institute a continuity of care and service for offenders with mental impairments. The added information includes collecting and reporting to the Texas Council on Offenders with Mental Impairments prevalence rate data on offenders with mental impairments in the criminal justice system, developing standards for the coordination of care of offenders with mental impairments, and establishing a process to report the implementation activities to the council. The bill requires the council to report the implementation outcomes and its recommendations to the legislature by September 1 of each even-numbered year.

The bill requires local and state criminal justice agencies, if possible, to contract with local mental health or mental retardation authorities to maximize Medicaid funding and improve on the continuity of care and service programs for offenders with mental impairments in the criminal justice system.

**SENATE BILL 661**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** E. Reyna

Senate Bill 661 amends the Health and Safety Code to include a municipal or county health department, a hospital district, a state judge with jurisdiction over criminal cases, and an attorney who is appointed or retained to represent a special needs offender to the list of individuals or entities that may receive and share information regarding special needs inmates.

**SENATE BILL 840**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Wentworth

**HOUSE SPONSOR:** D. Ellis

Senate Bill 840 amends the Government Code to specify that a “correctional facility” is a place designated by the law of Texas, another state, or the federal government for the confinement of a person arrested for, charged with, or convicted of a criminal offense.



## COURTS—GENERAL

**HOUSE BILL 78****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Gallego**SENATE SPONSOR:** Madla

House Bill 78 amends the Government Code to repeal the provision prohibiting the judge of the 394th District Court from serving as a visiting judge in certain counties.

**HOUSE BILL 177****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Luna**SENATE SPONSOR:** Staples

House Bill 177 amends the Code of Criminal Procedure to authorize a county commissioners court to create a justice court technology fund to finance the purchase of certain technological enhancements for a justice court. The bill permits the commissioners court to require certain defendants to pay a technology fee not to exceed \$4 to be deposited into the fund. The court's authority to assess the additional fee expires September 1, 2005.

**HOUSE BILL 178****EFFECTIVE:** 1-1-02**HOUSE AUTHOR:** Luna et al.**SENATE SPONSOR:** R. West

House Bill 178 amends the Government Code to provide that an assistant prosecutor compensated by the state to perform the duties of a district attorney is entitled to monthly longevity pay of \$20 for each year of lifetime service credit. The bill establishes guidelines relating to the payment of longevity compensation and limits an assistant prosecutor's engagement in the private practice of law while receiving longevity pay.

**HOUSE BILL 200****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Pitts**SENATE SPONSOR:** Cain

House Bill 200 amends the Government Code to create the County Court at Law No. 2 of Ellis County and establish that the county courts at law in Ellis County have concurrent jurisdiction with the district court in civil cases regardless of the amount in controversy.

**HOUSE BILL 317****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Telford**SENATE SPONSOR:** R. West

Under prior law, the court of appeals for the Sixth Court of Appeals District was authorized to transact its business in the City of Texarkana or in the courthouse of the county seat of any county in the district. House Bill 317 amends the Government Code to allow the court to choose other locations in the county seat of any county as the court determines it necessary and convenient to transact business.

**HOUSE BILL 485****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Craddick**SENATE SPONSOR:** Duncan

House Bill 485 amends the Government Code to remove Reagan County from the 83rd Judicial District.

**HOUSE BILL 497****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Chisum**SENATE SPONSOR:** Bivins

House Bill 497 amends the Government Code to include the district attorney of the 31st Judicial District in the list of prosecutors subject to provisions governing certain professional prosecutors.

**HOUSE BILL 535**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Wentworth

House Bill 535 amends the Government Code to require a statutory court clerk to enter in the administrative file, rather than the minutes of the court, a record containing information concerning the appointment of certain visiting judges. The bill defines “administrative file” as a file kept by the court for its administrative orders and assigned a cause number.

**HOUSE BILL 546**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Noriega et al.

**SENATE SPONSOR:** Gallegos

House Bill 546 amends the Government Code to require the court of criminal appeals to adopt rules requiring the training of each judge subject to the Rules of Judicial Education on issues related to racial, cultural, and ethnic awareness. The bill sets out guidelines for the implementation of the training, including requiring each judge subject to the Rules of Judicial Education to complete the training during the judge’s first four years of service and to complete additional training during each additional four years of service.

**HOUSE BILL 715**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Oliveira

**SENATE SPONSOR:** Lucio

House Bill 715 amends the Government Code to expand the jurisdiction of the 404th Judicial District to include Willacy County.

**HOUSE BILL 1015**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

House Bill 1015 amends the Government Code to include the district attorney of the 83rd Judicial District in the list of prosecutors subject to provisions governing certain professional prosecutors.

**HOUSE BILL 1041**

**EFFECTIVE:** 5-16-01

**HOUSE AUTHOR:** Smith et al.

**SENATE SPONSOR:** Harris

House Bill 1041 amends the Government Code to give County Criminal Court No. 10 of Tarrant County concurrent jurisdiction with County Criminal Court No. 5 over the appeals of criminal convictions under state laws and the municipal ordinances of the municipalities located in Tarrant County that are appealed from the justice and municipal courts in the county.

**HOUSE BILL 1107**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hartnett

**SENATE SPONSOR:** Cain

House Bill 1107 amends the Local Government Code to authorize a county to use a county law library fund to acquire certain library equipment, material, or subscriptions to obtain access to electronic research networks for use by judges in the county, if authorized by certain persons.

**HOUSE BILL 1394**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Berman

**SENATE SPONSOR:** Staples

House Bill 1394 amends the Government Code to create a municipal court of record in the City of Bullard and to establish the qualifications for a person to be eligible to serve as a judge of the court.

**HOUSE BILL 1765****EFFECTIVE:** 8-27-01

House Bill 1765 amends the Government Code to create the County Court at Law of Brown County and to establish its jurisdiction.

**HOUSE AUTHOR:** B. Turner**SENATE SPONSOR:** Fraser**HOUSE BILL 1766****EFFECTIVE:** 9-1-01

House Bill 1766 amends the Government Code to expand the list of persons authorized to administer an oath and give a certificate of fact to include a retired or senior judge, a legislator or retired legislator, and the attorney general.

**HOUSE AUTHOR:** B. Turner**SENATE SPONSOR:** R. Ellis**HOUSE BILL 1876****EFFECTIVE:** 5-24-01

House Bill 1876 amends the Tax Code to establish that an attorney appointed as a master for delinquent property tax suits may practice law in the referring court if otherwise qualified to do so.

**HOUSE AUTHOR:** Gray**SENATE SPONSOR:** Jackson**HOUSE BILL 1979****EFFECTIVE:** 1-1-02

House Bill 1979 amends the Government Code to create County Criminal Court at Law No. 1 and County Criminal Court at Law No. 2 of El Paso County. The bill establishes the courts' jurisdiction and grants County Criminal Court No. 1 exclusive jurisdiction over environmental offenses. The bill also adds provisions to allow the transfer of cases and the exchange of benches between statutory county courts and district courts of El Paso County.

**HOUSE AUTHOR:** Chavez et al.**SENATE SPONSOR:** Shapleigh**HOUSE BILL 2111****EFFECTIVE:** Vetoed

House Bill 2111 amends provisions of the Government Code, the Civil Practices and Remedies Code, the Code of Criminal Procedure, and the Family Code to abolish the Office of Court Administration of the Texas Judicial System and transfer its authority, including the direction and supervision of the Judicial Committee on Information Technology, to the Texas Judicial Council. The bill provides that the Texas Judicial Council is the central state agency responsible for the operation and uniform administration of the Texas judicial system.

**HOUSE AUTHOR:** Gallego**SENATE SPONSOR:** Duncan**HOUSE BILL 2167****EFFECTIVE:** 9-1-01

House Bill 2167 amends the Government Code to grant the County Court at Law No. 4 of Travis County concurrent jurisdiction with the district court in certain felony cases involving family violence.

**HOUSE AUTHOR:** Keel et al.**SENATE SPONSOR:** Barrientos**HOUSE BILL 2270****EFFECTIVE:** 9-1-01

House Bill 2270 amends the Government Code to authorize the governing body of a municipality to give a municipal court of record civil jurisdiction to enforce health and safety and nuisance abatement ordinances relating to dangerous structures and junked vehicles and concurrent jurisdiction with a district or county court at law in enforcing municipal health and safety ordinances in the municipality's territory or any of its property located in the city's

**HOUSE AUTHOR:** Bailey**SENATE SPONSOR:** Whitmire

extraterritorial jurisdiction. The bill establishes that the court has the authority to issue a search warrant to investigate a health and safety or nuisance abatement ordinance violation and to issue a seizure warrant to remove offending property and debris from a premises.

**HOUSE BILL 2307**

**EFFECTIVE:** 12-1-01

**HOUSE AUTHOR:** Clark

**SENATE SPONSOR:** Haywood

House Bill 2307 amends the Government Code to create the County Court at Law of Cooke County and to establish its jurisdiction.

**HOUSE BILL 2314**

**EFFECTIVE:** 5-1-02

**HOUSE AUTHOR:** Solomons

**SENATE SPONSOR:** Nelson

House Bill 2314 amends the Government Code to create County Court at Law No. 2 of Denton County and to establish its jurisdiction.

**HOUSE BILL 2559**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** E. Jones

**SENATE SPONSOR:** Shapiro

Previous law provided certain municipal courts and justice courts concurrent jurisdiction in criminal cases arising from violations of state law and occurring under specific conditions. House Bill 2559 amends the Government Code to limit concurrent jurisdiction of municipal courts and justice courts in criminal cases arising from certain violations that occur within a municipality's territorial limits or on property owned by the municipality.

**HOUSE BILL 2735**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Bernsen

House Bill 2735 amends the Government Code to establish programs for the certification and licensing of court interpreters to assist individuals who are hearing impaired or who do not speak English. The bill requires a court to appoint a certified or licensed court interpreter on a motion filed by a party or a witness in a civil or criminal proceeding. The bill requires the Texas Commission for the Deaf and Hard of Hearing to implement the program to interpret court proceedings for the hearing impaired and the Texas Commission of Licensing and Regulation to implement the program to interpret court proceedings for individuals who do not speak English. The bill establishes the licensed court interpreter advisory board as an advisory board to the commissioner of licensing and regulation regarding the adoption of rules and the design of a licensing examination for court interpreters.

House Bill 2735 takes effect September 1, 2001, except that the penalty incurred by a person who violates a rule or acts as a licensed court interpreter but who does not hold an appropriate license takes effect January 1, 2002.

**HOUSE BILL 2788**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Solomons et al.

**SENATE SPONSOR:** Duncan

House Bill 2788 amends the Government Code to authorize an existing district court in a county to transfer to a newly created district court in the county a case regarding a child who is subject to the continuing exclusive jurisdiction of the existing court under the Family Code, regardless of whether the case is pending in the existing court or whether the court rendered a final order in the case. The district court to which the case is transferred acquires exclusive jurisdiction over the child.

**HOUSE BILL 3000**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uresti  
**SENATE SPONSOR:** Madla

House Bill 3000 amends the Government Code to delete the provision prohibiting a criminal law magistrate in Bexar County to whom a case is referred from entering a ruling on any issue of law or fact if that ruling could result in dismissal or require dismissal of a pending criminal prosecution.

**HOUSE BILL 3174**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis  
**SENATE SPONSOR:** Truan

House Bill 3174 amends the Government Code to require that the Court of Appeals for the Thirteenth Court of Appeals District be held in the City of Corpus Christi, where it is currently held, and in the City of Edinburg. The bill establishes guidelines for the compensation and payment of benefits to the justices of the court and provides for the apportionment of the costs among the counties that are served by the court of appeals district. The bill also requires the commissioners court of each county in the Thirteenth Court of Appeals District to establish an appellate judicial system to assist the court of appeals for the county with processing appeals filed in other courts in the county, and it establishes guidelines for the administration of the system. House Bill 3174 authorizes each county to collect a fee of not more than \$5 for each civil suit filed in the county to be used to fund the appellate judicial system.

**HOUSE BILL 3192**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Puente et al.  
**SENATE SPONSOR:** Wentworth

House Bill 3192 amends the Government Code to authorize the judges of the district courts in Bexar County to appoint a full-time or part-time associate judge to hear any civil matter within the jurisdiction of the district court. The bill establishes eligibility criteria for a person to serve as an associate judge, enumerates the powers and duties of an associate judge, and sets forth guidelines relating to the administration and operation of the court.

**HOUSE BILL 3203**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** J. Jones  
**SENATE SPONSOR:** R. West

House Bill 3203 amends the Government Code to authorize a county or district clerk to update a jury wheel card to reflect a person's address change if a written summons for jury service is returned with a notation of a change of address from the United States Postal Service. The bill requires the clerk to update jury wheel cards to reflect address changes when reconstituting the jury wheel.

**HOUSE BILL 3296**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman  
**SENATE SPONSOR:** Harris

House Bill 3296 amends the Government Code to require that the salary of a retired statutory county court judge assigned to serve in a district court or a statutory county court be paid in the same manner as the salary of a retired district judge assigned to serve in a district or statutory county court is paid by the state.



**HOUSE BILL 3356**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McReynolds

**SENATE SPONSOR:** Staples

House Bill 3356 amends the Government Code to require the judges of district courts having jurisdiction in Angelina County and the judges of the county courts at law of Angelina County to each appoint a bailiff and to establish the minimum rate of compensation for a bailiff.

**HOUSE BILL 3498**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** R. West

House Bill 3498 amends the Code of Criminal Procedure to authorize the Office of Court Administration of the Texas Judicial System to award grants, not later than January 1 of each even-numbered year, to reimburse counties and municipalities for the cost of preparing a plan outlining methods to improve the collection of court costs, fees, and fines imposed in criminal cases. The bill authorizes the Office of Court Administration to require that the county or municipality reimburse the state from the additional collections as a condition of the grant.

**HOUSE BILL 3586**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Hartnett

**SENATE SPONSOR:** R. West

House Bill 3586 amends the Government Code to require the clerk of a Dallas County civil court, if authorized by the commissioners court, to collect an additional filing fee of not more than \$15 in each civil case filed in the county to be used for the construction, improvement, or renovation of the facilities that house the Dallas County civil courts. A resolution adopted by the commissioners court authorizing the fee continues from year to year until the earlier of July 1, 2016, or the date the resolution is rescinded.

**HOUSE BILL 3627**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Hope

**SENATE SPONSOR:** Bernsen

House Bill 3627 amends the Government Code to create the County Court at Law No. 4 of Montgomery County and modifies the jurisdiction of the county courts at law in the county.

**HOUSE BILL 3632**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Farabee

**SENATE SPONSOR:** Haywood

House Bill 3632 amends the Government Code to provide that, in addition to the current statutory jurisdiction, a county court at law in Wichita County has the general jurisdiction established for a county court at law by the Texas Probate Code and concurrent jurisdiction with the county court in misdemeanor cases and probate and mental health matters. The bill requires that all misdemeanor, probate and mental health matters, and appeals from municipal courts of record be filed in the county court at law and authorizes the county court at law to transfer the case or appeal to the county court with the consent of the county judge. In addition, the bill establishes other jurisdictional guidelines relating to a county court at law in Wichita County and prescribes the salary and manner of payment for the judge of a county court at law.

**HOUSE BILL 3637**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hilderbran

**SENATE SPONSOR:** Fraser

House Bill 3637 amends the Government Code to provide that a county court at law in Burnet County has concurrent jurisdiction with the district court in family law cases and proceedings, including juvenile cases.

**HOUSE BILL 3643****EFFECTIVE:** 6-13-01

House Bill 3643 amends the Government Code to create the County Court at Law of Aransas County and to define its jurisdiction.

**HOUSE AUTHOR:** Seaman**SENATE SPONSOR:** Armbrister**HOUSE BILL 3646****EFFECTIVE:** 9-1-01

House Bill 3646 amends the Government Code to provide that a county court at law in Travis County has concurrent jurisdiction with the district court in certain civil cases. The bill also provides that in civil cases the jury is composed of six members unless the amount in controversy exceeds \$100,000 and a party to the case files a written request for a 12-member jury not later than the 30th day before the date of the trial.

**HOUSE AUTHOR:** Kitchen et al.**SENATE SPONSOR:** Barrientos**HOUSE BILL 3649****EFFECTIVE:** 1-1-03

House Bill 3649 amends the Government Code to give a county court at law in Gregg County concurrent jurisdiction with the district court, except in capital felony cases. The bill also sets forth provisions relating to jury composition in a county court at law in Gregg County.

**HOUSE AUTHOR:** Merritt**SENATE SPONSOR:** Cain**HOUSE BILL 3662****EFFECTIVE:** 9-1-01

House Bill 3662 amends the Government Code to expand the duties of the presiding judge of the justice courts of Harris County. The bill also changes the vote needed to pass a local rule from a unanimous vote to a two-thirds vote of the justices of the peace.

**HOUSE AUTHOR:** Thompson**SENATE SPONSOR:** J. E. Brown**HOUSE BILL 3663****EFFECTIVE:** 9-1-01

House Bill 3663 amends the Government Code to delete the provision that limits a county criminal court in Harris County to criminal jurisdiction only.

**HOUSE AUTHOR:** Thompson**SENATE SPONSOR:** J. E. Brown**HOUSE BILL 3664****EFFECTIVE:** 9-1-01

House Bill 3664 amends the Government Code to expand the jurisdiction and duties of a criminal law hearing officer in Harris County to include enforcing judgments and orders of the county criminal courts at law in criminal cases.

**HOUSE AUTHOR:** Thompson**SENATE SPONSOR:** Whitmire**HOUSE BILL 3666****EFFECTIVE:** 6-14-01

House Bill 3666 amends the Government Code to give a county court at law in Erath County concurrent jurisdiction with the district court in proceedings in which the Department of Protective and Regulatory Services has assumed the care, custody, and control of a child.

**HOUSE AUTHOR:** Miller**SENATE SPONSOR:** Sibley**HOUSE BILL 3671****EFFECTIVE:** 6-14-01

House Bill 3671 amends the Government Code to authorize the creation of municipal courts of record in Trophy Club located in Tarrant and Denton counties. The bill provides that the county criminal courts at law of Denton County have jurisdiction of appeals from the municipal courts of record.

**HOUSE AUTHOR:** Denny**SENATE SPONSOR:** Nelson

**HOUSE BILL 3678**

**EFFECTIVE:** 9-1-01

House Bill 3678 amends the Government Code to create the County Court No. 3 of Galveston County and to establish its jurisdiction. The bill modifies certain procedures relating to the administration, operation, and jurisdiction of statutory courts in Galveston County.

**HOUSE AUTHOR:** Gray

**SENATE SPONSOR:** Jackson

**HOUSE BILL 3694**

**EFFECTIVE:** 9-1-01

House Bill 3694 amends the Government Code to authorize the Commissioners Court of Cameron County to pay the district judge who serves as the local administrative district judge an annual salary for judicial and administrative duties in addition to the judge's regular salary.

**HOUSE AUTHOR:** Solis

**SENATE SPONSOR:** Lucio

**HOUSE BILL 3695**

**EFFECTIVE:** 6-15-01

House Bill 3695 creates the County Court at Law No. 2 of Gregg County on January 1, 2003, if approved by a majority of voters in an election held before January 1, 2002.

**HOUSE AUTHOR:** Merritt

**SENATE SPONSOR:** Cain

**HOUSE BILL 3696**

**EFFECTIVE:** 9-1-01

House Bill 3696 amends the Government Code to create the County Court at Law No. 5 of Hidalgo County and to redesignate the County Court at Law No. 3 of Hidalgo County as the Probate Court of Hidalgo County. The bill provides that a county court at law in Hidalgo County has concurrent jurisdiction with the district court in civil cases that do not exceed \$750,000, rather than \$500,000.

**HOUSE AUTHOR:** Hinojosa

**SENATE SPONSOR:** Lucio

**SENATE BILL 181**

**EFFECTIVE:** 1-1-02

Senate Bill 181 amends the Government Code to change the terms of the 32nd District Court in each county in the district to begin on the first Monday in January, May, and September.

**SENATE AUTHOR:** Fraser

**HOUSE SPONSOR:** Junell

**SENATE BILL 495**

**EFFECTIVE:** 9-1-01

Under prior law, a justice of the peace could be removed from office for incompetency by failing to complete within one year after the date first elected a 40-hour course in the performance of the justice's duties. Senate Bill 495 amends the Government Code to increase the course time to 80 hours.

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Thompson

**SENATE BILL 625**

**EFFECTIVE:** 9-1-01

Senate Bill 625 amends the Government Code to authorize a clerk of the court of criminal appeals to maintain writs and other records and documents in an electronic storage format and requires the clerk to establish a records retention policy.

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Thompson

**SENATE BILL 774****EFFECTIVE:** 9-1-01

Senate Bill 774 amends the Government Code to remove Johnson and Somervell counties from the Third Administrative Judicial Region and to include them in the Eighth Administrative Judicial Region.

**SENATE AUTHOR:** Harris**HOUSE SPONSOR:** Goodman**SENATE BILL 797****EFFECTIVE:** 5-3-01

Senate Bill 797 amends the Government Code to create the County Court at Law No. 2 of Guadalupe County.

**SENATE AUTHOR:** Wentworth et al.**HOUSE SPONSOR:** Kuempel**SENATE BILL 847****EFFECTIVE:** 6-11-01

Senate Bill 847 amends the Government Code to provide that the Town of Westlake located in Tarrant and Denton counties has the authority to create a municipal court of record and establishes that the county courts at law of Tarrant County have criminal appellate jurisdiction.

**SENATE AUTHOR:** Nelson**HOUSE SPONSOR:** Truitt**SENATE BILL 1001****EFFECTIVE:** 9-1-01

Senate Bill 1001 amends the Government Code to authorize a district judge to hear a nonjury matter relating to a civil or criminal case at a correctional facility in the county in which the case is filed or prosecuted if a party to the case or the criminal defendant is confined in the correctional facility.

**SENATE AUTHOR:** Zaffirini**HOUSE SPONSOR:** Hawley**SENATE BILL 1094****EFFECTIVE:** 5-22-01

Senate Bill 1094 amends the Government Code to repeal provisions that grant exclusive jurisdiction of Class C misdemeanor offenses to the County Court at Law No. 1 in Denton County and prohibit the judge of a criminal court in Denton County from serving as a visiting judge in certain counties. The bill clarifies that a Denton County statutory probate court judge is authorized to conduct docket matters at various locations within the county as the judge deems necessary for the protection of wards or mental health respondents or as otherwise provided by law.

**SENATE AUTHOR:** Nelson**HOUSE SPONSOR:** Solomons**SENATE BILL 1113****EFFECTIVE:** 9-1-01

Senate Bill 1113 amends the Government Code to include the county attorney of Rains County in the list of prosecutors subject to provisions governing certain professional prosecutors and provides that the county attorney is to be compensated by the state in the same manner and amount as a district attorney. The bill also deletes the provision requiring the Rains County Commissioners Court to provide certain funds to the office of the county attorney.

**SENATE AUTHOR:** Cain**HOUSE SPONSOR:** Homer**SENATE BILL 1210****EFFECTIVE:** Vetoed

Senate Bill 1210 amends the Government Code to require an attorney or law clerk who is employed by the state and who has accepted an employment offer or benefit from a law firm or other private entity to file an informational statement with the court clerk that includes the name of the law firm or private entity, the employment offer or benefit accepted, and any other

**SENATE AUTHOR:** R. West**HOUSE SPONSOR:** Dunnam et al.

information required by court rule. An attorney or law clerk employed by the state is prohibited from participating in any matter before a court that involves the law firm or private entity with whom the clerk has entered into an agreement. After termination of employment with the state, an attorney or law clerk is also prohibited from (1) participating on behalf of the law firm or private entity in any matter that was pending before the court while employed with the court and (2) pleading or appearing before the court in any matter until the first anniversary of the date of the termination of employment. The bill provides that an attorney who violates these provisions is subject to sanctions by the State Bar of Texas.

**SENATE BILL 1223**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West

**HOUSE SPONSOR:** Solis

Senate Bill 1223 amends the Government Code to require court reporting firms and shorthand reporting firms to register and receive certification by the Court Reporters Certification Board before offering services to a court in this state. The bill establishes procedures for the certification and registration of firms, the taking of disciplinary actions against a firm for nonregistration and unprofessional conduct, and the appeal of a disciplinary action by a firm or court reporter. The bill provides that a person must have personal knowledge of an alleged violation in order to file a complaint against a shorthand reporter or shorthand reporting firm. It requires the attorney general, a county or district attorney, or counsel designated by the board to represent the board in a court proceeding relating to a complaint or injunction against a firm.

Senate Bill 1223 authorizes the Supreme Court of Texas to adopt rules governing the registration and conduct of court reporting and shorthand reporting firms, and it requires the court to appoint to the board one representative of a shorthand reporting firm that is not owned by a certified shorthand reporter, one representative of a shorthand reporting firm that is owned by a certified shorthand reporter, and an additional public member who is a citizen of the state. The bill increases from \$50 to \$100 the aggregate value in items a court reporter is authorized to accept for each year without engaging in unprofessional conduct, and it removes the transaction limit fee of \$25.

**SENATE BILL 1377**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Thompson

Senate Bill 1377 amends the Government Code to authorize the state auditor to review each fund and account into which money collected from court costs is deposited to determine whether the money is being used for the correct purpose and whether the cost is appropriate. The bill requires the auditor to make the findings of the review available to the public and to submit the findings and recommendations for legislation or policy changes to the governor, the chief justice of the supreme court, the presiding judge of the court of criminal appeals, and the legislative audit committee.

**SENATE BILL 1433**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** F. Brown

Senate Bill 1433 amends the Government Code to establish that the 85th, 272nd, and 361st district courts of Brazos County have concurrent jurisdiction with the statutory county courts of Brazos County in misdemeanor cases as well as the jurisdiction prescribed for district courts.

**SENATE BILL 1434**  
**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Ogden  
**HOUSE SPONSOR:** F. Brown

Senate Bill 1434 amends the Government Code to authorize the judges of the district courts and county courts at law in Brazos County, with the consent of the Commissioners Court of Brazos County, to jointly appoint one or more magistrates. The bill permits the judges to authorize one or more magistrates to share service with more than one court, but if a magistrate serves more than one court, the magistrate's appointment must be made with the unanimous approval of all the judges under whom the magistrate serves. The bill establishes other provisions relating to the operation and jurisdiction of a magistrate's court and to the compensation, powers, and duties of a magistrate.

**SENATE BILL 1808**  
**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Ogden  
**HOUSE SPONSOR:** Alexander

Senate Bill 1808 amends the Government Code to create the County Court at Law of Navarro County and to establish its jurisdiction as concurrent with the district court. The bill sets out provisions relating to the administration of the court and provides that the judge of the 13th District Court serves as the local administrative judge for the district and county courts at law in Navarro County.

**SENATE BILL 1810**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Sibley  
**HOUSE SPONSOR:** Keffer

Senate Bill 1810 amends the Government Code to create the County Court at Law No. 1 in Hood County and to establish its jurisdiction. The bill sets out provisions relating to the administration of the court and the qualifications of a judge eligible to serve on the court.

**SENATE JOINT RESOLUTION 49**  
**FOR ELECTION:** 11-6-01

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Thompson

Senate Joint Resolution 49 proposes a state constitutional amendment to authorize the legislature to enact a program to consolidate and standardize the collection, deposit, reporting, and remitting of civil and criminal fees. If a comprehensive program is enacted, future legislatures are required to adopt fees that conform to the program. The proposed amendment defines "fee" to mean a fee in criminal or civil matter all or a portion of which is required to be collected by local officers, clerks, or other local personnel and remitted to the comptroller for deposit in the manner provided for in the law imposing the fee.





## COURTS—GUARDIANSHIP AND PROBATE

### **HOUSE BILL 534**

**EFFECTIVE:** 9-1-01

House Bill 534 amends the Government Code to expand the jurisdiction, powers, and duties of an assigned statutory probate court judge to include the transfer of estate and guardianship proceedings.

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Wentworth

### **HOUSE BILL 536**

**EFFECTIVE:** 9-1-01

House Bill 536 amends the Texas Probate Code to require that all applications, petitions, and motions regarding probate, administrations, guardianships, and mental illness matters be filed and heard in a statutory probate court for those counties in which there is a statutory probate court.

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Wentworth

### **HOUSE BILL 537**

**EFFECTIVE:** 9-1-01

House Bill 537 amends the Government Code to authorize a judge of a statutory probate court to transfer a pending cause of action regarding an estate to the originating court if it has been determined that the probate court no longer has jurisdiction over the cause of action.

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Wentworth

### **HOUSE BILL 538**

**EFFECTIVE:** 9-1-01

House Bill 538 amends the Government Code to authorize an assigned statutory probate court judge who has jurisdiction over a suit pending in one county to conduct any of the judicial proceedings, except the trial on the merits, in a different county if neither party objects.

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Wentworth

### **HOUSE BILL 539**

**EFFECTIVE:** 9-1-01

House Bill 539 amends the Texas Probate Code to authorize a court, on petition of the guardian of the minor's estate, to enter an order approving an arts and entertainment contract, an advertisement contract, or a sports contract entered into by the minor and provides that an otherwise valid contract may not be voidable solely because the contract was entered into by a minor. The bill authorizes the court to require that a portion of the net earnings of the minor under the contract be set aside in certain trusts and preserved for the benefit of the minor. The bill also allows a court to appoint a guardian ad litem for a minor who has entered into a contract if the appointment of a guardian ad litem is in the best interest of the minor.

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** R. West

### **HOUSE BILL 628**

**EFFECTIVE:** 9-1-01

House Bill 628 amends the Texas Probate Code to authorize a court to appoint a person other than a financial institution to serve as a trustee for a ward's or incapacitated person's trust if the principal of the trust is \$50,000 or less or if the principal of the trust is greater than \$50,000 and the court finds that no financial institution is willing to serve as trustee. The bill requires a person, other than a corporate fiduciary, serving as a trustee to file a bond with the county clerk in an amount equivalent to the value of the trust's principal and projected annual income.

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Moncrief

**HOUSE BILL 689**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Wentworth

House Bill 689 amends the Government Code to clarify the jurisdiction of a statutory probate court. The bill also amends provisions relating to the jurisdiction of the Probate Court of Denton County and repeals provisions relating to the jurisdiction of certain other courts. House Bill 689 takes effect September 1, 2001, except that the provision changing the jurisdiction of the statutory probate court in Denton County takes effect May 1, 2002.

**HOUSE BILL 898**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** J. E. Brown

House Bill 898 amends the Texas Probate Code to permit a parent, a managing conservator of a minor who is not a ward, or the guardian of a ward who does not have a guardian of the ward's estate to apply for an order to sell the minor's or the ward's interest in real or personal property without being appointed as a guardian of the minor's or ward's estate if the interest in the property is no more than \$100,000; this amount was previously capped at \$50,000. The bill allows the termination of the guardianship of a minor ward's estate when the estate consists only of cash or cash equivalents in an amount of \$100,000 or less, increasing this threshold from the previous maximum level of \$25,000. The bill also increases from \$50,000 to \$100,000 the maximum amount that a creditor who is a minor or other incapacitated person or the former ward of a terminated guardianship is entitled to receive from a debtor when such a creditor is without a legal guardian of the estate.

**HOUSE BILL 900**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Wentworth

House Bill 900 amends Government Code provisions relating to the administration of statutory probate courts and to the assignment of statutory probate court judges. The bill requires the presiding judge of statutory probate courts to ensure that the rules of administration adopted by local statutory probate courts are in accordance with the policies and guidelines set by the supreme court, to advise local statutory probate court judges on cash flow management practices and auxiliary court services, and to perform a duty of a local administrative statutory probate court judge if the local administrative judge does not perform that duty. House Bill 900 sets forth requirements for a judge or a former or retired judge of a statutory probate court to serve as a statutory probate court judge and amends provisions regarding the assignment of statutory probate court judges. The bill authorizes a presiding judge to appoint any special or standing committees of statutory probate court judges necessary for court management and administration.

**HOUSE BILL 952**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Wentworth

House Bill 952 amends the Probate Code to establish procedures for the transfer of the guardianship of a ward or a ward's estate to a foreign jurisdiction if the ward has permanently moved to the foreign jurisdiction.

**HOUSE BILL 1037**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Harris

House Bill 1037 amends the Texas Probate Code to establish that after a guardianship of the estate of a ward is settled, the court that had original probate jurisdiction retains jurisdiction over certain matters. The bill removes a provision that authorizes the court to award judgment in favor of a surety even if the ward has died or regained capacity or if disabilities of minority have been removed. The bill modifies language to distinguish the settling of a guardianship from language referring to its closing.

**HOUSE BILL 1073**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Farabee

**SENATE SPONSOR:** Moncrief

Previous law required a probate court or a court with probate jurisdiction to be open for certain mental health proceedings at all times. House Bill 1073 amends the Health and Safety Code to require the court to be open during normal business hours only and requires the probate judge or magistrate to be available at all times at the request of certain persons.

**HOUSE BILL 1083**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** J. E. Brown

House Bill 1083 amends the Probate Code to clarify that the filing of a petition in bankruptcy does not revoke or terminate a durable power of attorney that was established before the bankruptcy proceeding. The bill also specifies that an attorney's actions concerning an individual's property are subject to the limitations and requirements of the United States Bankruptcy Code until a final determination is made in the bankruptcy proceeding.

**HOUSE BILL 1132**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson et al.

**SENATE SPONSOR:** Bernsen

House Bill 1132 amends Texas Probate Code provisions relating to guardianships and matters concerning incapacitated persons. The bill provides that if, after execution of a durable power of attorney, a court appoints a temporary guardian of the estate of the principal, the court may suspend the powers of the attorney in fact or agent until the date the term of the temporary guardian expires. The bill amends provisions relating to the appointment of a guardian for a minor whose surviving parent is incapacitated, to the signature required on written declarations by certain parents to appoint guardians for their children, and to self-proving a written declaration to attest to the competency of the declarant. The bill amends the period for filing and hearing an application to be appointed guardian to an incapacitated minor and allows the guardianship of a minor ward to be terminated and the funds transferred to the county clerk to manage when the estate has \$50,000 or less, rather than \$25,000 or less.

In addition, House Bill 1132 authorizes a guardian to change its resident agent and establishes procedures for the resignation of a resident agent. The bill allows a court to remove a guardian, if the guardian is not a resident of the state and has no agent of residence, and to appoint one joint guardian as the sole guardian if the marriage of joint guardians is dissolved. The bill defines "community administrator" to mean the spouse of an incapacitated person who is authorized to manage the community estate and sets out certain provisions relating to the appointment, duties, and requirements of a community administrator. House Bill 1132 also makes several conforming changes to the Family Code.

**HOUSE BILL 1220**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Hartnett

**SENATE SPONSOR:** R. West

House Bill 1220 amends the Government Code to create a county contributions fund in the county treasury of each county that collects a \$40 filing fee for every probate, guardianship, mental health, or civil case filed in the county's statutory probate court, and it requires the state to deposit into each county's fund an annual contribution of \$40,000 plus its share of any excess fee revenue collected by the courts and paid to the state. The bill prohibits a county from reducing the amount of funds provided for the support of the statutory probate courts in the county because of the availability of funds in the county's contributions fund.

**HOUSE BILL 1233**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Moncrief

House Bill 1233 amends the Probate Code to allow a guardian of the estate of a ward, if authorized by a court order, to purchase a prepaid funeral benefits contract.

**HOUSE BILL 1459**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Williams

**SENATE SPONSOR:** Armbrister

House Bill 1459 amends the Health and Safety Code to delete the provision that authorizes the children of a deceased cemetery plot owner to transfer the right of sepulture in an unused grave, niche, or crypt of a plot in which the plot owner has been interred, and it clarifies that the surviving spouse and the heirs-at-law are authorized to convey the right of sepulture.

**HOUSE BILL 1883**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** R. West

House Bill 1883 amends the Texas Probate Code to require an attorney in fact or agent to timely inform a principal of all actions or decisions taken regarding the principal's property and finances, to maintain records of each action or decision, and to provide an accounting of any action or decision taken if requested by the principal. The bill prescribes information the attorney in fact or agent is required to include in an accounting and authorizes the principal to file suit to compel the attorney in fact or agent to deliver an accounting within a specified time, to deliver the assets, or to terminate the power of attorney.

**HOUSE BILL 2112**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Dutton

**SENATE SPONSOR:** R. West

House Bill 2112 amends the Government Code to require the secretary of state to report the rules of civil procedure promulgated by the supreme court to the next regular session of the legislature by mailing to each member of the legislature a copy of the rules or amendments to the rules on or before December 1 immediately preceding the session. The bill clarifies that the supreme court is required to file with the secretary of state, at the time the court files a rule, a list of each article or section of general law that is repealed or modified in any way.

**HOUSE BILL 2152**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Averitt

**SENATE SPONSOR:** Jackson

House Bill 2152 amends the Probate Code to establish that the provision that voids a devise or bequest of a testator's property to the attorney who prepared the will or to an heir or employee of the attorney does not apply to an attorney who is the spouse, parent, or child of the testator or is otherwise related to the testator within the third degree by consanguinity or affinity.

**HOUSE BILL 2731**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gray

**SENATE SPONSOR:** Bernsen

House Bill 2731 amends the Texas Probate Code to require the judge of a probate court handling heirship proceedings to appoint an attorney ad litem to represent the interests of unknown heirs. The bill also prohibits a parent, managing conservator, guardian, attorney ad litem, or guardian ad litem of a minor from waiving citation for determining heirship required to be served on the minor.

**HOUSE BILL 2814**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hartnett

**SENATE SPONSOR:** R. West

House Bill 2814 amends the Government Code to clarify that a district judge's or statutory probate court judge's total annual salary includes all contributions and supplements paid by the state or county, excluding compensation paid to presiding judges. The bill deletes provisions that require counties with a certain population to pay a statutory probate court judge a salary equivalent to that of a district judge or that of the most highly paid statutory county court judge in the county.

**HOUSE BILL 2882**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Wentworth

House Bill 2882 amends the Government Code to expand the jurisdiction of Probate Court No. 1 of Travis County to include all matters that are currently in the jurisdiction of a county court and certain provisions of the Health and Safety Code. The bill repeals a provision relating to a statutory probate court's authority to exercise the pendent and ancillary jurisdiction necessary to promote judicial efficiency and economy.

**HOUSE BILL 3144**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hartnett

**SENATE SPONSOR:** Bernsen

House Bill 3144 amends provisions of the Texas Probate Code relating to guardianship of a ward, former ward, or incapacitated person. Included in the bill are amendments to provide that the validity of a guardianship is not affected by the failure to notify all adult siblings, to require a court to hold a hearing to determine the necessity for a physician's examination of the proposed ward, and to raise the caps on the amount of money of an estate under which the guardianship of the estate may be terminated, creditors paid, or an interest of the estate sold.

**SENATE BILL 194**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** McCall

Senate Bill 194 amends the Government Code to create a statutory probate court in Collin County and to specify its jurisdiction as well as the qualifications and responsibilities of the judge. The bill also removes certain provisions relating to the judge in County Court at Law No. 4 and special judges of county courts at law in the county.

**SENATE BILL 723**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Thompson

Senate Bill 723 amends the Probate Code to delete the requirement that the social security number of the applicant and the decedent be included as part of the application for probate of a will. The bill replaces the terms “executor” and “administrator” with “personal representative” to broaden who is authorized to administer the community property of a decedent’s estate. The bill limits lawsuits in response to the rejection of a claim to the court of original probate jurisdiction in which the estate is pending.

**SENATE BILL 869**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Thompson

Senate Bill 869 amends the Texas Probate Code to require a sheriff or other officer to personally serve citation to appear and answer an application for guardianship on a proposed ward’s spouse if the whereabouts of the spouse are known or can be reasonably ascertained.

**SENATE BILL 941**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Thompson

Senate Bill 941 amends the Government Code to expand the eligibility requirements for a former or retired judge of a statutory probate court to be eligible for assignment as a visiting judge in the judge’s county of residence.

**SENATE BILL 1407**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** T. King

Senate Bill 1407 amends the Texas Probate Code to increase from an amount not to exceed three percent to five percent the payment that a bonded livestock commission merchant or a bonded livestock auction commission merchant may receive when selling livestock from an estate.

**SENATE BILL 1417**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Thompson

Senate Bill 1417 amends the Texas Probate Code to entitle a guardian or temporary guardian of an estate to reasonable compensation at the time the court approves any annual or final accounting, and it authorizes the court to review and modify the amount if the court finds the amount unreasonably low. The bill provides that the five percent fee is considered reasonable if the court finds that the guardian has complied with certain standards. The bill authorizes a guardian to be reimbursed for the payment of attorney’s fees in connection with the management of an estate or any other guardianship matter.

**SENATE BILL 1640**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Thompson

Senate Bill 1640 amends the Texas Probate Code to include a mutual fund account in the list of money and benefits owned by a decedent that may be paid or transferred to a person designated by the decedent.



## CRIMINAL JUSTICE AND PROCEDURE

### **HOUSE BILL 5**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dunnam et al.

**SENATE SPONSOR:** Nelson

House Bill 5 amends the Penal Code to make it a Class C misdemeanor for an occupant of a motor vehicle to possess an open alcoholic beverage container in the passenger area of a vehicle located on a public highway, with certain exceptions. The bill requires a peace officer who charges a person with this offense to issue the person a written citation and notice to appear rather than taking the person before a magistrate.

If a defendant is convicted multiple times for offenses relating to operating a vehicle while intoxicated within a certain period, the bill requires the installation of a deep-lung breath analysis mechanism on each motor vehicle owned or operated by the defendant, prohibits an occupational license granted to a person whose driver's license has been suspended for an intoxication offense from taking effect before the first anniversary of the suspension, increases the driver's license suspension period, requires a judge to conduct an evaluation to determine the appropriateness of alcohol or drug rehabilitation for the person, and requires a defendant to submit to not less than five days of confinement in county jail as a condition of community supervision.

### **HOUSE BILL 31**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon et al.

**SENATE SPONSOR:** Madla

House Bill 31 amends the Penal Code to prohibit the amount of community service work ordered by a judge from exceeding 600 hours or being less than 160 hours for the offense of burglary of a vehicle, classified as a Class A misdemeanor.

### **HOUSE BILL 73**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Garcia et al.

**SENATE SPONSOR:** R. West

House Bill 73 amends the Penal Code to make it a state jail felony for a person to covertly photograph, videotape, or use other electronic means to visually record another person, without that person's consent, for an improper sexual purpose.

### **HOUSE BILL 84**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Ogden

House Bill 84 amends the Penal Code to make it a third degree felony for a person convicted of a felony to possess metal or body armor.

### **HOUSE BILL 121**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** G. E. West

**SENATE SPONSOR:** Staples

House Bill 121 amends the Code of Criminal Procedure to require all individuals who are subject to the sex offender registration program, rather than only those who are not supervised by certain officers, to report any change in physical health or job status to the local law enforcement authority within a specified time.



**HOUSE BILL 131**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Deshotel

**SENATE SPONSOR:** Armbrister

House Bill 131 amends the Code of Criminal Procedure to provide that a law enforcement agency is entitled to reimbursement for the cost of a medical examination of a victim of an alleged sexual assault from the crime victim's compensation fund and to authorize the attorney general to reimburse a law enforcement agency from the fund.

**HOUSE BILL 139**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wise

**SENATE SPONSOR:** Cain

House Bill 139 amends the Health and Safety Code to add ketamine to the list of opiates classified under Penalty Group 1 under the Texas Controlled Substances Act and nitrous oxide to the list of chemicals classified as volatile chemicals. The bill makes it a Class B misdemeanor to inhale, ingest, apply, use, or possess a substance containing nitrous oxide under certain conditions and also makes it an offense to sell or deliver a substance containing nitrous oxide to a person younger than 18 years of age. The bill amends the Penal Code to provide that it is a first degree felony to administer or provide ketamine to a victim with the intent to commit the offense of aggravated sexual assault.

**HOUSE BILL 141**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Wise

**SENATE SPONSOR:** Van de Putte

House Bill 141 amends the Penal Code to increase the penalty for kidnapping from a third degree felony to a second degree felony if the offender exposed the person abducted to a risk of serious bodily injury. The bill provides that a person commits the offense of aggravated kidnapping if the person holds the abducted person in a condition of involuntary servitude or abducts a person who is younger than 17 years of age or is incompetent.

**HOUSE BILL 156**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Homer et al.

**SENATE SPONSOR:** Shapiro

House Bill 156 amends the Health and Safety Code to provide that the penalty for certain offenses under the Texas Controlled Substances Act is increased one degree if it is established that the defendant used or attempted to use a child younger than 18 years of age to commit or assist in the commission of the offense. The penalty is increased to a first degree felony if the defendant used or threatened to use force against the child or another to gain the child's assistance. The bill prohibits the court from ordering the sentence for the offense to run concurrently with any other sentence the court imposes on the defendant.

The bill amends the Code of Criminal Procedure to provide that certain provisions relating to court-ordered community supervision do not apply to a person whose punishment has been increased for using a child in the commission of an offense. The bill amends the Government Code to provide that an inmate may not be released to mandatory supervision if the person was convicted of a felony and the penalty was increased for using a child in the commission of the offense.

**HOUSE BILL 171**

**EFFECTIVE:** 9-1-01

House Bill 171 amends the Penal Code to expand the offense of arson to establish that it is an offense regardless of whether the fire continues after ignition. The bill provides for the penalty to be increased to a first degree felony if the property damaged or destroyed is a habitation or a place of assembly and to a state jail felony if the property is a public or private elementary school, a secondary school, or an institution of higher education and the amount of pecuniary loss is between \$1,500 and \$20,000.

**HOUSE AUTHOR:** G. Lewis et al.

**SENATE SPONSOR:** Nelson

**HOUSE BILL 223**

**EFFECTIVE:** 9-1-01

House Bill 223 amends the Government Code to require an attorney representing the state in the prosecution of a sex offender to provide written comments to the Texas Department of Criminal Justice on certain issues related to the offense that are relevant to parole decisions regarding the inmate. The bill requires as a condition of parole or mandatory supervision that a sex offender attend psychological counseling sessions for a period determined necessary by a parole panel. The bill also requires the Texas Department of Criminal Justice or a sheriff to notify the victim of the offense whenever a person convicted of certain sex offenses is released or escapes from a correctional facility.

**HOUSE AUTHOR:** Wise

**SENATE SPONSOR:** Bernsen

**HOUSE BILL 236**

**EFFECTIVE:** Vetoed

House Bill 236 amends the Penal Code to prohibit a defendant who is convicted of a capital offense, and who is determined to be a person with mental retardation, from being sentenced to death. The bill sets forth provisions for establishing if the defendant is a person with mental retardation and for the filing of an appeal of the court's finding.

**HOUSE AUTHOR:** Hinojosa et al.

**SENATE SPONSOR:** R. Ellis

**HOUSE BILL 261**

**EFFECTIVE:** 5-22-01

House Bill 261 amends the Code of Criminal Procedure to clarify that a defendant who has been convicted of a felony, gives notice of appeal, and is eligible for release on bail may request to be transferred to the institutional division of the Texas Department of Criminal Justice pending the defendant's appeal.

**HOUSE AUTHOR:** Ritter

**SENATE SPONSOR:** Bernsen

**HOUSE BILL 280**

**EFFECTIVE:** 9-1-01

House Bill 280 amends the Penal Code to create an offense with progressive penalties for interfering with police service animals. The bill amends the Health and Safety Code to exempt police service animals, under certain circumstances, from the quarantine requirement of the Rabies Control Act of 1981.

**HOUSE AUTHOR:** Christian et al.

**SENATE SPONSOR:** Whitmire

**HOUSE BILL 374**

**EFFECTIVE:** 9-1-01

House Bill 374 amends the Code of Criminal Procedure to delete the provision limiting to municipalities with a population of 400,000 or more the assessment of court costs for certain offenses to finance child health and safety programs.

**HOUSE AUTHOR:** Wohlgemuth

**SENATE SPONSOR:** Shapiro

**HOUSE BILL 434**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Heflin

**SENATE SPONSOR:** Whitmire

House Bill 434 amends the Code of Criminal Procedure to authorize a trial court to transfer to the appropriate court for civil commitment proceedings a defendant who was acquitted of a criminal offense by reason of insanity and who the court finds committed an act, attempt, or threat of serious bodily injury to another person. The court is required to order the defendant detained in jail or another suitable place pending the civil commitment proceedings.

**HOUSE BILL 460**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hartnett et al.

**SENATE SPONSOR:** R. West

House Bill 460 amends the Penal Code to enhance the penalty for the offense of prostitution to a Class A misdemeanor if the offender has been previously convicted one or two times and to a state jail felony if the offender has been convicted three or more times.

**HOUSE BILL 510**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Olivo

**SENATE SPONSOR:** R. West

House Bill 510 amends the Code of Criminal Procedure to expand the definition of “contraband” to include property used in the commission of a felony involving the possession or promotion of child pornography, indecency with a child, sexual performance by a child, or certain offenses involving the criminal solicitation of a minor.

**HOUSE BILL 519**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Zaffirini

House Bill 519 amends the Code of Criminal Procedure to provide that a victim of sexual assault who is assaulted in the victim’s home may receive a onetime assistance payment from the crime victims’ compensation fund for relocation and housing assistance expenses.

**HOUSE BILL 553**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Mowery

**SENATE SPONSOR:** Armbrister

House Bill 553 amends the Code of Criminal Procedure to provide that an accused’s statement made as a result of a custodial interrogation is admissible in a criminal proceeding in Texas if the statement was obtained in another state in compliance with the laws of that state or this state or was obtained by a federal law enforcement officer in compliance with the laws of the United States.

**HOUSE BILL 587**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** R. Ellis

House Bill 587 amends provisions of the Penal Code and the Code of Criminal Procedure relating to the investigation and prosecution of an offense motivated by bias or prejudice and to remedies and protections against certain hateful acts. The bill also amends the Government Code and Education Code to require training of certain officers relating to hate laws and to provide for community education concerning hate laws.

The bill provides for punishment enhancements against a defendant who intentionally commits certain offenses against a person or damages property because of the defendant’s bias or prejudice against certain specified groups. The bill amends the Code of Criminal Procedure to provide that the judge is required to make an affirmative finding of fact in the judgment of a case based on the determination made by the trier of fact at the guilt or innocence phase of the trial, rather than at the punishment phase, to conform to recent U.S. Supreme Court rulings.

The bill establishes procedures for a person to request a protective order and requires the court to issue the order if the court finds that probable cause exists that the defendant committed certain offenses against the person because of bias or prejudice and that the conduct engaged in by the defendant is likely to occur in the future. A violation of the protective order is a Class A misdemeanor and is enhanced to a third degree felony if the defendant has previously been convicted two or more times.

House Bill 587 authorizes a judge to require a defendant to attend an educational program to further tolerance and acceptance of others as a condition of punishment, requires the attorney general to develop a community education program that provides information about state laws on hate crimes, and requires the court of criminal appeals to provide training for prosecuting attorneys relating to punishment enhancement for offenses committed because of bias or prejudice.

**HOUSE BILL 588**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Garcia et al.

**SENATE SPONSOR:** Jackson

House Bill 588 amends the Government Code to require any inmate serving a felony sentence, rather than inmates convicted of certain offenses, to provide a blood sample or other specimen in order to create a DNA record. The bill increases the penalty from a misdemeanor to a state jail felony if a person knowingly discloses information in a DNA record.

The bill provides that if at the beginning of a fiscal year the executive director of the Texas Department of Criminal Justice determines that sufficient funds have not been appropriated to obtain a sample from each inmate in the institutional division, the executive director is required to direct the institutional division to give priority to obtaining samples from inmates ordered by a court or from inmates serving sentences for certain offenses.

The bill takes effect on the date the director of the Department of Public Safety certifies to the governor, the lieutenant governor, and the speaker of the house of representatives that the state has received sufficient funds to pay all costs to the department associated with expanding the list of offenses for which a sample or specimen is taken to create a DNA record.

**HOUSE BILL 598**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman et al.

**SENATE SPONSOR:** Harris

House Bill 598 amends the Code of Criminal Procedure to increase from \$40 to \$60 the maximum court cost that a defendant who has been granted community supervision must pay during the community supervision period.

**HOUSE BILL 653**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Najera et al.

**SENATE SPONSOR:** Cain

House Bill 653 amends the Penal Code to increase the penalties for certain offenses of animal cruelty and provides exceptions for animals used in fishing, hunting, or trapping; wildlife control; or animal husbandry or farming practice. The bill also provides that if a child is found to have engaged in delinquent conduct regarding the offense of cruelty to animals, the juvenile court is required to order the child to participate in psychological counseling for a period to be determined by the courts.

**HOUSE BILL 656**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goolsby et al.

**SENATE SPONSOR:** Wentworth

House Bill 656 amends the Code of Criminal Procedure to increase from 5 to 10 years from the date of the offense the time within which a felony indictment must be presented for the prosecution of the offense of sexual assault, except there is no limitation if biological matter is collected and subjected to forensic DNA testing and the identity of the offender is unknown.

**HOUSE BILL 776**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Haggerty

**SENATE SPONSOR:** Staples

The Department of Public Safety is responsible for maintaining a computerized criminal history system that serves as the record creation point for criminal history information maintained by the state. The state auditor or a designated examining entity is required to conduct an examination of the system once during each five-year period. House Bill 776 amends the Code of Criminal Procedure to require the department, within a year of the date the examining entity completes its examination, to report to the Legislative Budget Board, the governor, the state auditor, and the Criminal Justice Policy Council on its progress in implementing the recommendations and to submit a similar report each year until all of the recommendations are implemented.

House Bill 776 requires the department to enter reports of prosecution or court disposition information from a jurisdiction for which corresponding arrest data does not exist into a non-fingerprint supported file and to grant access to the records in the same manner as it grants access to criminal history record information. The bill provides that, on receipt of a report of corresponding arrest information, the department is required to transfer the record from the non-fingerprint supported file to the computerized criminal history system.

The department is required to develop a plan no later than January 1, 2003, to encourage local criminal justice agencies to report criminal history data to the department for inclusion in the computerized criminal history system and to evaluate the necessity of imposing sanctions on local criminal justice agencies that do not report. The bill requires the department to monitor the submission of arrest and disposition information by local jurisdictions and to annually submit a report regarding the level of reporting to the Legislative Budget Board, the governor, the state auditor, and the Criminal Justice Policy Council. This provision expires December 31, 2005.

The bill requires a criminal justice agency to enter into the law enforcement information system maintained by the department information pertaining to persons who make threats against a peace officer, and it requires the bureau of identification and records to establish and maintain a central index in the information system to collect and disseminate information relating to those threats.

The bill also amends other provisions relating to the auditing and monitoring of facilities operated under contract with the Texas Department of Criminal Justice and the terms of those contracts, access by local jurisdictions to criminal history information, the monitoring of the development of the corrections tracking system, and the implementation, operation, and maintenance of the criminal justice information system.

**HOUSE BILL 840**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Hinojosa et al.

**SENATE SPONSOR:** R. West

House Bill 840 amends the Code of Criminal Procedure to authorize a defendant's attorney to present the defendant's waiver of arraignment to the court clerk, and the clerk is prohibited from requiring the presence of the defendant as a condition of accepting the waiver.

**HOUSE BILL 842**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Keel et al.

**SENATE SPONSOR:** Duncan

House Bill 842 amends the Code of Criminal Procedure to authorize a judge to determine when a juror is disabled from serving on a jury after a felony trial has begun.

**HOUSE BILL 1071**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Farabee et al.

**SENATE SPONSOR:** Armbrister

House Bill 1071 amends the Code of Criminal Procedure and the Family Code to authorize a local mental health or mental retardation authority to examine a criminal defendant or a juvenile suspect who may have a mental illness or mental retardation. On the request of a local mental health or mental retardation authority, a court may order a defendant to a facility operated by the Texas Department of Mental Health and Mental Retardation for an examination. The bill requires the report regarding the examination to identify whether the defendant is competent to stand trial. After receiving the report, the court is authorized to resume proceedings regarding the defendant's release on personal bond or receipt of outpatient mental health services. If a defendant is determined to be incompetent to stand trial because of a mental illness or mental retardation and the court determines the conduct committed by the defendant involved serious bodily injury to another, the court is required to commit the defendant to a maximum security unit. If the conduct did not involve serious bodily injury to another, the court is required to commit the defendant to a mental health facility determined appropriate by the local mental health or mental retardation authority.

**HOUSE BILL 1181**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Capelo

**SENATE SPONSOR:** Whitmire

House Bill 1181 amends the Penal Code to increase the penalty for the offense of obstruction or retaliation to a second degree felony if the victim of the offense was harmed or threatened because of the victim's service or status as a juror.

**HOUSE BILL 1209**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Williams

**SENATE SPONSOR:** Shapiro

House Bill 1209 amends provisions of the Code of Criminal Procedure relating to the uncorroborated testimony of victims of certain sexual offenses. The bill exempts from the requirement that the victim inform another person of the alleged offense within one year a victim who at the time of the offense was 17 years of age or younger, was 65 years of age or older, or was 18 years of age or older and by reason of age or physical or mental disease, defect, or injury was incapable of caring for himself or herself.



**HOUSE BILL 1234**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat et al.

**SENATE SPONSOR:** Zaffirini

House Bill 1234 amends the Code of Criminal Procedure to provide that physicians or other medical services personnel who conduct a forensic medical examination of an alleged victim of a sexual assault are required to offer the person the opportunity to have an advocate from a sexual assault program present during the examination. The advocate is authorized only to provide the person with counseling, support services, and information regarding the rights of crime victims. The bill prohibits the advocate and the sexual assault program from delaying or otherwise impeding the screening or stabilization of an emergency medical condition. The bill requires the sexual assault program to pay all costs associated with providing the advocate, and it provides that a health care facility, including a hospital licensed under the Texas Hospital Licensing Law, that provides an advocate access to an injured person for purposes of these provisions is not subject to civil or criminal liability for providing that access.

If the victim was confined in a penal institution at the time of the assault, the penal institution is required to provide, at the person's request, a representative to be present with the person during the forensic medical examination. The bill requires the representative to be a psychologist, sociologist, chaplain, social worker, or case manager or a volunteer who has completed a sexual assault training program.

**HOUSE BILL 1323**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Shields

**SENATE SPONSOR:** Staples

House Bill 1323 amends the Code of Criminal Procedure to provide that a person is entitled to have all records and files relating to the person's felony or misdemeanor arrest expunged if an indictment or information has been dismissed or quashed and the limitations period has expired. The bill provides that the expunction is effective when the order of the expunction is final, rather than after the entry of the expunction order.

**HOUSE BILL 1415**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Farrar et al.

**SENATE SPONSOR:** Armbrister

House Bill 1415 amends the Government Code to prohibit, on or after an applicable period, a criminal justice agency from releasing a person's criminal history information regarding a deferred adjudication and exempts the information from public information requirements. The bill provides that a person is authorized to have the records exempted from public information requirements only if the person is not convicted of or placed on deferred adjudication community supervision for any offense other than an offense under the Transportation Code punishable by a fine only, and it prohibits a person who is required to register as a sex offender from having the records exempted. After the records are exempted, the bill provides that a person may deny the occurrence of the arrest and prosecution unless the information is being used against the person in a subsequent criminal proceeding.



**HOUSE BILL 1572**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Haggerty  
**SENATE SPONSOR:** Staples

House Bill 1572 amends provisions of the Code of Criminal Procedure relating to the rights of crime victims to authorize a court, at the request of a party, to order the exclusion of a witness who is the victim, a close relative of a deceased victim, or the guardian of a victim only if the witness is to testify and the court determines that the testimony of the witness would be materially affected by hearing other testimony at trial.

The bill adds to the rights of a victim, a guardian of a victim, or a deceased victim's close relative the right, on request, to be informed by the prosecuting attorney of relevant court proceedings, including appellate proceedings; to be informed by an appellate court of decisions of the court after the decisions are entered but before the decisions are made public; to request victim-offender mediation coordinated by the victim services division of the Texas Department of Criminal Justice (TDCJ); to be informed of the uses and purposes of a victim impact statement; and to have the victim impact statement considered by the prosecuting attorney and the judge before sentencing or before a plea bargain agreement is accepted and by the Board of Pardons and Paroles before an inmate is released on parole. The bill includes a guardian of a victim and a close relative under the current right given to a victim to be present at all public court proceedings relating to the offense, subject to approval of the judge in the case. The bill provides that the victim's name, address, and telephone number are to be excluded from a victim impact statement given to the defendant or the victim's counsel.

The bill amends the Government Code to provide that a victim, relative, or guardian is entitled to representation by counsel at a hearing if required by a subpoena to appear, but does not require the state to provide the counsel.

House Bill 1572 requires the statement given to a victim describing the plea bargaining stage in a criminal trial to specify that the victim impact statement will be considered by the prosecuting attorney in entering into a plea bargain agreement and that the judge, before accepting a plea bargain, is required to ask whether a victim impact statement has been returned to the attorney and, if so, to ask for a copy of the statement.

Instead of having to make a reasonable attempt to notify, the bill requires the TDCJ to immediately notify the victim, a guardian of a victim, or a deceased victim's close relative whenever an offender escapes from a facility operated by the institutional division of the TDCJ, including whenever the offender is transferred from the custody of the division to the custody of a peace officer under a writ of attachment or a bench warrant.

House Bill 1572 also requires the victim services division of the TDCJ to train volunteers to act as mediators and to provide mediation services through a referral system. The bill authorizes the Texas Crime Victim Clearinghouse to conduct and charge fees for an annual conference to provide to participants in the criminal justice system training on crime victims' rights. The bill authorizes the pardons and paroles division to waive a parole supervision fee or an administrative fee during any period in which the inmate is required to pay restitution to the victim of the offense.

**HOUSE BILL 1600**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** E. Jones et al.  
**SENATE SPONSOR:** Van de Putte

House Bill 1600 amends the Penal Code to increase from a state jail felony to a third degree felony the penalty for a person who takes a weapon from a peace officer, parole officer, or community supervision and corrections department officer and to establish that it is a state jail felony for a person to attempt to take the weapon.

**HOUSE BILL 1813**

**EFFECTIVE:** 9-1-01

House Bill 1813 amends the Penal Code to expand the definition of “fiduciary” to include an attorney in fact or agent appointed under a durable power of attorney as provided by the Durable Power of Attorney Act.

**HOUSE AUTHOR:** Wohlgemuth

**SENATE SPONSOR:** Duncan

**HOUSE BILL 1925**

**EFFECTIVE:** 9-1-01

House Bill 1925 amends the Penal Code to make it an offense for a person, after receiving notice, to possess a firearm, an illegal knife, a club, or certain prohibited weapons within 1,000 feet of an area designated by the Texas Department of Criminal Justice as a place of execution on a day that a sentence of death is to be imposed. The bill provides exceptions to the offense and excludes a person who possesses a firearm or club while in the actual discharge of official duties as a member of the armed forces or state military forces or an employee of a penal institution.

**HOUSE AUTHOR:** Haggerty

**SENATE SPONSOR:** Staples

**HOUSE BILL 1955**

**EFFECTIVE:** 9-1-01

Under previous law, a defendant placed in jail for failure to pay fines and court costs could satisfy the amount by serving time in jail at a rate of not less than \$100 for each day or part of a day in jail. House Bill 1955 amends the Code of Criminal Procedure to authorize a convicting court to specify a period of not less than 8 hours or more than 24 hours that a defendant must remain in jail to satisfy \$100 of the fine and costs.

**HOUSE AUTHOR:** Zbrank

**SENATE SPONSOR:** Staples

**HOUSE BILL 1999**

**EFFECTIVE:** 6-16-01

House Bill 1999 amends the Code of Criminal Procedure to authorize a magistrate to issue certain search warrants in a county in which the only judges serving the county who are licensed attorneys are two or more district judges whose districts include more than one county.

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

**HOUSE BILL 2098**

**EFFECTIVE:** 9-1-01

House Bill 2098 amends the Penal Code to make it a third degree felony for a person to unlawfully restrain a public servant discharging an official duty or to restrain any other person while in custody.

**HOUSE AUTHOR:** Morrison et al.

**SENATE SPONSOR:** Armbrister

**HOUSE BILL 2184**

**EFFECTIVE:** 9-1-01

House Bill 2184 amends the Code of Criminal Procedure to clarify and modify provisions regarding the disposition of weapons seized as evidence in a criminal case. If there is no prosecution or conviction for an offense involving a seized weapon, the bill requires a magistrate, within a certain period, to order the weapon returned to the person found in possession of the weapon after receiving a written request from the person. If a magistrate does not order the return, destruction, or forfeiture of a weapon, or if a court entering a judgment of conviction does not order the release, destruction, or forfeiture of the weapon within the prescribed period, the law enforcement agency holding the weapon is authorized to request from a magistrate an order of destruction or forfeiture.

**HOUSE AUTHOR:** Smith

**SENATE SPONSOR:** Harris

**HOUSE BILL 2250**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Smith et al.  
**SENATE SPONSOR:** Moncrief

House Bill 2250 amends the Penal Code to enhance the punishment for repeat offenders of certain intoxication offenses to third degree felonies, and it sets forth provisions that allow previous convictions to be used for enhancement purposes.

**HOUSE BILL 2351**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hinojosa et al.  
**SENATE SPONSOR:** Van de Putte

House Bill 2351 amends the Code of Criminal Procedure to prohibit a defendant from being convicted for an offense under the Texas Controlled Substances Act on the testimony of a person who is not a licensed peace officer or a special investigator but who is acting covertly on behalf of a law enforcement agency or under the color of law enforcement, unless the testimony is corroborated by other evidence.

**HOUSE BILL 2410**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Martinez Fischer  
**SENATE SPONSOR:** R. West

House Bill 2410 amends the Code of Criminal Procedure to authorize a municipal or justice court to waive payment of a fine or cost imposed on a defendant who has defaulted on the payment if the court determines that the defendant is indigent and other means of discharging the fine or cost would impose an undue hardship on the person.

**HOUSE BILL 2494**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Haggerty  
**SENATE SPONSOR:** Armbrister

House Bill 2494 amends the Government Code to ratify the Interstate Compact for Adult Offender Supervision. The compact allows for the management, monitoring, and supervision of adult parolees and probationers who are located in states other than the state in which they were sentenced.

**HOUSE BILL 2798**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Menendez et al.  
**SENATE SPONSOR:** Staples

House Bill 2798 amends the Code of Criminal Procedure to add to the definition of “victim,” in provisions relating to restitution liens, an individual who suffers damages as a result of a person evading arrest or detention using a motor vehicle. The bill also provides that the state has a restitution lien to secure the amount of damages incurred by the state as a result of an offense in which the defendant used a motor vehicle while in flight. The bill amends the Penal Code to increase the penalty for the offense of evading arrest or detention from a Class A misdemeanor to a state jail felony if a defendant used a vehicle while committing the offense. It increases the penalty from a state jail felony to a third degree felony if the defendant used a vehicle while committing the offense and is a repeat offender.

**HOUSE BILL 2890**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon  
**SENATE SPONSOR:** Madla

House Bill 2890 amends the Penal Code to make it an offense for a person who is confined in a correctional facility after being charged with or convicted of certain sexual offenses to contact the victim of the offense or a member of the victim’s family without consent if the victim was younger than 17 years of age at the time of the offense. The bill provides that a correctional facility and its officers and employees are not liable for damages arising from an

act committed by a person confined in a correctional facility in violation of this provision, unless the officer or employee knowingly assisted or participated in the offense. The bill prohibits certain people who have access to the name, address, telephone number, or other identifying information of a victim younger than 17 years of age from releasing or disclosing the information to any person who is not assisting in the investigation, prosecution, or defense of the case, and it provides penalties.

**HOUSE BILL 2987**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Deshotel et al.

**SENATE SPONSOR:** Van de Putte

House Bill 2987 amends the Code of Criminal Procedure to establish guidelines for a court to determine whether a sex offender may be exempt from the sex offender registration requirements. If a judge finds during a trial for certain sexual offenses, or when placing a defendant on community supervision, that the defendant was younger than 19 years of age and the victim was at least 13 years of age, and the conviction is based solely on the ages of the defendant and victim at the time of the offense, the judge is required to enter the finding in the judgment. If there is an affirmative finding regarding the ages, a person who is required to register as a sex offender may petition the court for an exemption from the registration requirements. After a hearing, a court may issue the exemption order if it finds by a preponderance of the evidence that the exemption does not threaten public safety and that the person's conduct did not occur without the consent of the victim.

**HOUSE BILL 3351**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Keffer et al.

**SENATE SPONSOR:** Haywood

House Bill 3351 amends the Health and Safety Code to provide that a person commits an offense if, with intent to unlawfully manufacture a controlled substance, the person possesses or transports anhydrous ammonia, an immediate precursor, or a chemical substance subject to regulation under the Texas Controlled Substances Act. The penalties for the offense vary by the type of substance possessed or transported. The bill increases the penalty from a state jail felony to a felony of the third degree for offenses relating to the possession, transport, or use of equipment for anhydrous ammonia.

**HOUSE BILL 3613**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Martinez Fischer

**SENATE SPONSOR:** R. West

House Bill 3613 amends the Code of Criminal Procedure to authorize, rather than require, a court to suspend the imposition of a sentence and place a defendant convicted of disorderly conduct or public intoxication on community supervision if the court finds that the defendant would benefit from community supervision. The bill deletes the provision that provides that the requirement of a court to place a defendant on community supervision does not apply to a defendant who has previously been convicted of such an offense.

**SENATE BILL 3**

**EFFECTIVE:** 4-5-01

**SENATE AUTHOR:** Duncan et al.

**HOUSE SPONSOR:** Hinojosa et al.

Senate Bill 3 amends the Code of Criminal Procedure to establish procedures for the preservation of evidence containing DNA and for postconviction DNA testing. The bill requires certain officers of the court to ensure the preservation of certain evidence that contains biological material that was in the state's possession during a criminal trial in which the defendant was convicted. The bill establishes the length of time the material must be preserved and the conditions under which it may be destroyed.

Senate Bill 3 sets forth procedures for the submission of a motion for testing DNA evidence. The bill establishes that a defendant is entitled to counsel during the proceedings and that the court is required to appoint counsel if it determines that the defendant is indigent.

The convicting court is authorized to order forensic DNA testing if it finds that the evidence meets certain criteria and that identity was or is an issue with the case. In addition, the defendant must establish by a preponderance of evidence that a reasonable probability exists that the defendant would not have been prosecuted or convicted if results had been obtained through DNA testing and that the request for the testing is not made to create unreasonable delays. A person who pled guilty or nolo contendere in a case is authorized to submit a motion for DNA testing, and the court is prohibited from finding that identity was not an issue in the case based solely on the plea. The bill establishes who is authorized to conduct the testing and what information must be included in the court's order.

Senate Bill 3 establishes provisions for the appeal of the convicting court's findings regarding the ordering of the DNA testing. The convicting court, after entering a finding favorable to the defendant, may release the defendant on bail following a hearing.

The Texas Department of Criminal Justice is required to provide notice of postconviction DNA testing to all persons housed in facilities operated by or under contract with the department.

**SENATE BILL 7**

**EFFECTIVE:** 1-1-02

**SENATE AUTHOR:** R. Ellis et al.

**HOUSE SPONSOR:** Hinojosa et al.

Senate Bill 7 amends the Code of Criminal Procedure to establish provisions relating to the appointment, standards, and compensation of counsel in representing an indigent person accused of a crime. The bill establishes certain deadlines for a defendant to be taken before a magistrate, to be released on bond, and to have counsel appointed if the defendant cannot afford counsel. In addition, the bill requires the judges of the county courts, statutory county courts, and district courts with jurisdiction over criminal matters to adopt and publish county-wide procedures for timely and fairly appointing attorneys for indigent defendants.

Senate Bill 7 also establishes the Task Force on Indigent Defense to develop policies and standards for providing legal representation and other defense services to indigent defendants at trial, on appeal, and in postconviction proceedings.

**SENATE BILL 15**

**EFFECTIVE:** 5-16-01

**SENATE AUTHOR:** Nelson et al.

**HOUSE SPONSOR:** Danburg

Senate Bill 15 amends the Government Code to exempt from public availability under the open records law certain information held by a public or private nonprofit family violence shelter center or sexual assault program. Exempted information includes that relating to names of clients, the provision of services to clients, numeric identifiers associated with clients, names of donors, social security numbers of employees or volunteer workers, and home addresses and home telephone numbers of clients, donors, employees, volunteer workers, and governing board members. The exemptions relating to clients extend to both current and former clients. Also exempt from public availability is information relating to the location or physical layout of a family violence shelter center.



**SENATE BILL 18**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Nelson et al.

**HOUSE SPONSOR:** Hinojosa

Senate Bill 18 amends the Penal Code to make it a Class A misdemeanor to interfere with a person's ability to place an emergency telephone call. The punishment is enhanced to a state jail felony if the defendant has previously been convicted of this offense.

**SENATE BILL 24**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro et al.

**HOUSE SPONSOR:** Morrison

Senate Bill 24 amends the Code of Criminal Procedure to permit the use of the out-of-court testimony of a child during certain hearings or proceedings in which the court allows a child younger than 13 years of age who was the victim or witness to certain crimes to testify outside the presence of the defendant.

**SENATE BILL 133**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West et al.

**HOUSE SPONSOR:** Hinojosa

Senate Bill 133 amends the Code of Criminal Procedure to prohibit the state during the sentencing phase of a criminal trial from offering evidence regarding the race or ethnicity of a defendant as a predictor of future criminal behavior.

**SENATE BILL 139**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona et al.

**HOUSE SPONSOR:** Deshotel et al.

Senate Bill 139 amends the Penal Code to expand the offense of harassment to include a person who sends repeated electronic communications to another or a member of another's household in a manner reasonably likely to harass, annoy, alarm, abuse, torment, embarrass, or offend. The bill enhances the penalty for the offense of harassment from a Class B misdemeanor to a Class A misdemeanor if the defendant has previously been convicted of the offense. The bill increases the penalty for the offense of stalking from a Class A misdemeanor to a third degree felony, and to a second degree felony if the person has previously been convicted of the offense.

**SENATE BILL 164**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Capelo

Senate Bill 164 amends the Code of Criminal Procedure regarding the notification order for conducting an inquest. The bill clarifies that the justice of the peace for the precinct where the body was found is to be notified first, and if that person is not available, the nearest justice of the peace serving the county is to be notified. If no justice of the peace serving the county is available, a county judge is to be notified. The bill authorizes a county judge to conduct the inquest and requires the judge to transfer the information obtained to the precinct justice of the peace for final disposition within a certain time.

**SENATE BILL 173**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Hinojosa

Senate Bill 173 amends the Code of Criminal Procedure to prohibit a court or magistrate from authorizing a defendant or any person acting on behalf of the defendant to deposit cash on execution of a bail bond in an amount less than the full amount of the bail that was set by the court or magistrate. The bill requires any deposited cash funds to be refunded to the surety or to the defendant if there is no surety. The bill authorizes the custodian of funds to deduct from the

refunded amount any outstanding fines and courts costs owed by the defendant that relate to the offense for which the defendant was released on bail. The bill prohibits a court or magistrate from requiring the deposit of money or any other security as a condition of release on personal bond.

**SENATE BILL 203**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Keel

Senate Bill 203 amends the Code of Criminal Procedure to increase from 20 to 40 the maximum number of people that jury commissioners may summon to serve as grand jurors and increases from 75 to 125 the maximum number people that a district judge may summon to serve as grand jurors.

**SENATE BILL 214**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen et al.

**HOUSE SPONSOR:** Williams et al.

Senate Bill 214 amends the Code of Criminal Procedure to provide that there is no statute of limitation for the offense of leaving the scene of an accident if the accident resulted in the death of a person. The bill increases the time limitation for a felony indictment to be presented for prosecution from 3 to 10 years for the offense of injury to a child, elderly individual, or disabled individual that is punishable as a first degree felony and from three to five years if the penalty is less than a first degree felony. The bill increases the statute of limitation from three to five years for the offense of kidnapping or for the offense of abandoning or endangering a child and from 5 to 10 years for the offense of sexual assault in certain circumstances. The bill changes the statute of limitation from 10 years to 10 years from the 18th birthday of the victim for the offense of indecency with a child.

**SENATE BILL 215**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Keel et al.

Senate Bill 215 amends the Penal Code to increase the penalty for the offense of evading arrest or detention from a Class A misdemeanor to a state jail felony if a defendant used a vehicle while committing the offense. It increases the penalty from a state jail felony to a third degree felony if the defendant used a vehicle while committing the offense and is a repeat offender.

The bill amends the Code of Criminal Procedure to require a person who is arrested for the offense of resisting arrest, search, or transportation, and who during the commission of the offense assaulted a peace officer by causing the officer to come into contact with the person's bodily fluids, to undergo a medical test to show whether the person has a communicable disease.

**SENATE BILL 219**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Carter

Senate Bill 219 amends the Code of Criminal Procedure to authorize a defendant who is arrested for an offense in a county other than the one in which the offense was committed to waive a jury trial and enter a written plea of guilty or nolo contendere. The bill authorizes the magistrate of a county where an arrest takes place to dispose of a case involving an offense punishable by a fine only. Within 10 days of accepting the plea, the magistrate is required to transmit to the court of original jurisdiction the written plea, any orders entered, and any fines or costs collected.



**SENATE BILL 328**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Jackson et al.

**HOUSE SPONSOR:** Haggerty

Senate Bill 328 amends the Code of Criminal Procedure to increase from 3 to 10 years the statute of limitation for prosecuting a first degree felony offense involving injury to a child, elderly individual, or disabled individual.

**SENATE BILL 370**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** Swinford

Senate Bill 370 amends the Code of Criminal Procedure to provide that if a person is injured in one county and dies in another, the prosecuting attorney from the county where the injury occurred is authorized to request the justice of the peace from the county where the death occurred to order an autopsy to be performed on the body. The bill requires the county where the injury occurred to reimburse the county in which the autopsy was performed.

**SENATE BILL 437**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Staples

**HOUSE SPONSOR:** Allen

Senate Bill 437 amends the Penal Code to make it an offense for a person to secure the performance of a service by agreeing to provide compensation and, after the service is rendered, fail to make payment after receiving notice demanding payment. The bill amends the offense of false statement to obtain property or credit by varying the penalty for the offense by the value of the property or amount of credit obtained.

**SENATE BILL 553**

**EFFECTIVE:** 5-26-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Gray

Senate Bill 553 establishes a task force to review the methods and procedures used to evaluate a criminal defendant's competency to stand trial and the use of the insanity defense. The bill directs the task force to review certain issues regarding the examination process, persons appointed to conduct examinations, and the use and benefits of telepsychiatry. The bill designates the membership of the task force and requires that a report with recommendations be submitted to the legislature by December 31, 2002. The bill specifies that the task force is abolished on February 1, 2003.

**SENATE BILL 563**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Hinojosa

Senate Bill 563 amends the Code of Criminal Procedure to prohibit a peace officer who seizes property from requesting, requiring, or inducing a person who is in possession of the property being seized to execute a document waiving the person's interest in or rights to the property. The bill prohibits property from being forfeited if at the criminal asset forfeiture hearing the person proves that the person was not a party to the offense giving rise to the forfeiture and that the contraband was stolen from the person before being used in the offense or was acquired by proceeds obtained using criminal means. The bill establishes guidelines regarding past due audits on seized or forfeited proceeds or property that are to be filed with the office of the attorney general by law enforcement agencies and state attorneys.

The bill amends the Education Code and the Occupations Code to require the Bill Blackwood Law Enforcement Management Institute of Texas and the Commission on Law Enforcement Officer Standards and Education to establish programs on asset forfeiture for police chiefs and peace officers.

**SENATE BILL 600**  
**EFFECTIVE: 9-1-01**

**SENATE AUTHOR:** Sibley  
**HOUSE SPONSOR:** Averitt

Senate Bill 600 amends the Code of Criminal Procedure to establish that, in order to assist a medical examiner, a forensic anthropologist must be a person who is eligible for board certification rather than a person who is board certified by a nationally recognized association.

**SENATE BILL 610**  
**EFFECTIVE: 5-16-01**

**SENATE AUTHOR:** Bernsen  
**HOUSE SPONSOR:** R. Lewis

Senate Bill 610 amends the Code of Criminal Procedure to authorize a person who was convicted of an offense under the laws of another country to submit an application for the restoration of any civil rights forfeited under the laws of Texas as a result of the conviction. The bill provides that the offense must have been committed two or more years before the date of the application and excludes offenses involving violence or a threat of violence, drugs, or firearms under certain conditions.

**SENATE BILL 638**  
**EFFECTIVE: 9-1-01**

**SENATE AUTHOR:** Barrientos et al.  
**HOUSE SPONSOR:** Kitchen et al.

Senate Bill 638 amends the Government Code and the Code of Criminal Procedure to establish provisions regarding the DNA testing of persons charged with certain felonies. The bill requires a defendant who is indicted or waives indictment for certain felony offenses or is arrested after having been previously convicted or placed on deferred adjudication or community supervision for certain offenses to provide one or more specimens for the purpose of creating a DNA record.

The bill requires the director of the Department of Public Safety to promulgate rules to require a law enforcement agency that takes a specimen to preserve the specimen and maintain a record of its collection, and to prohibit a law enforcement agency from taking a blood sample for the purpose of creating a DNA record. The bill establishes that a DNA record created under these provisions is confidential and not subject to disclosure under the open records law, must be segregated from other records, and establishes a third degree felony offense for disclosing the information. On acquittal of the defendant or dismissal of the case, the court is required to order the record of collection and the specimen destroyed.

The bill requires a person convicted of an offense requiring DNA testing to pay a court cost and establishes procedures for the collection of the court costs, dispersion of the funds received from the court costs, and an audit of the funds.

**SENATE BILL 654**  
**EFFECTIVE: 9-1-01**

**SENATE AUTHOR:** Staples  
**HOUSE SPONSOR:** Hope et al.

Senate Bill 654 amends the Code of Criminal Procedure to add to the information required on the form for registering as a sex offender. The bill requires an offender to disclose any professional license the offender holds or is seeking and requires the Department of Public Safety to notify the licensing authority of any sex offender who holds or seeks a license that is issued by the authority. The bill also requires a recent color photograph or an electronic digital image of the offender.

**SENATE BILL 753**

**EFFECTIVE:** 9-1-01

Senate Bill 753 amends the Texas Controlled Substances Act to update and revise provisions relating to controlled substance penalty groups, the possession of controlled substances, prescriptions, and certain penalties.

**SENATE AUTHOR:** Van de Putte

**HOUSE SPONSOR:** Keel et al.

**SENATE BILL 795**

**EFFECTIVE:** 9-1-01

Senate Bill 795 amends the Code of Criminal Procedure relating to the forfeiture of profits received from the sale of crime memorabilia. The bill expands the definition of “proceeds” to include the sale of tangible property in which the value of the property is increased by the notoriety gained from the conviction of an offense by the person accused or convicted of the crime. The bill provides that the owner of the property retains only the fair market value of the proceeds from the sale of the crime memorabilia, with the remainder to be deposited in an escrow account to be used to satisfy certain judgments.

**SENATE AUTHOR:** R. Ellis et al.

**HOUSE SPONSOR:** Talton et al.

**SENATE BILL 904**

**EFFECTIVE:** Vetoed

Senate Bill 904 amends the Penal Code to increase the penalty from a Class B misdemeanor to a state jail felony if a person, with intent to deceive, makes a material false statement in the criminal investigation of a felony offense. The bill makes it a Class C misdemeanor to file a false report regarding family violence, and a Class A misdemeanor to file a false report of child abuse or neglect. The penalty is enhanced to a state jail felony if the person has previously been convicted of the offense.

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Ritter

**SENATE BILL 917**

**EFFECTIVE:** 9-1-01

Senate Bill 917 amends the Penal Code to provide that for the offense of breach of computer security the value of benefits obtained and the amount of the losses incurred, whether or not in a single incident, may be aggregated and considered as one offense to determine punishment. The bill provides that in trials involving an allegation of a continuing scheme of fraud or theft against a large class of victims it may be proven by either direct or circumstantial evidence that each victim did not consent to the transaction in question.

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** Hochberg

**SENATE BILL 923**

**EFFECTIVE:** 9-1-01

Senate Bill 923 amends provisions of the Penal Code relating to the offense of fraudulent destruction, removal, or concealment of writing to add universal product codes to the definition of “writing.”

**SENATE AUTHOR:** Staples

**HOUSE SPONSOR:** Goolsby

**SENATE BILL 932**

**EFFECTIVE:** 9-1-01

Senate Bill 932 amends the Penal Code to broaden the offense of indecency with a child to include causing a child to engage in certain sexual conduct. The bill also adds a definition of “sexual contact” as it applies to the offense of indecency with a child.

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Hartnett

**SENATE BILL 966**

**EFFECTIVE:** 9-1-01

Senate Bill 966 amends the Penal Code to make it a Class A misdemeanor for a person to possess, manufacture, or distribute certain shielding or deactivation instruments in order to commit retail theft.

**SENATE AUTHOR:** Staples

**HOUSE SPONSOR:** Goolsby

**SENATE BILL 968**

**EFFECTIVE:** 9-1-01

Senate Bill 968 amends the Code of Criminal Procedure to require a judge to determine if a defendant who has been convicted of theft of motor fuel has a previous conviction for the same offense. If the defendant has two convictions, the bill provides for the suspension of the person's driver's license or the denial of a new driver's license for 180 days. The suspension or denial is for one year if the person's license has previously been suspended or the person was denied a new driver's license for the offense of motor fuel theft.

**SENATE AUTHOR:** Bivins et al.

**HOUSE SPONSOR:** Smithee et al.

**SENATE BILL 1047**

**EFFECTIVE:** 6-14-01

Senate Bill 1047 amends the Code of Criminal Procedure to provide that in the event a person's identifying information is used in the arrest of another person, the victim of that identification theft, under certain conditions, is entitled to have any identifying information expunged from the arrest record or file.

**SENATE AUTHOR:** Shapiro et al.

**HOUSE SPONSOR:** McCall

**SENATE BILL 1174**

**EFFECTIVE:** 9-1-01

Senate Bill 1174 amends the Penal Code to make it a third degree felony, regardless of the amount of pecuniary loss, for a person to cause impairment or interruption of any public water supply or cause any public water supply to be diverted.

**SENATE AUTHOR:** Wentworth

**HOUSE SPONSOR:** B. Turner

**SENATE BILL 1202**

**EFFECTIVE:** 9-1-01

Senate Bill 1202 amends the Code of Criminal Procedure to increase from \$50,000 to \$75,000 the amount of compensation under the Crime Victims' Compensation Act that the attorney general may award to a victim for extraordinary pecuniary losses. The bill includes as extraordinary pecuniary losses the cost of durable medical equipment, the cost of rehabilitation technology, and long-term medical expenses incurred as a result of medically indicated treatment for a personal injury.

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Gallego

**SENATE BILL 1206**

**EFFECTIVE:** 9-1-01

Senate Bill 1206 amends provisions of the Code of Criminal Procedure relating to risk assessment procedures used in the sex offender registration program. The bill transfers the duty to assess a sex offender's level of risk to the community from the risk assessment review committee to the Texas Department of Criminal Justice or the Texas Youth Commission and specifies that the committee functions in an oversight capacity. The bill modifies certain provisions relating to the sex offender screening tool and the numeric ratings assigned to sex offenders. Certain employees and officers in the criminal justice system and members of the judiciary are provided immunity from liability for good faith conduct related to the sex offender registration program.

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** Allen

**SENATE BILL 1262**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Talton et al.

Senate Bill 1262 amends provisions of the Code of Criminal Procedure relating to the disposition of stolen property to require an officer to hold property for a court order only if the ownership of the property is contested or disputed. If the property is governed by the Texas Pawnshop Act, the officer must retain the property regardless of whether the ownership is contested or disputed.

**SENATE BILL 1304**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Geren

Senate Bill 1304 amends the Education Code to require the board of regents of the University of North Texas System to develop at the University of North Texas Health Science Center at Fort Worth a DNA database for cases involving unidentified human remains or high-risk missing persons. The type of DNA genetic markers that may be collected in the database are limited to those that are commonly recognized as appropriate for human identification, and those that predict biological function are prohibited. The bill sets forth the criteria for the collection, submission, and destruction of DNA samples. The health science center is required to create an advisory committee to establish priorities regarding the backlog of cases involving high-risk missing persons and unidentified human remains.

The bill provides a civil penalty and makes it a criminal offense for a person to release the results of a forensic DNA analysis to someone other than those authorized or to fail to destroy a DNA sample after identification is made and a report is issued.

**SENATE BILL 1345**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** B. Turner

Senate Bill 1345 amends the Code of Criminal Procedure to authorize the use of intercepted communications as evidence unless the interception or disclosure of the contents would be in violation of certain state and federal laws. The bill also authorizes the Department of Public Safety to use an investigator, law enforcement officer, or other person to assist in the operation and monitoring of a wire, oral, or electronic communication interception under certain circumstances. The bill establishes provisions for the emergency installation and use of intercepting devices and for the installation and use of a pen register, ESN reader, trap and trace device, or similar equipment.

**SENATE BILL 1380**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Allen

Senate Bill 1380 amends provisions of the law relating to the sex offender registration program. The bill amends the Code of Criminal Procedure, the Government Code, and the Human Resources Code to require a person who is subject to registration as a sex offender to submit a blood sample or other specimen in order to create a DNA record as a condition of community supervision, probation, parole, mandatory supervision, or release. The bill adds offenders who are required to register as sex offenders under federal law or the Uniform Code of Military Justice to provisions regarding out-of-state registrant requirements. The bill provides that a person's duty to register is terminated if the conviction or adjudication that required the duty is set aside on appeal or the person receives a pardon on the basis of subsequent proof of innocence. For a conviction or adjudication of certain sexual offenses, a person's duty to register as a sex offender ends when the person dies.



The Department of Public Safety is required to determine, for the purpose of the sex offender registration program, whether an offense under the laws of another state, federal law, or the Uniform Code of Military Justice contains elements that are substantially similar to the elements of an offense under Texas law. The department is required to publish any public information under the sex offender registration program in both English and Spanish. The bill requires the department to post on its sex offender website the offender's driver's license or personal identification certificate photograph and to update the photograph annually.

The bill requires a law enforcement agency to collect from a person who is subject to newspaper publication requirements, and who is not under community supervision, parole, or mandatory supervision, the cost of publishing certain notices in a newspaper. The bill expands the list of people who do not have a duty to disclose to a prospective buyer or lessee information about sex offender registrants.

**SENATE BILL 1421**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West et al.

**HOUSE SPONSOR:** Williams et al.

Senate Bill 1421 amends the Code of Criminal Procedure to increase from 25 to 50 cents the court cost imposed on a person convicted of certain offenses to establish and operate the Center for the Study and Prevention of Juvenile Crime and Delinquency at Prairie View A&M University. The bill creates an additional court cost of 50 cents to establish and operate the Correctional Management Institute of Texas and Criminal Justice Center.

**SENATE BILL 1681**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** J. Davis

Senate Bill 1681 amends the Code of Criminal Procedure to provide that the payment of a fine or an amount accepted by the court, in a misdemeanor case punishable by a fine only, constitutes a waiver of jury trial in writing.

**SENATE BILL 1747**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Haywood

**HOUSE SPONSOR:** Dunnam

Senate Bill 1747 amends the Penal Code to provide that a person who is subject to the Packers and Stockyards Act commits the offense of theft if the person obtains livestock from a commission merchant and fails to make prompt payment.

**SENATE BILL 1778**

**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Hinojosa

Senate Bill 1778 amends the Code of Criminal Procedure to authorize a governing body of a municipality, in addition to a county commissioners court, to enter into a contract with a private attorney or vendor for collection of debts and accounts receivable, other than forfeited bonds, in criminal cases. The bill also authorizes a commissioners court or governing body of a municipality that enters into a contract for collection services to allow the addition of collection fees in the amount of 30 percent on each debt or account receivable that is more than 60 days past due and has been referred for collection. If a private attorney or vendor collects less than the total costs owed, the amount collected that is required to be sent to the comptroller and the amount permitted to be retained by the county or municipality are reduced by an equal percentage in order to compensate the attorney or vendor.

The bill establishes that a defendant is not liable for the collection fee if the court of original jurisdiction determines that the defendant is indigent, has insufficient resources or income, or is otherwise unable to pay all or part of the fine or costs.

Criminal Justice and Procedure

**SENATE BILL 1807**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Ogden  
**HOUSE SPONSOR:** Keel

Senate Bill 1807 amends the Code of Criminal Procedure to require a magistrate to determine whether a person arrested for a criminal offense is currently on bail for a separate criminal offense before admitting that person to bail.



## ECONOMIC DEVELOPMENT

### **HOUSE BILL 323**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Oliveira et al.

**SENATE SPONSOR:** Lucio

House Bill 323 amends the Education Code to require the board of regents of The University of Texas System to establish a center for border economic and enterprise development at The University of Texas at Brownsville. The bill requires the board to establish the center when it deems appropriate considering the money available and the best interests of the university.

### **HOUSE BILL 820**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings

**SENATE SPONSOR:** R. West

House Bill 820 amends the Government Code to increase from 65 to 85 the number of qualified businesses that the Texas Department of Economic Development may designate as enterprise projects during any biennium and to place caps on the number of qualified businesses that the department may designate as enterprise projects within any one enterprise zone. The cap is four, plus two additional bonus projects, in a municipality or county with a population of less than 250,000, or six if the governing body of the enterprise zone is the governing body of a municipality or county with a population of 250,000 or more.

### **HOUSE BILL 931**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Solis

**SENATE SPONSOR:** Shapleigh

House Bill 931 amends the Government Code to require the Texas Department of Economic Development, in consultation with the comptroller, to develop a coordinated, comprehensive economic development plan to provide for the orderly development and management of economic development in this state. The bill sets forth the specific elements that must be contained in the plan as well as its intended uses. The bill requires the department to distribute the plan to local governments to guide their allocation and use of economic development resources; to adopt guidance principles for the plan that reflect the public interest of the entire state as well as specific regional needs; and to deliver the plan and each plan update, including legislative recommendations, to the governor, the lieutenant governor, the speaker of the house of representatives, and the appropriate legislative committees. The bill requires the department to adopt the plan no later than September 1, 2002, and to update it every five years.

### **HOUSE BILL 1390**

**EFFECTIVE:** 5-23-01

**HOUSE AUTHOR:** Najera et al.

**SENATE SPONSOR:** Shapleigh

House Bill 1390 amends the Development Corporation Act of 1979 to authorize certain cities located in counties with populations of 500,000 or more to create industrial development corporations. Previous law required a minimum county population of 750,000 for a city to be eligible to create such a corporation if the city itself did not have a population of at least 400,000 or was not otherwise eligible under another provision of the act.

### **HOUSE BILL 1592**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Kitchen et al.

**SENATE SPONSOR:** Van de Putte

House Bill 1592 amends the Development Corporation Act of 1979 to include research and development facilities under the definition of "project" in order to authorize industrial development corporations to support the development and expansion of such facilities.

**HOUSE BILL 1723**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Seaman et al.

**SENATE SPONSOR:** Armbrister

House Bill 1723 amends the Local Government Code to authorize the commissioners court of a rural county to establish a county employment development board. The bill sets forth the powers and duties of such boards and authorizes a county to order an election to impose a sales and use tax at the rate of one-eighth of one percent and to impose a new property tax in the county at a rate not to exceed three cents on each \$100 of taxable property value or to increase an existing property tax by that amount to fund the activities of an economic development program. The bill also amends the Development Corporation Act of 1979 to authorize tax proceeds from a sales and use tax imposed by an industrial development or economic development corporation to be used to provide funding to the county employment development boards.

**HOUSE BILL 1772**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Brimer

**SENATE SPONSOR:** Harris

House Bill 1772 amends Local Government Code provisions relating to sports and community venue projects to prohibit election campaign material that contains false and misleading information. A complaint about such information may be filed with the Texas Ethics Commission, which may investigate and impose a penalty. Collectors of motor vehicle rental taxes, where such taxes apply as a means of project financing, are entitled to a cost reimbursement of one percent of the amount collected, provided that the tax collections are received by the municipality or county by a specified deadline. The legislation allows a tri-county municipality with a population of less than 120,000, subject to other qualifying criteria, to use venue project hotel occupancy tax revenue for specified project purposes. Hotel bills and receipts must describe the state tax and other portions of the total hotel occupancy tax that are nonattributable to venue project financing. Amendments to the Development Corporation Act of 1979 clarify sales and use tax election provisions and remove the \$135 million cap on bonds issued by certain development corporations.

**HOUSE BILL 2686**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Solis et al.

**SENATE SPONSOR:** Lucio

Article 1 of House Bill 2686 amends Government Code and Tax Code provisions relating to tax incentives for businesses located in enterprise zones, defense readjustment zones, and strategic investment areas. The bill reduces from 625 to 250 the maximum number of new permanent jobs or retained jobs eligible to be included in a computation of a tax refund for an enterprise project designated by the Texas Department of Economic Development. The bill provides that, in addition to a refund of state taxes, qualified businesses or enterprise zone projects and defense readjustment zone projects are entitled to certain franchise tax credits rather than the previously allowed deductions from taxable capital. The bill also authorizes the department to monitor such projects and to determine that a project is not entitled to a refund or credit of state taxes if it is not willing to provide necessary information to the department or has substantially failed to follow through on its commitments. The bill provides that such projects are eligible for refunds on purchases of tangible personal property and taxable services and increases from \$2,000 to \$5,000 the amount of taxes that an enterprise project may be refunded for each new or retained job. Finally, the bill includes enterprise zones or readjustment zones in provisions relating to a corporation's eligibility for certain franchise tax credits.

Article 2 of the bill takes those provisions amended in Article 1 and restores them to prior law, except for those provisions that substituted franchise tax credits for the previously allowed deductions, which Article 2 deletes altogether. Article 2 also repeals the added provisions in Article 1 that made corporations eligible for franchise tax credits in those zones.

Article 1 of House Bill 2686 takes effect September 1, 2001, except for provisions relating to certain tax credits, which take effect September 1, 2003. Article 2 takes effect September 1, 2005, except for provisions relating to franchise tax credits for job creation, capital investment, and research and development activities, which take effect January 1, 2005.

**HOUSE BILL 2808**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chavez et al.  
**SENATE SPONSOR:** Shapleigh

House Bill 2808 amends the Local Government Code to authorize municipalities to create North American Free Trade Agreement impact zones to promote business opportunities for local businesses and economic development in the zone and employment opportunities for zone residents. A municipality that creates such a zone may waive or adopt fees related to construction of buildings in the zone; enter into agreements for city sales tax refunds and city sales tax and city property tax abatements; and set standards for building materials to address concerns about the environment or about building costs, maintenance, or energy consumption. The bill requires a business that operates in a zone and receives benefits from the creation of the zone to make a good faith effort to hire individuals receiving NAFTA transitional adjustment assistance and to report annually to the municipality's governing body the percentage of the people it hires who receive such assistance.

**HOUSE BILL 3178**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis et al.  
**SENATE SPONSOR:** Shapleigh

House Bill 3178 amends the Government Code to require the Texas Department of Economic Development, in conjunction with the attorney general and the comptroller, to develop a training seminar for certain officers and public officials associated with development corporations created under the Development Corporation Act of 1979 to ensure the legal operation of such corporations and administration of the taxes levied on their behalf, and it amends that act to require certain public officials and corporation executives to attend such a seminar at least once every 24 months. The bill requires the department to issue certificates of completion and to hold the training seminars in different regions in the state for the convenience of those persons required to complete the seminars, and it authorizes the department to contract with a vendor to conduct the seminars.

House Bill 3178 requires the department to develop the training seminar not later than January 1, 2002, and it requires a person who, on the bill's effective date, is subject to the bill's training requirements to take a training seminar before January 1, 2004.

**HOUSE BILL 3298**  
**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Bonnen  
**SENATE SPONSOR:** J. E. Brown

House Bill 3298 amends the Development Corporation Act of 1979 to limit spending by certain municipally created industrial development corporations for promotional purposes to no more than 10 percent of corporate revenues and to allow such corporations to contract with other existing private corporations to carry out industrial development programs or objectives or to assist with the development or operation of an economic development program or objective consistent with the corporation's purposes and duties.

**HOUSE BILL 3309**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Hochberg

**SENATE SPONSOR:** R. Ellis

House Bill 3309 amends the Government Code to establish the Southeast Texas Biotechnology Park Coalition for the purpose of developing, funding, and operating a biotechnology research and development park to be located in the Texas Medical Center area of Houston. The park's aims include furthering economic development and the production of net revenue to the state and coalition members from the commercialization of biotechnology research, recruiting and retaining leading scientists and established biotechnology enterprises, and supporting the growth and development of new enterprises. The bill authorizes any interested governmental or private for-profit or nonprofit institution to participate in the coalition, authorizes the coalition to establish a nonprofit corporation to develop and operate the park, and provides that the park may be developed on land owned or acquired by the State of Texas, the nonprofit corporation, or a member institution. The bill requires the park to be developed as a public-private partnership, and it provides that leases in the park that produce revenue to participating state institutions are to be at market rates.

**HOUSE BILL 3329**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt

**SENATE SPONSOR:** J. E. Brown

House Bill 3329 amends the Government Code to provide that, until June 1, one-third of the state ceiling on tax-exempt private activity bonds that is available exclusively for reservations by issuers of qualified small issue bonds and enterprise zone facility bonds is dedicated exclusively to the Texas Agricultural Finance Authority for the purpose of issuing such bonds in rural areas of the state. The bill provides that the authority is not required to include certain statements regarding the availability of other funds for a project, either as an allocation carryforward from a previous year or from unexpended proceeds from one or more bond issues, in its application for a reservation. The bill also requires the Bond Review Board to issue a certain portion of the state ceiling based on a priority level for projects for the development of new drinking water sources and provides that the statute section allocating specific portions of the state ceiling expires September 1, 2003.

**HOUSE BILL 3387**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dunnam

**SENATE SPONSOR:** Sibley

House Bill 3387 amends the Government Code to clarify that provisions relating to the disposition of a surplus building or vacant land in a defense economic readjustment zone also apply to any surplus structure and that sale of a surplus building or structure, or vacant property, may occur without following election or voter approval requirements imposed by other law.

**HOUSE BILL 3589**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hunter

**SENATE SPONSOR:** Armbrister

House Bill 3589 amends Government Code provisions relating to the state's film industry development loan guarantee program, to authorize the comptroller to adopt a ratio of up to five-to-one for the amount of loan guarantees that may be made compared to the amount available in the Texas film industry administrative fund. The comptroller must review the ratio annually and adjust it as appropriate based on loan payment experience. Subject to the existing cap of \$50 million on outstanding loan guarantees, the comptroller may approve guarantees up

to the adopted ratio. Other provisions authorize the comptroller to require a fee payment for issuance of a loan guarantee and allow a surplus lines insurer meeting certain criteria to issue the indemnity required of a participating film producer.

**SENATE BILL 275****EFFECTIVE:** 6-16-01**SENATE AUTHOR:** Shapleigh**HOUSE SPONSOR:** Solis

Senate Bill 275 amends the Government Code to require the comptroller, before each regular session of the legislature, to collect and make available information relating to economic development activities in the state, including a list of relevant General Appropriations Act strategies together with the appropriations for, financing of, and outcome measures associated with each strategy; a list of all investments financed from the Texas growth fund; a summary of information reported by and relating to industrial development corporations; and summaries of reports and other information relating to the effect and effectiveness of various tax provisions. The bill specifically authorizes the comptroller to request the relevant information from the appropriate entities or agencies, and it requires the entities or agencies to provide the information.

**SENATE BILL 322****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Lucio et al.**HOUSE SPONSOR:** Gallego

Senate Bill 322 continues the Texas Department of Housing and Community Affairs for two more years, to September 1, 2003. The bill decreases the department's board of directors from nine to seven members, requires that the board members be members of the public, and deletes the requirement for representation of specific public and private sectors. The bill adds to the department's purposes a role to serve as a source of information to the public regarding all affordable housing resources and community support services and sets forth provisions related to specific efforts to do so and to provide opportunities for public participation and input. The bill prioritizes the housing needs of extremely low income individuals and families and repeals a provision that required the duties of the housing finance division to be kept separate from the duties of any other division of the department. The bill requires the department to give priority through its housing program scoring criteria to certain urban enterprise communities and communities in economically distressed areas.

Senate Bill 322 requires the department to develop and implement a program to preserve affordable housing in the state and to establish an affordable housing preservation incentives program. The bill requires the department to provide certain loans and grants under that incentives program for the rehabilitation of housing. The bill requires the department and the comptroller to assess the present and future affordable housing needs of the border region and of the uniform state service regions. The bill requires the department to establish a uniform application and funding cycle for all single-family and multifamily housing programs administered by the department. The bill requires the recipient of funding for a multifamily rental housing development to maintain the development's affordability. The bill requires the department to establish an executive award and review advisory committee to make recommendations to the board regarding funding and allocation decisions.

Senate Bill 322 creates the Manufactured Housing Board to govern the Manufactured Housing Division and sets out provisions related to a manufactured housing license. The bill requires the board to administer continuing education programs for manufactured housing license holders and repeals a provision that allowed a real estate broker or salesperson to act as a manufactured housing broker or salesperson without being required to be licensed or to post bond.



## Economic Development

Senate Bill 322 requires the department to adopt a policy regarding the admittance to low income housing tax credit properties of income-eligible individuals and families receiving federal housing assistance, as well as procedures to monitor low income housing tax credit properties that refuse to admit those individuals and families. The bill allows a qualified nonprofit organization to compete in any low income housing tax credit allocation pool. The bill requires a person who receives an allocation of housing tax credits to attempt to ensure that at least 30 percent of the businesses with which the person contracts are minority-owned businesses. The bill makes one-fourth of the portion of the state ceiling that is available for reservation by issuers of qualified residential rental project bonds exclusively available to the department for issuing such qualified mortgage bonds and establishes how funding for residential rental project bonds is to be divided. The bill requires the department to adopt procedures for the certification of certain nonprofit owner-builder housing programs and to establish an owner-builder revolving loan fund. The bill repeals a provision that provided for the expiration of the owner-builder loan program on September 1, 2005. The bill sets out provisions related to a market study of home mortgage credit needs in underserved economic and geographic submarkets and provides that the department's highest priority in allocating certain funds is to provide assistance to borrowers in those areas. The bill requires the creation of a colonia model subdivision program and an associated revolving loan fund to promote development of high-quality residential subdivisions that provide alternatives to substandard colonias and housing options affordable to very low and extremely low income residents. The bill provides for the coordination of state outreach efforts to nonborder colonias and to political subdivisions capable of providing water and wastewater services to nonborder colonias.

Provisions of Senate Bill 322 related to the Colonia Resident Advisory Committee take no effect and are instead transferred to and governed by the provisions of Senate Bill 312.

### **SENATE BILL 326**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Lucio et al.

**HOUSE SPONSOR:** Solis

Senate Bill 326 amends the Government Code to require the Texas Department of Economic Development to appoint representatives of certain state agencies and offices to the Texas-Mexico Commerce and International Relations Initiative Unit. The bill requires the department, in cooperation with the initiative unit, to coordinate efforts of the agencies and offices to study trade relations with Mexico and other border states; to develop and adopt the Texas-Mexico Commerce and International Relations Coordinated Plan; and to submit a report on the plan and the results of its study to the governor, lieutenant governor, speaker of the house of representatives, members of the legislature, and Legislative Budget Board. The plan must be updated within four years and must include short-term and long-term recommendations and initiatives relating to increasing trade and tourism between Mexico and the border states and addressing trade problems between Texas and Mexico. The bill requires each agency and office represented by the initiative unit to submit quarterly reports to the department relating to project status, funding, planning and research completed, community and technical assistance rendered, information collection, and agency efforts to promote economic development. The bill also requires the department to form a partnership with the agencies and offices to ensure that the Texas Business and Community Economic Development Clearinghouse has current knowledge of the plan and the unit's activities.

**SENATE BILL 429****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Lucio**HOUSE SPONSOR:** Solis

Senate Bill 429 amends the Government Code to require the Council on Workforce and Economic Competitiveness, with the governor's approval, to establish a funding formula to determine the level of financial support for the council that each of its five member agencies must provide. The bill similarly requires the council to establish a funding formula to determine the level of support that each agency administering a workforce program must provide to operate the council's automated follow-up and evaluation system. The bill also requires the council to provide to the Texas Workforce Commission certain information that it is required to provide to the governor and the legislature. The commission in turn is required to include this information as it relates to the administration and operation of the state's workforce development system along with other workforce development information it provides to the public on the Internet. Finally, the bill requires the council to select or develop performance measures for workforce programs, establishes guidelines for the selection of existing agency-developed measures or the development of new measures, and specifies the intent of the two types of measures it must select or develop.

**SENATE BILL 554****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Carona et al.**HOUSE SPONSOR:** Solis et al.

Senate Bill 554 amends the Labor Code to establish the Texas Career Opportunity Grant Program to reduce the financial barriers to postsecondary career education and training for economically disadvantaged Texans. Under the program, the Texas Workforce Commission is authorized to provide tuition assistance grants to Texas residents enrolled in qualified postsecondary career education programs at eligible proprietary schools that lead to a certificate, certification, degree, or diploma in a career field. The bill sets forth the factors the commission may consider in selecting applicants to receive grants, establishes the maximum grant amounts, and requires the commission to approve education programs that meet certain accreditation, state certification, and program offering criteria for participation in the program. The bill also sets forth grant eligibility criteria for individual applicants and provides for payment of a grant through the school to the student. Finally, the bill authorizes the commission to adopt rules to implement the program, requires the commission to deliver an annual report on the program to the legislature, and provides for the initial implementation of the program during the 2001-2002 academic year.

**SENATE BILL 607****EFFECTIVE:** 5-16-01**SENATE AUTHOR:** Van de Putte et al.**HOUSE SPONSOR:** McClendon

Senate Bill 607 amends the Local Government Code to enact the Better Jobs Act. The act authorizes municipalities to create nonprofit municipal development corporations that will implement job training, early childhood development, after-school, literacy, and higher education scholarship programs. A municipality may levy a sales and use tax to fund the corporation if its voters authorize the tax and the tax rate. The bill requires the municipality to conduct a performance review of its corporation once every five years and sets forth provisions relating to the corporation's board and administration of the corporation's budget and scholarship fund. The bill also requires the board of directors of the corporation to submit an annual report on its objectives and finances to the comptroller, including any sales and use tax information required by the comptroller, authorizes the comptroller to impose an administrative penalty against the corporation if it fails to submit the report, and requires the comptroller to submit a biennial report to the legislature relating to the sales and use taxes imposed by the corporations.



**SENATE BILL 746**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Staples

**HOUSE SPONSOR:** Hawley et al.

Senate Bill 746 amends the Agriculture Code to require the Texas Department of Agriculture to maintain and administer an economic development program for rural areas of the state and to set forth certain activities that the department must include in the program. The bill takes effect September 1, 2001, and requires the department to adopt rules and to enter into a memorandum of agreement with the Texas Department of Economic Development and the Texas Agricultural Extension Service, among others, relating to the program before December 1, 2001.

**SENATE BILL 813**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown et al.

**HOUSE SPONSOR:** Seaman et al.

Senate Bill 813 amends the Government Code to create the spaceport trust fund to pay for the infrastructure necessary to establish a spaceport in Texas. The trust fund is to be administered by the Texas Aerospace Commission and will consist of money from gifts, grants, and donations to the commission for the development of spaceport infrastructure. The bill provides that money from the trust fund may only be spent when the commission certifies to the comptroller (1) that a viable business entity with an adequate business plan has committed to locating at a spaceport in Texas; (2) that a development corporation for a spaceport has secured at least 90 percent of the funding required for the project; and (3) that the spaceport has obtained the appropriate Federal Aviation Administration license. The bill also authorizes the commission to invest, reinvest, and direct the investment of money in the trust fund.

**SENATE BILL 1164**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Truan et al.

**HOUSE SPONSOR:** Luna

Senate Bill 1164 mandates the Office of Defense Affairs of the Texas Department of Economic Development, working with the Texas Strategic Military Planning Commission, to identify defense-dependent communities in the state and to request of each a five-year strategic infrastructure plan to be submitted to the office not later than July 1, 2002. The bill establishes the contents of a plan, including recommendations to optimize the retention, stability, and growth of Texas military installations and their dependent communities and to increase the potential for private-sector infrastructural investment associated with such installations and communities. The bill requires submitted plans to be compiled into a single report and forwarded by the office, together with its own recommendations, to the governor, the lieutenant governor, the speaker of the house of representatives, and the chairs of legislative committees with jurisdiction over defense affairs. The report is due not later than December 1, 2002.

**SENATE BILL 1282**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio et al.

**HOUSE SPONSOR:** Oliveira et al.

Senate Bill 1282 amends the Transportation Code to establish a port access account fund and to require the Texas Department of Economic Development to pay for certain port transportation or facility projects and port studies out of the fund. Any amount that the department contributes from the fund to such projects must be matched or exceeded by funds from a port authority or navigation district. The bill also establishes the Texas Port Transportation and Economic Development Advisory Committee and requires the committee to prepare a port mission plan; review, evaluate, and make recommendations to the department relating to projects funded by the program; and maintain certain trade data information. The committee also is required to prepare a two-year port capital program to define its goals and objectives concerning the development of port facilities and an intermodal transportation system. The program must be updated annually and provided to the governor, the lieutenant governor, the speaker of the house of representatives, and the department.

**SENATE BILL 1815**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Truan et al.

**HOUSE SPONSOR:** Luna

Senate Bill 1815 provides for a revolving loan program, administered by the Office of Defense Affairs of the Texas Department of Economic Development, to assist local government entities to minimize the possibility or negative effects of defense base reductions. Eligible entities include a municipality, county, regional planning commission, public junior college district, or campus or extension center of the Texas State Technical College system located within 25 miles of a defense base that has been publicly proposed for closure and realignment, where the entity is or contains an adversely affected defense-dependent community. Loans are from a community infrastructure development revolving loan account established within the general revenue fund.



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### HOUSE BILL 6

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dunnam et al.

**SENATE SPONSOR:** Bivins

House Bill 6 amends the Education Code to restrict the granting of charters by the State Board of Education (SBOE) to those applicants that meet certain financial, governing, and operational standards and to impose fiscal management and public accountability measures on charter school operations to ensure the fiscal and academic accountability of all charter holders.

Limitations on Award or Renewal of Charters: The bill repeals a provision that allowed the SBOE to grant charters for open-enrollment schools serving Public Education Grant-eligible students and for schools primarily serving at-risk students, converts those existing schools to open-enrollment charter schools, and caps the total number of charters that may be granted at 215. The bill also provides that the grant of a charter does not create an entitlement to a charter renewal on the same terms as its original issue, and it transfers from the SBOE to the commissioner of education the authority to approve charter revisions and to modify, place on probation, revoke, or deny renewal of a charter.

The bill allows the SBOE to grant a charter to a public senior college or university for a charter school to be operated either on its campus or in the same county in which that campus is located. A charter granted under this provision does not count toward the 215 limit.

General Applicability of State Laws: The bill explicitly makes charter school operations subject to state laws governing open meetings and public information, local government records, public purchasing and contracting, conflict of interest, nepotism, and immunity from liability. For purposes of those laws, the governing body of a charter holder or of a charter school is considered a governmental body, and the charter school a governmental entity, political subdivision, or local government. To the extent those laws apply to a school district, a district board of trustees, a district officer or employee, or a public school student, they also apply, with some exceptions, to a charter school, its governing body or that of the charter school, a governing body member, a charter school officer or employee, or a charter school student. If a charter school closes, the bill requires its records to be transferred to a custodian designated by the commissioner, which may be the Texas Education Agency, a regional education service center, or a school district. The bill also makes charter schools located in whole or in part in a municipality with a population of more than 20,000 subject to certain municipal zoning ordinances.

Funding: The bill entitles a charter holder to receive Foundation School Program funding for the school as if it were a school district without a Tier 1 local share or Tier 2 local revenue, and any adjustments to its basic allotment and its Tier 2 enrichment tax rate in the funding formulas are the state averages for those adjustments and tax rate. The bill provides a 10-year phase-in of the change in the method of funding. State funds received after September 1, 2001, are to be regarded as public funds for all purposes under state law, held in trust by the charter holder for the benefit of the school's students, used only for the same purposes as a public school's local funds, and, pending their use, be deposited in bank under a depository contract. Property purchased with state funds received after that date also is to be considered state property held in trust for the students' benefit and to be used only for the same purposes as district property, and, if a charter school closes, the commissioner is to take possession and assume control of any school property purchased with state funds. A charter holder who accepts state funds after September, 1, 2001, or after the effective date of any provision in the

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bill agrees to accept all liability for any funds accepted before then and to be subject to that provision regardless of when the charter was granted. The bill grants a charter school's governing board the same authority to charge its students certain fees as is granted a district's board of trustees, subject to the same restrictions and prohibitions. The bill prohibits a school whose charter has been revoked, denied renewal, or surrendered from receiving state funds and continuing to operate, except that a school whose charter is denied renewal before the school year ends may continue to operate and receive funds for the remainder of the school year.

Facilities Financing: The bill makes a charter school ineligible for an instructional facilities allotment or for state aid to pay existing debt. Instead, the bill requires the Texas Public Finance Authority to establish a nonprofit corporation to issue revenue bonds on the charter schools' behalf for building acquisition, construction, repair, or renovation. A bond issued by the authority is not state debt, but is payable solely from the revenues of the school on whose behalf it is issued.

Notice Requirements: The bill requires the commissioner to adopt a procedure for notifying the board of trustees of any district from which a proposed charter school is likely to draw students and to each legislator who represents the area to be served by that school whenever the SBOE receives an application for a charter school. The bill also requires each charter school to provide the parent or guardian of each student enrolled at the school a written notice of the qualifications of each teacher employed by the school.

Sanctions: The bill requires the commissioner, on a finding that a charter school has committed a material violation of its charter, failed to satisfy certain fiscal management standards, or failed to comply with an applicable rule or law, to take certain actions to the extent deemed necessary, including temporarily withholding funds, suspending its operating authority, or any other reasonable action required to protect student health, safety, or welfare. Those sanctions may not be lifted until it is determined that the conditions that warranted the sanctions either did not exist or have been fixed. The bill also authorizes the commissioner to order closure of all of the programs operated under an open-enrollment charter school's charter for failure to satisfy accreditation criteria.

Additional Commissioner Oversight, Judicial Sanctions: The bill allows the commissioner to audit any financial and administrative records of a charter school, a charter holder, and a management company to the extent those records pertain directly to the management or operation of a charter school. The bill allows the commissioner to ask the attorney general to (1) bring suit against a member of a charter school's governing body for breach of fiduciary duty, including a misapplication of public funds, or (2) petition a court to recover a closed charter school's records if the charter holder refuses to transfer those records to the commissioner-designated custodian.

Service on Governing Body or as School Officer, Employee, Teacher, or Volunteer: The bill prohibits a person from serving on the governing body of a charter holder or charter school or as a charter school officer or employee if the person has been convicted of certain offenses or has a substantial interest in a school management company; requires the commissioner to adopt rules prescribing training for governing body members and school officers regarding school law, school finance, health and safety issues, accountability for public funds, and other applicable state laws; and provides that the school's governing body is responsible for the school's management, operation, and accountability, regardless of whether the body delegates its powers and duties to another person. The bill also requires each charter to specify the powers and duties that the governing body may delegate to an officer. The bill requires a charter school to

obtain from any law enforcement or criminal agency the criminal history record of any person the school intends to hire in any capacity or accept as a volunteer, and it requires each teacher at a charter school to hold at least a high school diploma.

School Management: The bill provides for and regulates the involvement of management companies in the operation of charter schools.

Student Admission: The bill establishes an application requirement for admission to a charter school, and it requires a school that receives applications from more students than it can accommodate to fill the positions either by lottery or, if public notice of the opportunity to apply and the application deadline was properly posted, in the order in which the timely applications were received.

Alternative Accreditation, Public School Accountability: The bill allows the commissioner to develop an alternative accreditation status pilot program for the 2001-2002 school year to reflect the academic performance and improvement of students at a district, campus, or charter school that primarily serves at-risk students or is not required to administer the statewide test under the accountability system. The bill also gives the commissioner increased flexibility to determine how the academic excellence indicators may be used in determining accountability ratings and district and campus acknowledgment and to determine when special accreditation investigations are warranted.

**HOUSE BILL 42**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** McClendon et al.

**SENATE SPONSOR:** Ogden

House Bill 42 amends the Education Code to authorize the Texas Higher Education Coordinating Board, with the assistance of The Texas A&M University System board of regents, to conduct a study on the feasibility of an affiliation or coordinating agreement between the board of regents and any institution of higher education to provide the clinical education necessary to support a doctor of medicine degree program at Prairie View A&M University. The bill requires a study undertaken by the coordinating board to be completed on or before December 31, 2002.

**HOUSE BILL 106**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Gutierrez

**SENATE SPONSOR:** Zaffirini

House Bill 106 amends the Education Code to require each school district's board of trustees to adopt a policy limiting redundant requests for information and the number and length of written reports that classroom teachers must prepare. The bill prohibits requiring a classroom teacher to prepare a written report other than those specifically listed and any other report required by law or rule or that is directly related to the teacher's professional duties. The bill also requires the board of trustees to review its teachers' paperwork requirements and to transfer to noninstructional staff any reporting task that can reasonably be performed by that staff.

**HOUSE BILL 108**

**EFFECTIVE:** 5-23-01

**HOUSE AUTHOR:** Flores

**SENATE SPONSOR:** Truan

House Bill 108 amends the Government Code to designate the second Wednesday in May of each year as Public School Paraprofessional Day in recognition of paraprofessional school employees such as teacher assistants, instructional aides, educational trainers, library attendants, bilingual assistants, special education associates, mentors, and tutors. The bill requires regular observance of the day by appropriate ceremonies and activities in public schools and other places.

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### **HOUSE BILL 120**

**EFFECTIVE:** 5-11-01

**HOUSE AUTHOR:** G. West

**SENATE SPONSOR:** Duncan

House Bill 120 amends the Education Code to allow The University of Texas System board of regents to impose a mandatory intercollegiate athletics fee of up to \$5 per semester credit hour at The University of Texas at the Permian Basin. Imposition of the fee and any fee increase from one academic year to the next must be approved by a majority of the students voting in an election held for that purpose. The bill allows the proration of the fee amount for a summer session, and it provides that the intercollegiate athletics fee does not count toward the \$150 cap on compulsory student services fees that may be levied in a single semester or summer session.

### **HOUSE BILL 152**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** F. Brown et al.

**SENATE SPONSOR:** Ogden

House Bill 152 amends the Education Code to establish a pilot program that reduces undergraduate tuition rates by 50 percent for resident students enrolled for a summer term or session at Texas A&M University or Texas A&M University—Kingsville. The pilot program is contingent on legislative appropriations to each institution to cover the tuition revenue lost as a result of the reduction in tuition rates and applies only to a summer term or session in 2002 or 2003.

### **HOUSE BILL 234**

**EFFECTIVE:** 5-24-01

**HOUSE AUTHOR:** Hawley et al.

**SENATE SPONSOR:** Fraser

The Education Code requires each undergraduate student enrolling at a public college or university to take the Texas Academic Skills Program (TASP) test before undertaking any course work at the college or university unless the student is specifically exempted from this testing requirement. House Bill 234 amends the Education Code to exempt active duty military personnel from the TASP testing requirements. The bill also exempts military personnel from similar testing requirements for deaf students enrolling at public colleges and universities.

### **HOUSE BILL 328**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego et al.

**SENATE SPONSOR:** Madla

House Bill 328 amends the Education Code to allow a school district board of trustees, where the majority of the district's area is located in a county with a population of less than 10,000, to order on its own motion that all or at least 50 percent of the trustees be elected from single-member trustee districts. The bill requires a petition to the board requesting a referendum on a change in the manner in which trustees are elected to describe the specific manner requested, which must be one that the board could have ordered on its own motion. The bill deletes a requirement for a specific number of trustees being elected from single-member trustee districts in order for trustees in office when a redistricting plan is adopted to be allowed to serve the remainder of their respective terms.

House Bill 328 also allows the State Board of Education (SBOE) to appoint either a three-member, five-member, or seven-member board of trustees for a special-purpose school district created by the SBOE. Prior law required the SBOE to appoint three-member boards for such districts.



**HOUSE BILL 400**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings  
**SENATE SPONSOR:** Van de Putte

House Bill 400 amends the Education Code to require school districts with one or more high schools ranked among the bottom 10 percent in percentage of college-bound graduates for two consecutive years in a preceding five-year period and the colleges or universities nearest to those districts to develop plans to increase college enrollment among the graduates in those districts. The bill requires the Texas Education Agency and the Texas Higher Education Coordinating Board to identify each district subject to the requirement and to notify each district and the nearest college or university of the requirement's applicability not later than May 1 of each year.

If a district does not already have a plan in place in accordance with these provisions, the bill requires the district and college or university that receives such notice to develop, not later than August 1 of the same year, a plan to increase the percentage of the district's graduates who enroll in a college or university the year after graduation. The district must file the plan with the commissioner of education and the commissioner of higher education and implement the plan at the start of the school year following the year in which it receives notice.

House Bill 400 also requires the coordinating board to administer and coordinate a Higher Education Assistance Pilot Program to provide information about college enrollment, including information about admissions and financial aid, to prospective students in three areas in the state with the highest number of students who do not attend college and to assist those students in completing enrollment and financial aid applications.

**HOUSE BILL 457**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Clark et al.  
**SENATE SPONSOR:** Duncan

House Bill 457 amends the Education Code to exclude from a school campus or district dropout count a student who fails to enroll in school after being released from a juvenile detention or correctional facility or after leaving a residential treatment center where the student received treatment for fewer than 85 days unless the campus or district serving the facility or center is the one to which the student is regularly assigned as an established resident of that district.

House Bill 457 applies to the computation of dropout rates beginning with the computation for the 2001-2002 school year.

**HOUSE BILL 459**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Carter et al.  
**SENATE SPONSOR:** Moncrief

Under prior law, children of firefighters or peace officers killed or disabled in the line of duty were exempt from tuition and fees at public colleges and universities for a period of up to eight consecutive semesters, not including summer semesters, provided they applied for the exemption before their 21st birthday, met all entrance requirements, and remained in good academic standing. House Bill 459 amends the Education Code to make this exemption applicable to the first 120 undergraduate credit hours and to extend the application deadline for students eligible for special education programs to their 22nd birthday. The bill also terminates a student's eligibility for an exemption for any semester beginning after the student's 26th birthday. The revised eligibility requirements apply to students applying for an exemption on or after the date the law goes into effect.

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### **HOUSE BILL 461**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Crownover

**SENATE SPONSOR:** Haywood

House Bill 461 amends the Education Code to allow the University of North Texas board of regents to impose a recreational facility fee of up to \$75 per student per regular semester or 12-week summer session and up to \$37.50 per student per six-week or shorter summer session to finance the construction, operation, maintenance, and equipping of a campus recreational facility or program. Imposition of the fee and any increase of more than 10 percent must be approved by a majority of the students voting in an election held for that purpose. The bill requires the deposit of fee revenues in a dedicated account under the control of a student fee advisory committee, requires the committee to submit to the board an annual itemized budget and a report on the past year's recreational facility activities and related spending, and allows the board to amend the budget and set the fee amount accordingly. It also excludes the recreational facility fee from the cap on the compulsory student services fees that may be levied in a single semester or summer session.

House Bill 461 applies beginning with the 2001 fall semester.

### **HOUSE BILL 462**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Crownover

**SENATE SPONSOR:** Haywood

House Bill 462 amends the Education Code to raise the cap on the medical services fee that is charged students at the University of North Texas and to allow the University of North Texas System board of regents to impose that fee at other component institutions of the system. The bill raises the cap from \$25 to \$75 per regular semester or 12-week summer session and from \$12.50 to \$37.50 per six-week or shorter summer session, but it makes any increase of more than 10 percent from one academic year to the next at a component institution subject to approval by a majority of the students voting at an election held for that purpose. The bill includes a temporary provision prohibiting an increase in the fee above \$30 for the 2001 fall semester unless the increase is approved by a majority vote at a student referendum on the amount of the increase.

House Bill 462 applies beginning with the 2001 fall semester.

### **HOUSE BILL 467**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Solomons

**SENATE SPONSOR:** Nelson

House Bill 467 amends the Education Code to raise the cap on the medical services fee charged students at Texas Woman's University from \$30 to \$55 per semester or 12-week summer session and from \$15 to \$25 for each summer session term of six weeks or less. The bill allows the Texas Woman's University board of regents to increase the fee by more than 10 percent from one academic year to the next only if the increase is approved by a majority of the students voting in an election called for that purpose.

House Bill 467 applies beginning with fees charged for the 2001 fall semester.

### **HOUSE BILL 623**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Hochberg et al.

**SENATE SPONSOR:** Bivins

House Bill 623 amends the Education Code to establish a parental right to request that a school district or open-enrollment charter school allow a student to take home any textbook used by the student. The bill requires the State Board of Education to adopt rules to ensure that

used textbooks sold to districts and charter schools are not sample copies containing factual errors and to allow for administrative penalties against used textbook sellers violating this provision.

The bill requires the commissioner of education to implement a program to study the use of textbook credits that will allow participating districts and charter schools to receive credit for textbooks purchased at a cost below the limit established for expenditures from the state textbook fund. The credit would equal the difference between the purchase price and the cost limit, with 50 percent of the savings credited to the fund and the remainder credited to the district or school and applicable toward the requisition of additional textbooks or electronic textbooks.

The bill entitles a district or charter school to reimbursement from the textbook fund if the district or school does not have enough copies of a textbook for use during the following school year and additional copies will not be available from the book depository. Alternatively, the district or school is entitled to return currently used books in exchange for sufficient copies, if available, of other listed textbooks for use during the following year.

The bill deletes certain inventory requirements for school districts and charter schools; requires textbook publishers or manufacturers to provide districts or charter schools with an accurate shipping date for back-ordered textbooks and to guarantee delivery of textbooks at least 10 business days before the start of school for textbooks ordered by a specific date; and creates a Class B misdemeanor offense for a school trustee, administrator, or teacher who accepts certain gifts, favors, or services.

House Bill 623 takes effect June 14, 2001, except for the creation of an offense for accepting prohibited gifts, favors, and services, which takes effect September 1, 2001.

**HOUSE BILL 658**  
**EFFECTIVE: 9-1-01**

**HOUSE AUTHOR:** Junell et al.  
**SENATE SPONSOR:** R. Ellis

House Bill 658 amends the Education Code to authorize the governing boards of various public colleges and universities to issue bonds or notes in the specified amounts to finance certain institutional acquisitions, purchases, construction, renovation, or equipping of buildings, facilities, and infrastructure or other capital improvements.

The bill requires that tuition revenue, special mineral fund revenue collected and deposited in the state treasury, and the interest earned on those revenues be treated as designated funds in the general revenue fund, and it provides that their deposit to the credit of an account does not (1) affect a pledge or the ability to pledge revenue to secure and pay bonds issued or incurred by the governing board of a higher education institution; (2) cause the bonds to constitute state debt or be payable from the state's full faith and credit; (3) change the character of the revenues as a separate revenue of the collecting institution; or (4) cause the revenue to be considered general revenue for purposes of Sections 17 and 18, Article VII, Texas Constitution.

The bill establishes that a provision of Title 3 of the code or any other law limiting the purposes for which money under the control of a higher education institution's governing board may be spent does not impair that board's authority to pledge and use any revenue under its control to secure or pay the board's obligations. It requires a board to fix, within applicable limits, each rental, rate, charge, or fee that it is allowed to fix in an amount it deems necessary to pay all costs associated with each activity or service for which the rental, rate, charge, or fee is imposed, and it allows a board to accumulate all authorized mandatory fees or charges as a separate facilities and services charge for billing and reporting purposes.

**HOUSE BILL 660**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Seaman et al.

**SENATE SPONSOR:** Van de Putte

House Bill 660 amends the Education Code to include the offering of career and technology education programs as an objective of public education and to further the development of such programs. The bill requires the inclusion of business and industry representatives on district- and campus-level planning and decision-making committees; creates the Career and Technology Education Advisory Board to help the Texas Education Agency (TEA) develop the state plan for career and technology education and to help school districts develop local career and technology programs; and allows school districts to develop and offer programs that provide students specific education in career and technology professions and award distinguished student achievement. The bill encourages the governor to recognize each member of the business and industry community that the Texas Workforce Commission and TEA determine has helped to provide a career and technology education program, and it requires the commission, together with other state agencies, to prepare and make publicly available a list of all awards and incentives for business participation in school district career and technology education programs and other related training.

The bill also allows the board of trustees of a school district whose per-pupil property wealth exceeds the equalized wealth level to reduce its per-pupil wealth by executing an agreement, subject to voter approval and certification by the commissioner of education, to provide students outside the district with career and technology education through an area-wide program and to include those students in the district's weighted average daily attendance count.

The bill takes effect September 1, 2001, except for provisions relating to the public education objectives, the composition of district and campus committees, and district career and technology education programs and distinguished student achievement awards, which take effect immediately.

**HOUSE BILL 704**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Delisi

**SENATE SPONSOR:** Shapiro

House Bill 704 amends the Education Code to require the Texas Education Agency to establish a Careers to Classrooms Program to help persons obtain state certification as elementary or secondary teachers or educational aides and to facilitate their hiring by school districts that receive federal funds for improving academic programs for educationally disadvantaged children and that have a shortage of qualified teachers and aides, particularly in certain subject areas. The bill establishes educational requirements for eligibility and requires the agency to give preference to an applicant who has substantial, proven career experience in science, mathematics, computer science, or engineering, or in another field that the agency identifies as important for state educational objectives, and who agrees to seek employment as a public school teacher in one of those subjects or fields. Each participant must enter into a written agreement with the agency to obtain state certification, either as a certified teacher or as an aide, within an agency-specified period and to accept an offer of full-time employment as a public school teacher or aide for at least two years beginning the school year after becoming certified. The bill requires the agency to pay each participant a stipend and requires a participant who either fails to obtain certification or employment as required or voluntarily leaves or is terminated for cause after being employed for less than two years to reimburse the agency a prorated portion of the stipend amount.

**HOUSE BILL 753****EFFECTIVE:** 5-11-01**HOUSE AUTHOR:** Hochberg**SENATE SPONSOR:** R. Ellis

House Bill 753 amends the Education Code to authorize the joint offering of courses and joint conduct of certain master's and doctoral degree programs by The University of Texas M. D. Anderson Cancer Center in Houston and The University of Texas Health Science Center at Houston Graduate School of Biomedical Sciences. The bill allows The University of Texas System board of regents to prescribe courses and conduct graduate programs related to the cancer center's mission, subject to approval by the Texas Higher Education Coordinating Board.

**HOUSE BILL 821****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Giddings et al.**SENATE SPONSOR:** Bivins

House Bill 821 amends the Education Code to allow the Texas Education Agency to accept donations, including equipment, for use in providing cardiopulmonary resuscitation (CPR) instruction to students. The bill requires the agency to distribute the donations to school districts that provide CPR instruction, and it allows such districts to accept those agency donations as well as other donations, including equipment, for CPR instruction purposes. The bill also requires a school district to provide CPR instruction to the extent that resources are available to it.

The bill establishes the legislature's intent that each student receive instruction in CPR principles and techniques through the student's school district at least once at the ninth grade level or above, and it strongly encourages each district to aggressively pursue donations of time, equipment, and other resources toward that end.

**HOUSE BILL 910****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Gutierrez et al.**SENATE SPONSOR:** Lucio

House Bill 910 amends the Education Code to require The Texas A&M University System board of regents to establish the Texas A&M University System Health Science Center South Texas Center for Rural Public Health. The bill requires the center to develop and provide community-based instructional sites for the education of public health professionals and the delivery of health education outreach programs. The center may include any public or private medical, dental, nursing, or other health care or educational institution in its programs in the area served by the center; may operate educational facilities located throughout the Rio Grande Valley area; and may be used to provide public health graduate education or other levels of health education in the region in connection with any Texas A&M University System institution or institutions. The bill provides for the center's management by and funding through The Texas A&M University System Health Science Center, with its operating costs also payable from the operating fund of any other participating institution and other available funds.

The bill requires the Texas Higher Education Coordinating Board to prepare an impact statement on the initial implementation of the bill's provisions and to deliver a copy to The Texas A&M University System board of regents and to the chairs of the appropriate legislative committees.



**HOUSE BILL 946**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Telford et al.

**SENATE SPONSOR:** Cain

House Bill 946 amends the Education Code to allow school districts to provide character education programs and sets forth criteria that such programs must meet, including a listing of the specific positive character traits that those programs must stress. The bill requires a district developing or selecting a character education program to consult with a district-selected committee consisting of parents of district students, educators, and other community members. The bill also requires the Texas Education Agency to (1) maintain a list of character education programs that school districts have implemented and that meet the program criteria; (2) annually designate each school that implements an approved character education program as a Character Plus School; and (3) based on district data, include in its comprehensive biennial report to the governor and the legislature the impact of such programs on student discipline and academic achievement and any other program-related data the agency deems appropriate to include in that report.

**HOUSE BILL 992**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hochberg

**SENATE SPONSOR:** Sibley

House Bill 992 amends the Education Code to provide textbook publishers and manufacturers the option of not maintaining or contracting with an in-state book depository to process textbook orders if they ship textbooks directly to a school district or open-enrollment charter school without a delivery charge and the publisher's or manufacturer's textbooks and related products are warehoused less than 300 miles from a Texas border or if the products are on-line textbooks or on-line textbook components. The bill also allows a school district or open-enrollment charter school to order replacements for lost or damaged textbooks directly from the publisher or manufacturer if the publisher or manufacturer does not have a designated in-state textbook depository.

**HOUSE BILL 1011**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Swinford

**SENATE SPONSOR:** Bivins

In 1995, the Texas Legislature required the governing boards of the Texas State Technical College System (TSTCS) and Amarillo College to enter into an agreement arranging for a 20-year lease of parts of the system's Amarillo campus to the Amarillo College governing board. House Bill 1011 provides for the transfer of ownership of that campus to Amarillo College. The bill requires the TSTCS board of regents to enter into an agreement with the Amarillo College board of regents to transfer governance, operation, management, and control of the campus as well as ownership of the land and campus structures, equipment, and supplies to Amarillo College in exchange for an agreement by the college to use the property in a manner that promotes a public purpose. The transfer instrument must stipulate that the ownership of the property reverts to TSTCS if the college at any time fails to use the property for a public purpose. The bill validates real property leases entered into by the TSTCS board of regents on behalf of the campus and provides that in those leases the college's board of regents is substituted for the system's board of regents.



**HOUSE BILL 1023**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** F. Brown  
**SENATE SPONSOR:** Ogden

House Bill 1023 amends the Education Code to raise the cap on the recreational sports fee that The Texas A&M University System board of regents may charge students at system campuses. The bill raises the cap from \$50 to \$100 per semester or 12-week summer session and from \$25 to \$50 per six-week summer session, but it makes any increase of more than 10 percent from one academic year to the next at a component institution subject to approval by a majority of the institution's students voting at an election held for that purpose.

**HOUSE BILL 1024**  
**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** F. Brown  
**SENATE SPONSOR:** Ogden

House Bill 1024 amends the Education Code to raise the cap on the student center complex fee that The Texas A&M University System board of regents may charge students at system campuses. The bill raises the cap from \$40 to \$100 per semester and from \$20 to \$50 per summer session term, but it makes any increase of more than 10 percent from one academic year to the next at a component institution subject to approval by a majority of the institution's students voting at an election held for that purpose. The bill also requires the president of each institution to establish a system for soliciting and receiving student comments regarding construction and operation of a facility or program funded by the fee.

**HOUSE BILL 1088**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Grusendorf  
**SENATE SPONSOR:** Shapiro

House Bill 1088 amends the Education Code to require the removal of a student from class and the placement of the student in an alternative education program if the student makes a false alarm or report or a terroristic threat that disrupts school operations. The bill also allows the expulsion of a student for that offense.

**HOUSE BILL 1127**  
**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Rangel  
**SENATE SPONSOR:** Bivins

House Bill 1127 amends the Education Code to require public colleges and universities to offer a written reemployment contract for the next academic year to each full-time teaching or research faculty member whom they intend to reappoint not later than 30 days before the start of that academic year. If unable to do so, an institution is required to notify the faculty member in writing of the reasons why a contract cannot be offered by that deadline and specify a time by which a written contract will be offered.

If a public college or university fails to offer a written contract within 60 days after the start of school and retains the faculty member for that academic year without a written contract, the bill requires the institution to retain the faculty member under terms and conditions, including compensation, that are at least as favorable to the member as those that applied in the preceding academic year, unless the institution and the member subsequently enter into a different written contract.

An institution is not required to provide an annual contract to tenure or tenure-track faculty, but it must provide such faculty at least 30 days' notice, in writing, of a change in the terms of employment.

**HOUSE BILL 1130**

**EFFECTIVE:** 5-14-01

**HOUSE AUTHOR:** Rangel et al.

**SENATE SPONSOR:** Barrientos

House Bill 1130 amends the Education Code to modify the eligibility requirements for tuition and fee exemptions at a public college or university for an educational aide seeking certification as a teacher. The bill deletes requirements relating to the person's certification as an educational aide, years of experience working directly with students as a certified educational aide, and employment as an educational aide during the semester in which the person receives the exemption, and it adds a requirement that a person be a school employee serving in any capacity and have worked as an educational aide for at least one year during the five years preceding the semester in which the tuition and fees are to be waived.

The bill requires each school district board of trustees to establish a plan to encourage the hiring of educational aides who show willingness to become certified teachers, and it requires the governing board of a public college or university that offers courses required for certification to establish a plan to increase course accessibility and to consider accessibility through evening classes, the Internet, or certain other means. The bill requires the plans to be established by January 1, 2002.

Prior law exempted a person who received a bachelor's degree required for a teaching certificate on the basis of course work completed under the tuition and fee exemption from any student teaching internship requirements for receiving a teaching certificate, if the person had at least two years' experience working in a classroom as an educational aide. The bill removes the working experience requirement for the internship exemption.

**HOUSE BILL 1144**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Grusendorf et al.

**SENATE SPONSOR:** Harris

House Bill 1144 amends the Education Code to implement initiatives relating to mathematics instruction and to make various changes in the public school accountability system. The bill includes the following provisions:

Coordinated Recordkeeping: The bill requires the commissioner of education and the commissioner of higher education to ensure that their respective agencies' student records are coordinated and maintained in standardized, compatible formats that allow interagency exchanges of information and student record matching so that individual students' academic performance may be assessed throughout their educational careers.

Recommended High School Program: The bill requires school districts, beginning with the freshman class of 2004-2005, to ensure that each student enrolls in the courses needed to complete at least the recommended high school graduation program, unless the student, a parent, and a school counselor or administrator agree that the student should graduate under the minimum program.

Student Testing: The bill allows the commissioner of education to participate in multistate efforts to develop voluntary standardized end-of-course tests, and it requires the commissioner to develop an end-of-course test for Algebra I. The bill requires the Texas Education Agency (TEA) to develop appropriate assessment instruments for students who have dyslexia or a related disorder to be administered on the same schedule as the statewide test given other students, and it requires those instruments to be field tested before the 2005-2006 school year and administered during that school year.

Performance Indicators, Reporting: The bill adds high school dropout rates and high school completion rates as a performance measure in the Academic Excellence Indicator System; requires TEA to include a statement of the high school completion rates in its comprehensive

report to the governor and legislature; requires each district to include information on the first-year college performance of students who graduated from each of the district's high schools in its annual performance report; and requires each district at its expense to have its dropout records audited annually by an independent licensed accountant who has successfully completed TEA-provided training, beginning with the dropout records for the 2001-2002 school year.

**School District Accreditation/Sanctions:** The bill requires the commissioner to create a gold performance rating program for exemplary, recognized, and academically acceptable schools and districts that meet certain student performance criteria, and it allows the commissioner to appoint a board of managers, the majority of whom must be district residents, to govern a low-performing district if the district has had a master or management team for one year or longer.

**Math Initiatives, Certification, and Training Programs:** The bill requires the commissioner, from funds available for such purposes, to (1) award grants to institutions that have a proven ability to conduct science-based research on effective mathematics instruction strategies and (2) establish services that aid teachers in providing and grading mathematics homework assignments. The bill requires the State Board for Educator Certification to establish, by January 1, 2003, a master mathematics teacher certificate for elementary, middle, and high school teachers, and it requires the commissioner to establish a grant program to provide stipends of up to \$5,000 to selected master mathematics certified teachers at high-need campuses, beginning with the 2003-2004 school year. The bill requires the commissioner to develop teacher training materials and resources for mathematics teachers and to develop professional development institutes for teachers of mathematics in fifth through eighth grade, and it allows the commissioner to pay a teacher completing the course a stipend. The bill requires the commissioner to make available to districts assessment instruments for diagnosing students' mathematics skills, and it allows districts in accordance with commissioner rules to provide intensive after-school or summer school mathematics programs to students not succeeding in mathematics courses or performing at grade level in mathematics.

**HOUSE BILL 1188**  
**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Telford  
**SENATE SPONSOR:** Van de Putte

House Bill 1188 amends the Education Code to clarify that a school employee is entitled to the amount of leave necessary to recuperate from any injuries sustained as a result of an assault if the person who committed the assault could be prosecuted for the offense or if the person who committed the assault cannot be held criminally liable for reasons of age or mental capacity.

**HOUSE BILL 1212**  
**EFFECTIVE:** 5-3-01

**HOUSE AUTHOR:** Dunnam  
**SENATE SPONSOR:** Fraser

The Education Code provides students at public colleges and universities the option of paying tuition and fees for a fall or spring semester up front or in installments. House Bill 1212 amends the Education Code to allow the governing board of a public college or university to provide students who enroll for a 12-week or 16-week summer term the option of paying their tuition and fees in three installments, according to a schedule of payments determined by the length of the summer term. The installment payment option is subject to the same conditions and penalties for failure to make full payment before the term's end that apply to the payment options for a regular semester.

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### **HOUSE BILL 1276**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Crownover

**SENATE SPONSOR:** Fraser

House Bill 1276 amends the Education Code to require the identification of each public school student by the student's legal surname as that name appears on the student's birth certificate or other document suitable as proof of identity or in a court order changing the student's name.

### **HOUSE BILL 1359**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Villarreal et al.

**SENATE SPONSOR:** Shapleigh

In 1997, the Texas Legislature required the Texas Higher Education Coordinating Board, with the aid of advisory committees representing public colleges and universities, to develop various field of study curricula to facilitate the transfer of course credits among institutions, and in 1999, the legislature directed the board to study the need for and feasibility of developing such curricula. House Bill 1359 requires the board to designate, not later than January 1, 2002, at least 10 degree programs for such curriculum development and to develop the curricula not later than January 1, 2003. The designated degree programs must be programs in high demand among transfer students and common to more than one public college or university. Not later than January 1, 2003, the board must designate at least five additional high-demand and commonly offered degree programs and develop field of study curricula for those programs not later than January 1, 2004.

The bill also requires each public college or university to publish in its course catalog and on its website guidelines addressing its practices regarding the transfer of credit and identifying courses by means of a common course numbering system developed by the coordinating board.

### **HOUSE BILL 1387**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Dukes

**SENATE SPONSOR:** Barrientos

House Bill 1387 amends the Education Code to allow a school district's governing board, under certain conditions and for purposes of determining class rankings and the automatic admission of certain high school graduates to a public college or university, to treat a high school magnet program, academy, or other special program conducted on the campus of a high school attended by students not in that program as an independent high school with its own graduating class separate from the graduating class of other students at the school.

### **HOUSE BILL 1403**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Noriega et al.

**SENATE SPONSOR:** Van de Putte

House Bill 1403 amends the Education Code to classify certain immigrants or resident aliens and certain former residents as Texas residents for college tuition purposes. The bill establishes the criteria those individuals must meet to qualify for resident status and pay in-state tuition and fees at a public college or university in this state. The bill also waives the foreign student tuition fee for Mexican residents who enroll at The University of Texas at San Antonio and demonstrate financial need.

House Bill 1403 applies beginning with the 2001 fall semester.

**HOUSE BILL 1465****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Kitchen et al.**SENATE SPONSOR:** Barrientos

House Bill 1465 amends the Education Code to require the Texas Higher Education Coordinating Board to establish a pilot project to measure the impact of reducing tuition for selected junior college courses below the required minimum rates at times of low enrollment demand to promote greater access to higher education and more efficient use of junior college facilities and resources. The bill provides that charging tuition at a reduced rate does not affect a participating junior college's state funding for the contact hours attributable to the students paying the reduced tuition.

The pilot project applies beginning with the 2001 fall semester.

**HOUSE BILL 1467****EFFECTIVE:** 5-26-01**HOUSE AUTHOR:** Maxey et al.**SENATE SPONSOR:** Barrientos

The Education Code requires the governing boards of public colleges, universities, and technical institutes to set aside specified portions of their resident and nonresident tuition charges to fund the campus-based Texas Public Educational Grant Program. House Bill 1467 changes the six percent set aside from resident student tuition charges for academic or vocational-technical courses at public community and junior colleges to a minimum of six percent and a maximum of 20 percent. The bill also deletes obsolete provisions that applied to past academic years.

House Bill 1467 applies beginning with the 2001 fall semester.

**HOUSE BILL 1475****EFFECTIVE:** 6-16-01**HOUSE AUTHOR:** Kitchen et al.**SENATE SPONSOR:** R. Ellis

House Bill 1475 amends the Education Code to require the commissioner of education to establish a master technology teacher grant program to encourage teachers to become certified as master technology teachers and work with other teachers and students to increase classroom use of technology. The bill requires the commissioner to make grants to school districts to pay stipends of up to \$5,000 to selected certified master technology teachers, with priority given to those teaching at high-need campuses; it also requires the commissioner annually to identify and rank each high-need campus to determine those priorities. A district may apply to the commissioner for a grant to pay such stipends, and a district that has been approved for a grant is not required to reapply for two consecutive years after the year in which the initial grant was awarded if it continues to pay a stipend and notifies the commissioner that the circumstances that justified the stipend have not changed. The bill provides for the reduction of payment to a district to the extent that a teacher does not meet the requirements for an entire year. A district's grant money is in addition to any state aid it receives under the Foundation School Program's funding formulas. The bill allows the commissioner to audit expenditures of money appropriated for this purpose and requires a district's use of grant money to be verified as part of the district's mandatory annual audit.

The bill requires the State Board for Educator Certification to establish a master technology teacher certificate, requires the board to issue a certificate to each eligible person, and establishes specific eligibility criteria regarding training, experience, and performance on a prescribed examination. It also allows the board to provide technology applications training courses in cooperation with regional education service centers and any other public or private entities.



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### **HOUSE BILL 1532**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kuempel

**SENATE SPONSOR:** Wentworth

Tier 2 of the Foundation School Program guarantees school districts a specified amount in state and local funds per weighted student for each penny of tax effort beyond the tax rate required by Tier 1. The amount provided by the state is a district's total guaranteed amount minus the district's local revenue from the enrichment tax rate it levies. House Bill 1532 amends the Education Code to specify that, for districts with alternate tax dates, the local revenue from maintenance and operations taxes for enrichment purposes is the revenue collected on or after January 1 of the year in which the school year begins and not later than December 31 of the same year.

### **HOUSE BILL 1545**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uher

**SENATE SPONSOR:** Bivins

House Bill 1545 amends the Education Code and Government Code to give public colleges and universities greater flexibility regarding purchasing, human resources, financial management, and other administrative matters. Article 1 exempts public senior colleges and universities and university systems from certain state purchasing regulations and allows them to acquire goods and services using best value standards previously applicable only to medical and dental school purchasing. It also requires institutions to consider the impact on their compliance with laws regarding purchasing from persons with disabilities, and it allows their boards to insure institutions and their employees against liability or loss of property. Article 2 allows college and university governing boards to adopt comprehensive employee leave policies apart from state leave and holiday regulations, grant merit salary increases, compensate certain employees who work more than 40 hours a week with overtime pay rather than compensatory time off, hire certain retired public employees, and use electronic media to provide employees with certain written notices required by law. Article 3 deletes a provision that required The University of Texas System board of regents to secure an attorney general opinion on the title of certain real property before its transfer to the board, and it makes the nonprofit corporation created to manage permanent university fund investments subject to portions of the state open meetings law, with some exceptions. Article 4 minimizes duplicative reporting for public colleges and universities by requiring inter-agency memoranda of understanding that allow the colleges and universities to report building construction, maintenance, and leasing information in the most cost-effective manner. Article 5 exempts university systems and colleges and universities from state agency strategic planning requirements. Article 6 allows public colleges and universities that accept tuition payments by credit card to charge the credit card user a payment processing fee.

### **HOUSE BILL 1575**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** Duncan

House Bill 1575 amends the Education Code to authorize the Texas Higher Education Coordinating Board to establish a student loan repayment program to help qualified dental hygienists repay certain education loans. The bill establishes eligibility for assistance based on a person's application to the board, graduation from a dental hygiene degree or certificate program, and at least one year of practice as a licensed dental hygienist in an underserved area of the state. The bill also establishes criteria for an eligible student loan; limits repayment assistance to an individual to no more than five annual grants, each delivered in a lump sum



payable to the lender and hygienist; and limits the total amount of assistance that the board may distribute to the amount specifically available from various sources, including tuition set asides required at each institution that is authorized to award a degree or certificate in dental hygiene.

**HOUSE BILL 1640****EFFECTIVE:** 5-24-01**HOUSE AUTHOR:** Rangel**SENATE SPONSOR:** Truan

House Bill 1640 amends the Education Code to allow The Texas A&M University System board of regents to establish, maintain, and prescribe courses for a professional pharmacy school at Texas A&M University—Kingsville. The bill requires the Texas Higher Education Coordinating Board to prepare an impact statement on the implementation of the bill's provisions and to deliver the statement to the university system's board of regents and to the chairs of the appropriate legislative standing committees not later than August 31, 2002.

**HOUSE BILL 1641****EFFECTIVE:** 6-15-01**HOUSE AUTHOR:** Rangel**SENATE SPONSOR:** Barrientos

House Bill 1641 amends the Education Code to allow a graduate or professional program of a public college or university or a medical or dental school to consider certain academic, socioeconomic, family, personal, geographic, and other factors when admitting students to or granting scholarships for the graduate or professional program. The bill prohibits the use of an applicant's performance on a standardized test as the sole criterion for consideration or as the primary criterion to end consideration of the applicant. If test scores are considered, they must also be used to compare applicants from similar socioeconomic backgrounds to the extent such comparisons are possible with the information available. The bill prohibits a college or university from assigning a specific weight to any one factor, and it requires each institution to publish a description of the factors in its catalog at least one year before admissions and scholarship applications are considered using those factors.

House Bill 1641 applies beginning with admissions and scholarships for the 2002-2003 academic year.

**HOUSE BILL 1645****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Delisi**SENATE SPONSOR:** Nelson

House Bill 1645 amends the Education Code to exempt an undergraduate student who transfers from an accredited private, independent, or out-of-state college or university from the requirements of the Texas Academic Skills Program in one or more of the specified skill areas if the student has earned a grade of "B" or better in a freshman-level credit course in that skill area. The exemption applies only to transfer students who enroll at a Texas public college or university for a semester or summer session that begins on or after the bill's effective date.

**HOUSE BILL 1671****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Hochberg**SENATE SPONSOR:** R. Ellis

House Bill 1671 amends the Education Code to rename The University of Texas School of Allied Health Sciences at Houston as The University of Texas School of Health Information Sciences at Houston.

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### **HOUSE BILL 1685**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Rangel

**SENATE SPONSOR:** Bivins

House Bill 1685 amends the Education Code to allow a public college or university or a medical or dental school to establish a partnership or affiliation with another entity to offer or conduct courses for academic credit or to offer or operate a degree program if the partnership or affiliation is (1) found to be both consistent with the role and mission of the school and the university system to which it belongs, if any, and in accordance with the degree and certificate programs the school is authorized to offer; (2) approved by the Texas Higher Education Coordinating Board; and (3) established to secure or provide clinical or practical experience in connection with a course or degree program that the school is authorized to offer.

### **HOUSE BILL 1688**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** McClendon

**SENATE SPONSOR:** Moncrief

House Bill 1688 amends the Education Code to allow a student with asthma to possess and self-administer prescription medication while on school property or at a school-related event or activity if (1) the medication has been prescribed for that student as shown on the prescription label; (2) the self-administration complies with the prescription or written instructions from the student's physician or other licensed health care provider; and (3) the student's parent has provided the school written and signed authorization for the self-administration and a written and signed statement of the pertinent facts from the physician or health care provider, which statement must be kept on file in the office of the school nurse or the school principal.

### **HOUSE BILL 1716**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Puente et al.

**SENATE SPONSOR:** Van de Putte

House Bill 1716 amends the Education Code to authorize The University of Texas System board of regents to establish and maintain the San Antonio Life Sciences Institute as a joint partnership of The University of Texas Health Science Center at San Antonio and The University of Texas at San Antonio. The bill requires the institute to specialize in research and teaching in the life sciences and to develop joint degree programs and joint research programs for the health science center and the university.

### **HOUSE BILL 1721**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Martinez Fischer et al.

**SENATE SPONSOR:** Van de Putte

House Bill 1721 amends the Education Code to allow the State Board for Educator Certification to issue a teaching certificate to a teacher who has been certified outside the state and has passed an examination for certification that is similar to and at least as rigorous as one prescribed by the board.

### **HOUSE BILL 1753**

**EFFECTIVE:** 5-3-01

**HOUSE AUTHOR:** Gutierrez et al.

**SENATE SPONSOR:** Zaffirini

House Bill 1753 amends the Education Code to allow The University of Texas—Pan American to enter into a partnership agreement with the South Texas Community College District, providing for the district to offer the lower-division courses required for a bachelor's degree program at the university. The bill requires the university to provide for the automatic transfer of students who complete the required lower-division course work at the community college. It also allows the university to establish an extension campus at Rio Grande City to offer upper-division courses under a degree program.

House Bill 1753 requires the Texas Higher Education Coordinating Board to prepare an impact statement on the initial implementation of these provisions for the governing boards of the university and the district and the chairs of the house and senate committees with jurisdiction over higher education. The deadline for the impact statement is May 31, 2002.

**HOUSE BILL 1754****EFFECTIVE:** 5-11-01**HOUSE AUTHOR:** Gutierrez**SENATE SPONSOR:** Van de Putte

House Bill 1754 amends the Education Code to allow the board of trustees of a junior college district where trustees are elected from single-member districts and serve staggered terms to provide for the trustees in office at the first election after the junior college district's decennial redistricting to serve the remainder of their terms. Prior law required that all board positions be filled at that same election and that the newly elected members draw lots for the initial two-year, four-year, and six-year terms. If the board provides for trustees to serve out their terms after redistricting, districts established by the redistricting are to be filled as the staggered terms of incumbent trustees expire, in the order determined by the board.

**HOUSE BILL 1776****EFFECTIVE:** 6-7-01**HOUSE AUTHOR:** Green et al.**SENATE SPONSOR:** Nelson

House Bill 1776 amends the Education Code to designate the last full week of classes in September as Celebrate Freedom Week in the state's public schools to educate students about the sacrifices made for freedom in the founding of the nation and the values on which it was founded. The bill establishes content guidelines for classroom instruction that school districts may provide as appropriate to the week's observance.

**HOUSE BILL 1799****EFFECTIVE:** 5-25-01**HOUSE AUTHOR:** Villarreal**SENATE SPONSOR:** Shapleigh

House Bill 1799 amends the Education Code to require the Texas Higher Education Coordinating Board to develop and periodically revise a long-range statewide plan to inform and guide policy makers and ensure that public colleges and universities meet the current and future higher education needs of each region of the state and that adequate higher education services are reasonably and equally available to residents of each region. The bill requires the board to examine undergraduate, graduate, professional, and research programs provided by both public and private colleges and universities and to identify areas of the state that, given certain demographic, geographic, and economic factors, have or are likely to have significantly greater higher education needs than can be met by the services currently provided in those areas by existing institutions. The board must identify as specifically as practicable the programs or fields of study for which an area has or will have a significant unmet need; must consider the educational attainment and college participation rates of area residents; and must include in a biennial report to the governor and the legislature's presiding officers any recommendations for administrative or legislative action to address unmet needs as efficiently as possible.

**HOUSE BILL 1839****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Junell et al.**SENATE SPONSOR:** R. Ellis

House Bill 1839 amends the Education Code to establish the Texas excellence fund (TEF) and university research fund (URF), the purposes of which are to promote increased research capacity and develop institutional excellence at eligible general academic teaching institutions and comprehensive research universities. The TEF supports institutions of higher education

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that participate in the higher education fund, and the URF supports those that participate in the permanent university fund other than the Texas A&M University and University of Texas campuses at College Station, Prairie View, and Austin. The bill requires that a formula-derived fraction of the annual \$50 million previously deposited to the higher education fund be diverted instead to the TEF, with the higher education fund to receive the remainder until it reaches its eventual cap. The legislature must appropriate or transfer to the URF, for each fiscal year, an amount equal to that which is diverted to the TEF. For FY2002 and FY2003, special provisions apply. The bill reallocates from Senate Bill 1 (the General Appropriations Act) the requisite TEF formula amount and awards to the URF from the same legislation a specified contingency amount of approximately \$33.8 million.

The bill contains provisions, all of which expire by the end of August 2005, that allocate the annual amounts of TEF or URF funding that the various general academic teaching institution and research universities individually receive. For FY2002 and FY2003, the bill itemizes TEF amounts by entity. For FY2004 and FY2005, the comptroller is required to distribute 80 percent to research universities and 20 percent to general academic teaching institutions, according to an allocation formula based on the amount of restricted research funds the entity expends. For the URF, the bill establishes two different allocation formulas, one applicable to FY2002-FY2003 and the other applicable to FY2004-FY2005. It gives the Texas Higher Education Coordinating Board responsibilities to verify quantitative factors used in the TEF and URF allocation formulas. Recipient entities annually must report to the coordinating board and Legislative Budget Board on how they use the money.

The bill also requires the lieutenant governor and the speaker of the house to appoint a joint committee consisting of members of the legislature to examine the feasibility of creating a single research enhancement fund to provide funding for institutions of higher learning.

**HOUSE BILL 1938**  
**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Solis et al.  
**SENATE SPONSOR:** Bivins

The Education Code allows municipal governing boards to create higher education authorities with the power to issue tax-exempt revenue bonds for any higher education purpose found to be in a city's best interest, including purchasing or making certain guaranteed educational loans. The code also allows a municipal governing body to request a nonprofit corporation to exercise the powers otherwise provided for a higher education authority. House Bill 1938 amends the code to limit those corporate loan making powers to a qualified nonprofit corporation, defined as one that issued qualified student loan bonds on or after January 1, 1990, and before January 1, 2001, or that has been determined by the governor's office to meet a need for student loan financing that existing qualified nonprofit corporations cannot meet.

The bill also provides for the making of education loans other than guaranteed student loans, but it restricts such lending to qualified nonprofit charitable organizations that have serviced education loans made under the Higher Education Act of 1965 for other qualified nonprofit corporations for at least 10 years, and it makes such loans generally subject to most of the consumer loan provisions of the Finance Code. The bill also exempts a higher education authority or nonprofit corporation that makes education loans from licensing requirements of the Finance Code.

**HOUSE BILL 1941****EFFECTIVE:** 6-11-01**HOUSE AUTHOR:** Delisi et al.**SENATE SPONSOR:** Truan

House Bill 1941 amends the Education Code to decrease the residency requirement for certain military dependents to pay resident tuition and fees at public colleges and universities. The bill entitles family members of active duty military personnel stationed outside the state but who previously lived in Texas for a six-month period to pay in-state tuition and fees if the member on active duty also has met other requirements for at least one year before the start of school, including a documented permanent address in Texas, a Texas voter registration, and either property ownership in the state, a Texas vehicle registration, or execution and filing of a will with a local county clerk. Previously, the law required 12 months of prior residency as well as the other criteria.

**HOUSE BILL 1985****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Solis**SENATE SPONSOR:** Truan

House Bill 1985 amends Education Code provisions relating to the regulation of proprietary schools. The bill increases the maximum amount of a bond required of a proprietary school for the period covered by its certificate of approval from \$25,000 to \$35,000 for a school that is approved during the fiscal year ending August 31, 2002, and to \$50,000 for a school that is approved on or after September 1, 2002; increases the amount that may be paid from the proprietary school tuition protection fund to cover student refunds when a school's bond is inadequate from \$25,000 to \$50,000; increases the fee charged by the commission for an investigation at a proprietary school to resolve a complaint filed against the school from \$400 to \$600; and authorizes the commission to charge each school a fee that covers the cost of a service that collects, analyzes, and reports student-level data necessary to assess proprietary school student outcomes.

House Bill 1985 authorizes the Texas Workforce Commission to examine the premises of a proprietary school as frequently as it considers necessary and to revoke or deny renewal of a school's certificate of approval, and it prohibits a person from soliciting prospective students for or on behalf of a proprietary school without being registered as a representative of the school. The bill also updates provisions relating to the definition of "owner" and to the refunding of tuition and fees to a student who withdraws.

**HOUSE BILL 2054****EFFECTIVE:** 6-11-01**HOUSE AUTHOR:** Coleman**SENATE SPONSOR:** R. Ellis

The Education Code designates Texas Southern University as a special purpose institution of higher education for urban programming and requires it to provide instruction, research, programs, and services in this regard in addition to providing general academic programs. House Bill 2054 amends the code to make explicit the university's statutory designation as a statewide general purpose institution of higher education.



**HOUSE BILL 2109**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Farrar

**SENATE SPONSOR:** R. Ellis

House Bill 2109 amends the Education Code to provide an exemption from the testing requirement of the Texas Academic Skills Program for a student who (1) graduates from a Texas public high school or any accredited private high school with a grade point average of 3.5 or higher on a 4.0 scale, or its equivalent; (2) completes the state's recommended or advanced high school curriculum or an equivalent curriculum at an accredited private or out-of-state high school; and (3) enrolls at a public college or university within two years of the student's high school graduation.

**HOUSE BILL 2125**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hawley et al.

**SENATE SPONSOR:** Truan

House Bill 2125 amends the Education Code to allow the Texas Education Agency to pursue reciprocity agreements with other states to facilitate the transfer of military personnel and their dependents to and from Texas public schools. A reciprocity agreement must address procedures for transferring student records and awarding credit for completed courses and include appropriate criteria developed by the agency.

**HOUSE BILL 2143**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Delisi et al.

**SENATE SPONSOR:** Truan

House Bill 2143 amends the Education Code to prohibit a school district from charging tuition for the school attendance of a student who is not a permanent Texas resident but who lives in military housing that is located in the district but is exempt from district property taxes.

**HOUSE BILL 2218**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Rangel

**SENATE SPONSOR:** Staples

The Education Code allows the governing boards of public colleges and universities other than The University of Texas at Austin to levy an international education fee to provide financial aid for students participating in international student exchange or study programs. House Bill 2218 amends the code to change the amount of the fee that those governing boards are permitted to levy from \$1 to a minimum of \$1 and a maximum of \$4 per semester or summer session. The bill allows an increase in the amount of the fee at an institution only if the increase is approved by a majority of that institution's students voting at an election called for that purpose.

**HOUSE BILL 2279**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Naishtat et al.

**SENATE SPONSOR:** Barrientos

House Bill 2279 amends the Education Code to extend the time limit for enrollment at a public college or university required for a student who received financial aid under the Temporary Assistance for Needy Families (TANF) program to claim a one-year exemption from college tuition and fees. Prior law required such a student to enroll at the college or university not later than one year after the date the student graduated from high school to be eligible for the tuition and fee exemption. The bill allows a TANF student to wait up to two years before enrolling in college and still receive that exemption.



**HOUSE BILL 2301**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Craddick  
**SENATE SPONSOR:** Fraser

House Bill 2301 amends the Education Code to authorize the board of trustees of a school district to obtain insurance against bodily injuries sustained by students while engaging in school-sponsored activities on a school campus.

**HOUSE BILL 2323**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego  
**SENATE SPONSOR:** Shapleigh

House Bill 2323 amends the Education Code to establish two school loan repayment assistance programs for certain qualified attorneys. One program provides loan repayment assistance for attorneys currently practicing in the state and employed full-time by tax-exempt nonprofit organizations that receive funds from either the Interest on Lawyers' Trust Account program administered by the Texas Equal Access to Justice Foundation or the basic civil legal services account in the judicial fund administered by the Texas Supreme Court to provide legal services to indigent individuals. The other program provides similar assistance to attorneys who are currently employed by a district or county attorney's office in a rural county and who have entered into an agreement with the Texas Higher Education Coordinating Board to remain employed in the office for five years under terms and conditions that require reimbursement of assistance for failure to remain employed in that capacity for the full five years.

The bill requires the coordinating board to provide assistance to qualified applicants and establishes eligibility criteria under each program. The bill also establishes a 10-year limit on the number of annual loan repayment assistance grants and a limit on the total amount of assistance provided for an attorney providing legal services to indigent individuals and establishes a limited three-year schedule of increasing repayment assistance provided in lump sums for an attorney in a rural district or county attorney's office. The bill authorizes the board to establish separate advisory committees to assist it in performing its duties under each program.

**HOUSE BILL 2344**  
**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Oliveira  
**SENATE SPONSOR:** Lucio

House Bill 2344 amends the Education Code to remove the temporary cap on lower-division student enrollment at The University of Texas at Brownsville that was imposed in 1997 when the Texas Legislature allowed for the university's expansion.

**HOUSE BILL 2349**  
**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Hilderbran  
**SENATE SPONSOR:** Fraser

The Education Code delineates the geographic area that constitutes the service area of each of the state's junior college districts. House Bill 2349 amends the code to reassign the territory encompassed by the Marble Falls Independent School District from the Austin Community College District Service Area to the Central Texas College District Service Area.

**HOUSE BILL 2397**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chavez  
**SENATE SPONSOR:** Zaffirini

House Bill 2397 requires the Texas Higher Education Coordinating Board to conduct a study regarding any disparity between the salary and benefits received by part-time faculty and those received by full-time faculty at public colleges and universities and to prepare and submit to the governor and the legislature's presiding officers not later than September 1, 2002, a report summarizing the study and the board's findings and recommendations.

## Education

**HOUSE BILL 2459**  
**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Ehrhardt  
**SENATE SPONSOR:** R. West

House Bill 2459 amends the Education Code to allow the board of trustees of a union junior college, a county junior college, or a joint-county junior college to increase the board's membership from the statutorily established seven trustees to an appropriate number of trustees, with the additional new trustees appointed by a board resolution or order. The bill requires a board that adopts an order or resolution increasing the number of board members to redivide the district into the appropriate number of trustee districts within 90 days of the effective date of the order or resolution, with each trustee district electing a board member at the next district election following the redivision. The newly elected members then must draw lots for the appropriate number of two-year, four-year, and six-year lots so that one-third of the members' terms, or as close to one-third as possible, expire each even-numbered year.

**HOUSE BILL 2510**  
**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Chavez et al.  
**SENATE SPONSOR:** Duncan

House Bill 2510 amends the Education Code to require the Texas Tech University System board of regents to establish the Texas Tech Diabetes Research Center to research issues relating to diabetes and conditions associated with that disease. The board must select a site for the research center at the Texas Tech University Health Sciences Center's regional academic health center in El Paso and must establish the research center not later than January 1, 2003. The bill requires the center, in conducting its activities, to consult with the Texas-Mexico Border Health Coordination Office of The University of Texas—Pan American, which administers an acanthosis nigricans screening program.

**HOUSE BILL 2531**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell et al.  
**SENATE SPONSOR:** Bivins

Chapter 54 of the Education Code establishes minimum tuition rates that public college and university governing boards must charge resident and nonresident students in various degree programs. House Bill 2531 amends the Education Code to require governing boards to set tuition for graduate or professional pharmacy programs and for law schools at their respective institutions at a rate that is at least equal to but not more than three times the prescribed minimum rate. The bill also sets tuition for a resident student at a general academic teaching institution at \$50 per semester credit hour and provides for a stair-stepped increase from the current rate of \$40 per semester credit hour to that rate over five years, raising tuition to \$42 per hour for the 2001-2002 academic year and increasing it in \$2 annual increments until the 2005-2006 academic year.

The bill limits the amount of other charges that may be classified as tuition to an amount not to exceed the amount of the tuition specified above, and it requires each governing board to accumulate all the tuition that it charges into one tuition charge for billing and catalog purposes.

**HOUSE BILL 2575**  
**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Goolsby  
**SENATE SPONSOR:** Shapiro

House Bill 2575 amends the Education Code to raise from \$150 to \$250 the cap on the total of all compulsory student services fees imposed on students for any one semester or summer session at a public college or university other than at a University of Houston System institution. The bill requires an increase to a total of more than \$150 at an institution to be approved by a

majority of that institution's students voting in an election called for that purpose before the increase can take effect. The bill also requires an election to be held on each subsequent fee increase of more than 10 percent.

**HOUSE BILL 2584**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chavez et al.

**SENATE SPONSOR:** Zaffirini

House Bill 2584 amends the Education Code to create the Commission on Geriatrics Study Requirement for Medical School as an advisory body to the Texas Higher Education Coordinating Board to conduct studies and make findings and recommendations regarding the feasibility or desirability of making the study of geriatrics a requisite for medical school graduation. The bill requires the president of each higher education institution that operates a medical school to designate, not later than October 1, 2001, one person to serve as the medical school's representative on the commission, and it allows the coordinating board to appoint additional members as it considers appropriate. The bill requires the commission to issue and deliver a report of its studies, findings, and recommendations to the board not later than October 1, 2002, and provides for the commission's abolition on January 1, 2003.

**HOUSE BILL 2766**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Delisi

**SENATE SPONSOR:** R. Ellis

House Bill 2766 amends the Education Code to authorize the Texas Higher Education Coordinating Board to provide student loan repayment assistance to qualified attorneys who are employed by or offered employment with the office of the attorney general at the time of application to the board and who enter into an agreement with the board to serve with that office for at least three years after the date of the agreement. The service obligation stipulated in each attorney's agreement must be completed during the three years following the date of the agreement unless the board grants the attorney additional time or cancels the obligation for reasons of death or a permanent disability. Failure to fulfill the terms of an agreement makes all assistance paid to the attorney a loan that must be repaid as specified in a promissory note signed by the attorney acknowledging the conditional nature of the assistance.

The bill prohibits assistance for repayment of a student loan in default at the time of application, establishes a limit on the amount of annual assistance an individual may receive, the number of years in which the assistance may be provided to an individual recipient, and the total amount of assistance that may be disbursed by the board. The cap on the total amount of assistance distributed is the total amount of funds available from various sources, including certain tuition set asides required at each public law school in the state for this purpose.

**HOUSE BILL 2840**

**EFFECTIVE:** 5-21-01

**HOUSE AUTHOR:** Telford

**SENATE SPONSOR:** Staples

House Bill 2840 amends the Education Code to allow Texas A&M University—Texarkana to enter into a partnership agreement with the Texarkana College District and to allow students to be simultaneously enrolled at both Texarkana College and the university as long as they meet the university's enrollment requirements.

## Education

### **HOUSE BILL 2853**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Bosse

**SENATE SPONSOR:** Cain

House Bill 2853 amends the Government Code to clarify the purposes for which Texas Legislative Council employees are eligible to have access to otherwise confidential education records.

### **HOUSE BILL 2864**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Sadler

**SENATE SPONSOR:** Cain

House Bill 2864 amends the Education Code to delete obsolete elements in the public school finance formulas that provided specific adjustments to the basic allotment for small and mid-sized school districts for specific school years.

### **HOUSE BILL 2879**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Sadler

**SENATE SPONSOR:** Bivins

House Bill 2879 amends the Education Code to make several adjustments to the public school finance system and increase state aid to public schools. The bill makes the following statutory changes:

- The bill increases the factors in the minimum salary schedule to raise the minimum salaries for teachers and other professional staff.
- The bill allows certain school districts that did not offer instruction at every grade level the option of choosing an alternate method for calculating their per-pupil property wealth level to maintain a certain level of per-pupil funding for a three-year period beginning with the 2001-2002 school year on the basis of an effective tax rate equal to the district's actual tax rate for the 1999-2000 school year.
- The bill requires school districts that experience enrollment declines of two percent or more to be funded on the basis of an average daily attendance (ADA) equal to not more than 98 percent of the preceding years' actual ADA if the decline is not the result of a military base closure or reduction in personnel, and it requires the commissioner of education to adjust each eligible school district's ADA under certain conditions.
- For purposes of determining a school district's compensatory education allotment under the Foundation School Program, the bill allows an alternate computation of the number of educationally disadvantaged students under a commissioner rule if the manner provided by statute does not apply to a particular district.
- The bill allows the commissioner to adjust the amount of state aid to which a district is entitled for a district that (1) has a major taxpayer that, because of an appraisal protest, fails to pay all or a portion of the taxes due on the property in question and (2) applies to the commissioner for an adjustment of the district's taxable wealth in the funding formulas.
- The bill allows districts to include in their debt service budgets, in addition to their current year bond tax collection, bond taxes and M&O taxes collected in a preceding school year in excess of the amounts needed for their respective purposes in the year for which they were collected, and it prohibits a district from simultaneously receiving state aid under the Foundation School Program and either an instructional facilities allotment or state assistance with payment of existing for the same tax effort.

- The bill makes bonds on which payments were made in 2000-2001 eligible for state assistance with existing debt payments.
- The bill raises the cap on the debt service tax rate for receiving state aid in paying off existing debt from \$0.12 to \$0.29 per \$100 valuation or a greater amount for any year provided by appropriation.

**HOUSE BILL 2888**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Truitt et al.  
**SENATE SPONSOR:** Shapiro

The Education Code authorizes school districts to issue bonds to finance school facilities and to levy debt service property taxes to pay the principal and interest on those bonds, but before issuing such bonds, a district must demonstrate to the attorney general that it has the projected ability to service its proposed new debt plus the debt from certain previously issued bonds with a total debt service tax rate not to exceed \$0.50 per \$100 valuation. House Bill 2888 amends the Education Code to allow a district to demonstrate that ability by using either the most recent taxable property value or a projected future taxable property value anticipated for either the fifth tax year after the current tax year or the tax year in which the final bond payment is due, whichever is earlier, and combining that taxable value with the state aid to which it is entitled for the financing of school facilities.

A district whose demonstration of its ability to service its bond debt relies on the receipt of state aid may not adopt a tax rate for a year for debt service on those bonds unless it credits a sufficient amount of state aid to the account of its interest and sinking fund for payment of those bonds. If a district demonstrates its debt service ability based on a projected taxable property value and then imposes a debt service tax rate that exceeds the \$0.50 per \$100 valuation limit, the attorney general may not approve a subsequent bond issue without a finding that the district can service the debt on those proposed bonds and other previously issued bonds with a debt service property tax rate not to exceed \$0.45 per \$100 valuation.

**HOUSE BILL 3028**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Dunnam  
**SENATE SPONSOR:** Sibley

House Bill 3028 amends the Education Code to require the Texas Higher Education Coordinating Board to conduct an annual state science and engineering fair as part of an outreach program for middle school, junior high school, and high school students to promote student appreciation for and interest in science, mathematics, and engineering; to assist schools and school districts in fulfilling their missions of instruction in those areas; and to promote workforce development in those fields by providing students an opportunity to interact with higher education and corporate institutions. The bill allows the board to contract with public or private entities to conduct the fair, and it requires the board to coordinate the state fair with local and regional science and engineering fairs. The bill requires the board to conduct the fair in 2002 at a time and date to be determined by the board in coordination with local and regional fairs.

**HOUSE BILL 3258**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Green  
**SENATE SPONSOR:** Armbrister

The Education Code delineates the geographic area that constitutes the service area of each of the state's junior college districts. House Bill 3258 amends the code to reassign the area of the Nixon-Smiley Consolidated Independent School District that is located in Gonzales County from the Victoria College District Service Area to the Austin Community College District Service Area.



## Education

### **HOUSE BILL 3313**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Dunnam et al.

**SENATE SPONSOR:** Bernsen

House Bill 3313 amends the Education Code to require each school campus or district that receives a waiver of the state's class size limits to notify the parent or guardian of each student affected by the waiver not later than the 31st day after the start of school or, if the waiver is granted after the start of school, after the date the waiver is granted. The notice must specify the class for which the waiver was granted and the number of students in that class and must be included in a regular mailing or other communication from the campus or district. The bill also requires the Texas Education Agency to include the number of campuses and classes granted waivers of class size limits, the performance rating of each campus granted a waiver, and the number of classes at each campus that are being taught by individuals not certified in the content areas of their respective classes.

### **HOUSE BILL 3463**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Smith

**SENATE SPONSOR:** Bivins

Under the state's open meetings law, it is an offense to disclose to a member of the public the certified agenda or tape recording of a meeting that was lawfully closed to the public. House Bill 3463 amends the Education Code to establish that, in an appeal to the commissioner of education by a person aggrieved by a school district action or decision where the commissioner's decision on the appeal is to be based on the record developed at the district level, a school district's disclosure of that record to the commissioner is not an offense under the open meetings law. The bill also establishes that, in a petition to the commissioner for a review of a school district's decision regarding a teacher's employment with the district, where the district is required to file the record of the local hearing on the matter, the school district's filing of that record with the commissioner is not an offense under the open meetings law.

### **HOUSE BILL 3524**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Hochberg

**SENATE SPONSOR:** Zaffirini

House Bill 3524 amends the Education Code to allow The University of Texas System board of regents to establish a flat rate tuition pilot project at The University of Texas at Austin, involving not more than two colleges or degree programs designated by the board, under which the university would charge all undergraduate students in the college or degree program the same amount of tuition. The board would be prohibited from charging a full-time student in the pilot project more than the average tuition paid by a student outside the project who is enrolled at the university for 14 semester credit hours. The bill requires the board to evaluate the effect of flat rate tuition charged under the pilot project on the number of semester credit hours taken each semester by students in the project.

### **HOUSE BILL 3526**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hochberg

**SENATE SPONSOR:** Cain

The Tax Code previously required a chief appraiser to prepare and certify to the assessor for each school district in the appraisal district an estimate of the school district's taxable property value by June 15 and to prepare and certify the district's appraisal roll of taxable property by July 25. House Bill 3526 amends that code to move the deadline for the estimate from June 15 to June 7, and it amends the Education Code to allow a school district whose fiscal year begins July 1 to use the certified estimate of taxable property value when preparing the required notice of the public meeting to discuss the district's budget and proposed tax rate for the next fiscal year if the district does not receive the certified appraisal roll on or before June 7.



The bill also allows a district that uses a certified estimate in its notice to adopt a budget at the public meeting, but the district may not adopt a tax rate before receiving the certified appraisal roll. When the district receives the certified appraisal roll, it must post a revised notice and hold another public meeting before adopting a tax rate that exceeds either the rate proposed in the original notice under the estimate or the district's rollback rate as determined using the certified appraisal roll.

**HOUSE BILL 3590****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Hunter**SENATE SPONSOR:** Van de Putte

House Bill 3590 amends the Education Code to establish the Texas Fund for Geography Education. The bill allows the Texas Higher Education Coordinating Board to enter into an agreement with the National Geographic Society to operate an endowment fund to support geography education programs at Texas colleges and universities and improve the quality of geography education in the state. The bill stipulates several provisions that must be included in the agreement regarding the deposit, use, and disposition of appropriated money and matching funds in the fund. It allows the board to transfer any amount appropriated for such purposes to the society for deposit to the fund, from which the society must award appropriate grants to public, private, or independent colleges and universities in Texas. The bill requires the coordinating board to appoint a seven-member advisory committee to solicit proposals from colleges and universities and assist the society in awarding those grants.

**HOUSE BILL 3699****EFFECTIVE:** 6-15-01**HOUSE AUTHOR:** Ritter et al.**SENATE SPONSOR:** Bernsen

House Bill 3699 amends the Education Code to allocate to Lamar Institute of Technology \$491,946 of the total allocated each fiscal year to Lamar University from the Higher Education Fund, and it allows the Texas State University System board of regents to expend funds allocated to Lamar University for Lamar Institute of Technology for any of the purposes specified for that fund in the Texas Constitution and in the same manner and under the same circumstances as expenditures for other degree-granting institutions.

**SENATE BILL 19****EFFECTIVE:** 6-14-01**SENATE AUTHOR:** Nelson et al.**HOUSE SPONSOR:** Dunnam et al.

Senate Bill 19 amends the Education Code to allow the State Board of Education to require public school students in kindergarten through grade six to participate in up to 30 minutes of daily physical activity as part of a school district's physical education curriculum or through structured activity in a daily recess period. The bill also requires each school district's board of trustees to appoint a local school health education advisory council to help ensure that local community values are reflected in the district's health education instruction, and it deletes a previous requirement for the appointment of a similar advisory council whose more narrowly focused duties were primarily to make recommendations regarding a district's human sexuality instruction.

The duties of the new advisory council include recommending (1) the number of hours of health education instruction to be provided; (2) a health education curriculum that may include a program to prevent obesity, cardiovascular disease, and Type II diabetes; and (3) appropriate grade levels and methods for delivery of human sexuality instruction. The bill requires the Texas Education Agency to make available to each district a coordinated health program

designed to prevent obesity, cardiovascular disease, and Type II diabetes in elementary school children, and it requires each district to participate in training provided by the various regional education service centers to implement the program.

**SENATE BILL 31**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Raymond et al.

Senate Bill 31 amends the Education Code to require the Texas Higher Education Coordinating Board to prescribe procedures by which public colleges and universities must provide information relating to bacterial meningitis to new students and do so in such a manner that the information is reasonably likely to come to each student's attention. The bill requires the board, in consultation with the Texas Department of Health, to prescribe the content of the information but specifies certain topics that must be covered. Each institution must make a reasonable effort to obtain written confirmation from each new student that the student has received the information.

The bill imposes similar requirements on the Texas Education Agency for the dissemination of information by each school district to public school students and their parents each school year, except that the agency's procedures also must ensure that the information is reasonably likely to come to the attention of each student's parents.

**SENATE BILL 40**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 40 amends the Education Code to require the Texas Higher Education Coordinating Board to establish and administer a tuition assistance program for vocational nursing students who agree to practice in a long-term care facility in this state after becoming licensed. The bill requires a student who receives assistance under the program, on completion of all the courses required for licensing, to fulfill the student's long-term care facility work obligation within the period specified by the board, unless the board grants additional time either to begin or to complete that obligation on a showing of good cause. The person receiving tuition assistance under the program must sign a promissory note acknowledging the conditional nature of the assistance and promising to repay the assistance plus any applicable interest and related costs if the person fails to fulfill either the work obligation within the required time or any other condition attached to the assistance.

**SENATE BILL 71**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Haywood

**HOUSE SPONSOR:** Hardcastle

Senate Bill 71 amends the Education Code to provide that a member of the Midwestern State University board of regents serves without pay but is entitled to reimbursement, subject to limitations in the General Appropriations Act, for actual expenses incurred while engaged in board business authorized by the board. Previous law provided for reimbursement only for actual expenses of attending board meetings.

**SENATE BILL 73****EFFECTIVE:** 5-22-01**SENATE AUTHOR:** Haywood**HOUSE SPONSOR:** Hardcastle

Senate Bill 73 amends the Education Code to specify grounds for removal of a member of the Midwestern State University board of regents. Grounds for removal include malfeasance of office, prolonged inability to discharge a member's duties because of illness or disability, or excessive unexcused absences from regularly scheduled board meetings during a calendar year. The bill provides that a board action is not invalidated by the fact that it was taken when a ground existed for a board member's removal.

**SENATE BILL 74****EFFECTIVE:** 5-22-01**SENATE AUTHOR:** Haywood**HOUSE SPONSOR:** Denny

Senate Bill 74 amends the Education Code to delete an obsolete provision relating to the terms served by the original members of the advisory board of the Texas Academy of Mathematics and Science at the University of North Texas. The deleted provision required the original board members to determine by lot which of them would serve the initial two-year, four-year, and six-year terms necessary to set up staggered terms for subsequent members.

**SENATE BILL 76****EFFECTIVE:** 5-18-01**SENATE AUTHOR:** Haywood**HOUSE SPONSOR:** Farabee

Senate Bill 76 amends the Education Code to explicitly authorize the chair of the Midwestern State University board of regents to convene a board meeting when the chair considers it appropriate to address any university-related business. The bill also changes the title of the board's presiding officer from chairman to chairperson.

**SENATE BILL 77****EFFECTIVE:** 5-22-01**SENATE AUTHOR:** Haywood**HOUSE SPONSOR:** Denny

Senate Bill 77 amends the Education Code to specify grounds for removal of a member of the Texas Woman's University board of regents. Grounds for removal include malfeasance of office, prolonged inability to discharge a member's duties because of illness or disability, or excessive unexcused absences from regularly scheduled board meetings during a calendar year. The bill provides that a board action is not invalidated by the fact that it was taken when a ground existed for a board member's removal.

**SENATE BILL 82****EFFECTIVE:** 8-27-01**SENATE AUTHOR:** Madla et al.**HOUSE SPONSOR:** Menendez et al.

The Education Code allows a public junior college to offer courses for joint high school and college credit to students attending a public high school under an agreement with the school district that operates the school. Senate Bill 82 amends the code to allow a public junior college to offer joint credit courses to students attending a private high school in this state under a similar agreement with the organization or person operating the school. For purposes of enrollment in courses conferring joint high school and college credits, the bill classifies as a high school student any student who attends a school that is not formally organized as a high school and who is at least 16 years old.

## Education

**SENATE BILL 108****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Lucio et al.**HOUSE SPONSOR:** Dutton et al.

Senate Bill 108 amends the Education Code to prohibit a school district from beginning the students' school year before the week in which August 21 falls. The bill requires a district that intends to apply for a waiver from that prohibition to give public notice of its intent, specifying the proposed start date, at least 60 days before it submits the application and to hold a public hearing on the matter. The district's waiver application must include a summary of the opinions expressed at the public hearing and any consensus regarding the district's start date. The bill allows a district that operated on a year-round schedule for the 2000-2001 school year to modify its start date accordingly.

**SENATE BILL 116****EFFECTIVE:** See below**SENATE AUTHOR:** Wentworth**HOUSE SPONSOR:** Hilderbran

Senate Bill 116 amends the Education Code to allow the board of trustees of an independent school district to donate historically significant property formerly used as a school campus to a municipality, county, or nonprofit organization. The bill allows the board to authorize the donation by resolution provided that (1) the board first holds a public hearing; (2) the board determines that the building has historical significance, the transfer will further its preservation, and the land and building are not needed for educational purposes; (3) the property was originally donated to the district and is being used as a community center at the time of the proposed transfer; and (4) the recipient satisfies the board that it will continue using the property as a community center. The bill requires the transfer to include a deed restriction providing that the property reverts to the district if the new owner discontinues use of the property as a community center or attempts to convey the property to another.

Senate Bill 116 takes effect January 1, 2002, contingent on voter approval of a constitutional amendment proposed by Senate Joint Resolution 2.

**SENATE BILL 149****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Carona**HOUSE SPONSOR:** Hunter

Senate Bill 149 amends the Education Code to clarify eligibility requirements for private or independent colleges and universities participating in the Texas Equalization Grant program. The bill provides that only tax-exempt, nonprofit, and accredited private or independent colleges and universities in the state that meet the same program standards and accreditation as public colleges and universities may be approved by the Texas Higher Education Coordinating Board for participation in the program. The bill also deletes the requirement for a student application and an enrollment report from an institution for the board to certify the amount of an individual grant and requires only a certification of the amount of financial need from the institution.

**SENATE BILL 154****EFFECTIVE:** 5-18-01**SENATE AUTHOR:** Truan et al.**HOUSE SPONSOR:** Capelo et al.

Senate Bill 154 amends the Texas Driver and Traffic Safety Education Act to require the commissioner of education to provide certain information relating to anatomical gifts in the curriculum of each driver education and driving safety course.

**SENATE BILL 158****EFFECTIVE:** 6-15-01**SENATE AUTHOR:** Truan**HOUSE SPONSOR:** Olivo

Senate Bill 158 amends the Education Code to require each counselor at a public elementary, middle, or junior high school or an equivalent open-enrollment charter school to advise students and their parents or guardians on the importance of higher education, college preparatory course work, and financial aid. The bill requires that each high school student and the student's parent or guardian be provided information about higher education during the student's first and senior years of high school, including the importance of higher education, the advantages of completing the recommended or advanced high school curriculum, the disadvantages of taking courses for a high school equivalency examination versus the benefits of taking courses for a high school diploma, certain financial aid information, the automatic college admission program for students in the top 10 percent of their graduating classes, and requirements for aid under the TEXAS grant program.

**SENATE BILL 189****EFFECTIVE:** 6-15-01**SENATE AUTHOR:** Lindsay**HOUSE SPONSOR:** Dutton

Senate Bill 189 amends the Education Code to allow a disciplinary action regarding a student with a disability who receives special education services, if it would constitute a change in placement under federal law, to occur only after the student's admission, review, and dismissal (ARD) committee conducts a manifestation determination review. The disciplinary action must be determined in accordance with federal law and regulations, including any requirement to provide functional behavioral assessments, positive behavioral interventions and supports, and intervention plans. The bill requires a teacher in a disciplinary alternative education program who has a special education assignment to hold an appropriate certificate or permit for that assignment.

The bill requires a school district in a county where a juvenile justice alternative education program (JJAEP) has been established that expels such a student to provide the JJAEP's administrator or designee with reasonable notice of the ARD committee meeting on the expulsion, and it allows a JJAEP representative to participate in the meeting to the extent that it relates to the student's placement in the JJAEP. These provisions apply only to an expulsion for an offense where expulsion is allowed but not required under Section 37.007. The bill requires the JJAEP administrator or designee immediately to notify the district if, after the student's placement, the administrator or designee has concerns that the student's educational or behavioral needs cannot be met in the program. The bill requires that the ARD committee meet to reconsider the appropriateness of the student's placement in the JJAEP and that the JJAEP administrator or designee be notified of the meeting, with the same provision that the representative be allowed to participate in any discussion about the student's placement in a JJAEP.

The bill also allows a JJAEP to apply to the Texas Juvenile Probation Commission for a waiver of the requirement to operate at least 180 days per year, but it prohibits the commission from granting a waiver for more than the number of days waived by the commissioner of education for a school district served by the JJAEP.



**SENATE BILL 218**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro  
**HOUSE SPONSOR:** Smith

Senate Bill 218 amends the Education Code to require the commissioner of education, in consultation with the comptroller, to develop and implement a financial accountability rating system for Texas public school districts, including uniform indicators in that system by which to measure a district's financial performance. The bill also requires the commissioner to develop, as part of the system, a reporting procedure for districts to prepare and distribute annual financial management reports and for the public to comment on those reports at hearings. The bill sets forth content requirements and options for the reports, and it requires a school district's board of trustees to hold a public hearing on its annual report, to give notice of the hearing to the district's property owners and parents of students in the district, and to disseminate the report after the hearing. The bill also changes the deadline for filing a district's annual audit report to the Texas Education Agency from 120 days to 150 days after the end of the fiscal year for which the audit was made.

**SENATE BILL 350**  
**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Truan et al.  
**HOUSE SPONSOR:** Oliveira

Senate Bill 350 amends the Education Code to allow certain school districts to require that a worker, other than a maintenance worker, employed by a contractor or subcontractor on a public work by or on behalf of the district be paid not less than the wage rate that, when computed on an annual basis, would equal the federal poverty level. This provision applies only to a school district that is located primarily in a county any part of which lies within 50 miles of the Texas-Mexico border and where the general prevailing wage rates for certain kinds of work are less than would meet the federal poverty level for a family of four.

**SENATE BILL 353**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. Ellis et al.  
**HOUSE SPONSOR:** McCall

Senate Bill 353 amends the Education Code to provide for the establishment of technology workforce development programs to increase the number of engineering and computer science graduates from Texas colleges and universities and to increase collaborative efforts among universities, engineering and computer science departments, and the private sector. The bill allows such entities to establish the Texas Engineering and Technical Consortium as a resource sharing program to (1) facilitate consolidation of research grant applications and projects; (2) strengthen instruction in engineering and computer science; (3) recruit, develop, and retain students in those fields; (4) share instructional and research resources; and (5) coordinate related activities.

The bill includes funding provisions for the creation of a technology workforce development account in the general revenue fund for the Texas Higher Education Coordinating Board to award grants to consortium members for qualifying projects and activities and provisions for a state matching grant program.

**SENATE BILL 386**  
**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Bivins  
**HOUSE SPONSOR:** Swinford

Senate Bill 386 amends references in the Education Code and Government Code to the campuses that constitute the Texas State Technical College System, deleting references to Texas State Technical College—Amarillo and adding references to Texas State Technical College—Marshall.



**SENATE BILL 387****EFFECTIVE:** 5-19-01**SENATE AUTHOR:** Bivins et al.**HOUSE SPONSOR:** Janek

Senate Bill 387 amends the Education Code to allow school districts to issue high school diplomas to certain honorably discharged World War II veterans who would have graduated from high school after 1940 and before 1951 but who left school early to serve in the war. A diploma may be issued to an eligible veteran who holds a high school equivalency certificate or to an otherwise eligible deceased veteran. The bill requires the commissioner of education to specify what evidence is acceptable to establish eligibility.

**SENATE BILL 430****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Shapiro**HOUSE SPONSOR:** Goodman

Senate Bill 430 amends the Education Code to establish the Texas School Safety Center to serve as a clearinghouse for school safety information and as a resource for the prevention of youth violence and the promotion of safety. The bill provides for the center's governance by a 15-member board of directors consisting of five ex officio members and 10 gubernatorial appointees and sets forth specific charges for the center, which include conducting a safety training program for school districts and a statewide safety summit; developing a model safety and security audit procedure for districts; providing on-site technical assistance to districts; developing and maintaining a website for the dissemination of information; publicly recognizing schools that implement effective school safety measures and violence prevention; promoting cooperation among state agencies, colleges and universities, and local entities with an interest in juvenile delinquency prevention; and developing model agreements for use by districts and other local entities to address the delivery of services to certain at-risk youths.

Senate Bill 430 also amends the Occupations Code to require that a peace officer assigned as a visiting school resource officer in a public school be licensed and to require such an officer at least once each school year to offer instruction to students in a firearm accident prevention program.

**SENATE BILL 450****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Duncan et al.**HOUSE SPONSOR:** Gallego

The Education Code allows a district that experiences a decline of two percent or more in average daily attendance (ADA) as a result of a military base closure or reduction in personnel to be funded through the school finance formulas on the basis of its actual ADA for the previous year. Senate Bill 450 amends the code to allow a school district whose ADA decline of two percent or more is not due to a base closure or reduction to be funded on the basis of an ADA not to exceed 98 percent of the previous year's actual ADA. The bill requires the commissioner of education to adjust the ADA of such districts so that all districts are funded on the basis of the same percentage of the preceding year's actual ADA and the total cost to the state does not exceed the amount specifically appropriated for that year for that purpose. Funding based on an adjusted ADA does not apply to an open-enrollment charter school.

**SENATE BILL 462****EFFECTIVE:** 5-11-01**SENATE AUTHOR:** Duncan**HOUSE SPONSOR:** D. Jones

Senate Bill 462 amends the Education Code to raise the caps on the medical services fee and the recreation fee charged students at Texas Tech University and to allow the Texas Tech University System board of regents to impose the fees at the system's component institutions. The bill raises the cap on the medical services fee from \$55 to \$100 per regular semester or

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12-week summer session and from \$25 to \$50 per summer session term of six weeks or less, and it raises the cap on the recreation fee from \$25 to \$100 per semester and from \$12.50 to \$50 per six-week summer session term. The bill prohibits the board of regents from increasing the amount of either fee at a component institution by more than 10 percent from one academic year to the next without the approval of a majority of the students voting in an election held for that purpose.

Senate Bill 462 applies beginning with the 2001 fall semester.

**SENATE BILL 467**

**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Oliveira

Senate Bill 467 amends the Education Code to allow a school district to adopt a dual language immersion program for its elementary school students, provided the program is designed to produce students with a demonstrated bilingual mastery, in English and another language, of the required curriculum.

The bill also exempts State Board of Education rules identifying the essential knowledge and skills of each subject in the required foundation and enrichment curricula from the Government Code requirement for a quadrennial review and readoption or repeal of agency rules.

**SENATE BILL 505**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Gray

Senate Bill 505 amends the Education Code to allow the governing board of a medical or dental school to require its students to have health insurance coverage while they are enrolled at the school. The board must determine minimum coverage standards for the health insurance it requires of students and must provide a student who agrees in writing with a reasonable estimate of the cost of the coverage within the student's education costs for financial aid purposes. The bill allows a student to be provisionally enrolled at a medical or dental school for one academic session without the coverage to give the student time to obtain the coverage.

**SENATE BILL 512**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Duncan et al.

**HOUSE SPONSOR:** Gallego et al.

Senate Bill 512 amends the Education Code and Government Code to require the State Board of Education (SBOE) and the state auditor to enter into an agreement for the auditor to investigate any allegation of misconduct regarding the management or investment of the permanent school fund. The bill amends the Education Code to establish a nine-member permanent school fund investment advisory committee consisting of three gubernatorial appointees and three appointees of each of the legislature's presiding officers. It extends the applicability of provisions regarding an ethics policy, conflicts of interest, and spending reports to the committee members and interested persons, defined as persons who apply for or receive anything of value as a direct or indirect result of permanent school fund investments. The bill provides that the failure to report a potential conflict of interest by a person who has entered into an arrangement involving the fund's management or investment renders the arrangement voidable by the SBOE or the comptroller and allows the SBOE or the comptroller to declare the person ineligible to contract for fund management or investment business.

The bill includes several provisions further regulating SBOE contracting for management and investment services. It requires the SBOE to maintain a website listing all interested persons; requires each SBOE contract to include a provision to ensure compliance with applicable

laws and rules; requires the comptroller to report to the appropriate regulatory bodies disciplinary actions taken by the SBOE or comptroller against certain persons; allows interested persons to be barred from fund management and investment business for certain ethics or conflict of interest violations; and provides for more stringent oversight in the form of management and performance audits. The bill also repeals a provision that limited investment of the permanent school fund to specific types of securities listed in that provision, allowing for a broader range of investments for the fund.

**SENATE BILL 518**  
**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Lucio  
**HOUSE SPONSOR:** Oliveira

Chapter 33 of the Education Code establishes certain requirements regarding the employment of school counselors and counseling services by school districts that receive compensatory education allotment funding for those purposes, and it prescribes certain responsibilities and duties for counselors in those districts. Senate Bill 518 amends the code to make certain provisions in that chapter applicable to all districts. These include provisions relating to the need for parental consent for a student's participation in counseling activities, the encouragement of parental involvement in school counseling programs, the implementation of developmental guidance counseling programs, and the delineation of a school counselor's duties.

The bill also requires a counselor to consider a student's interests and career objectives as well as the student's educational potential when designing a developmental guidance and counseling program, and to consider the needs of gifted and talented students who are educationally disadvantaged when planning, implementing, and evaluating such programs.

**SENATE BILL 538**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio  
**HOUSE SPONSOR:** Oliveira

Senate Bill 538 requires the comptroller to conduct a comprehensive statewide study of the duties performed by all public school counselors and to determine both the percentage of total employment time public school counselors spend performing various duties and the counselor-to-student ratio statewide and in each school district at the elementary, middle or junior high, and high school levels.

**SENATE BILL 555**  
**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** R. Ellis et al.  
**HOUSE SPONSOR:** Junell

Senate Bill 555 amends the Education Code to provide for the establishment of a higher education savings plan to enable individuals to save money for the qualified college expenses of a plan beneficiary through a savings trust account in the plan. The bill requires the Prepaid Higher Education Tuition Board to develop and implement the plan and to select one or more financial institutions to serve as plan manager and account funds investor and sets forth the duties of both the board and the plan manager. The bill establishes a prudent person standard for investments by the plan manager; establishes procedures and conditions for the opening of accounts, contributions to and withdrawals from accounts, and the collection of penalties for nonqualified withdrawals; and provides for the financing of the plan through the levy of administrative fees and service charges together with the penalties assessed above.

The bill also redesignates the existing Texas tomorrow fund as a constitutional trust fund to be held with the comptroller and creates the Texas college savings plan account within that fund. The bill establishes plan limitations to prohibit any interpretation of the plan either as a guarantee that savings under the plan will cover the beneficiary's college expenses or as an

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obligation of the state or of the plan manager to guarantee a return of any contributions, a specific return on investments, or any future tuition rates. In addition, the bill requires the board to indicate clearly on all agreements, deposit slips, and other documents relating to an account that the account is not insured by the state and that the state does not guarantee the principal deposited or the investment return.

**SENATE BILL 572**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** Gray

Senate Bill 572 enacts the Nursing Shortage Act of 2001, establishing a program to increase both student enrollment in nursing education programs and the number of nursing school faculty and creating a nursing workforce data center to address issues of nursing supply and demand in Texas. The bill requires the Texas Higher Education Coordinating Board to administer a grant program to support efforts by professional nursing programs and other entities involved in the preparation of students for licensing as registered nurses to increase the number and types of registered nurses. Grants must be used solely on costs related to enrolling additional students, retaining qualified faculty, and encouraging innovative recruitment and retention of students, including Spanish-speaking and bilingual students. Grants also are restricted to programs approved by the coordinating board or the Board of Nurse Examiners that are not on probation and that can accommodate a larger enrollment with classroom space and clinical slots. Each institution that has a professional nursing program must report annually to the coordinating board on its strategy to increase the number of graduates prepared for licensing, including its capacity to do so and the resources allocated.

Under the bill, a school may allow a registered nurse who is licensed to practice in Texas to pay in-state resident tuition and fees for a postgraduate nursing degree program regardless of the length of the nurse's in-state residency if that person intends to teach in a professional nursing program in Texas. The bill redefines "professional nursing student" to include students in private or independent institutions for purposes of certain scholarship, matching funds, and loan repayment programs, and it allows the coordinating board to establish multiple categories of persons, including certain nursing school faculty, who are eligible to receive that financial aid. The bill allows the board, when awarding aid, to consider the geographic area where a person is likely to practice, a person's intent to seek employment on a nursing school faculty, the type of certificate or degree held or sought, and any other factor the board considers relevant. It also allows persons other than employers to provide matching funds to sponsor a nursing student's education, and it allows the board to structure the various financial aid programs to secure funds from federal matching programs.

The bill requires the Board of Nurse Examiners to establish a nursing workforce data center and to appoint an executive committee to be the center's policy-making body, a majority of whose members must be representative of the various interests in the field, including nurses, employers, and educators. The center is charged with collecting and analyzing data, predicting supply and demand conditions and developing a Texas supply and demand model, coordinating activities with other agencies and public entities to minimize duplicative data collection and promote sharing of data, and publishing reports based on the data. The center may develop nurse recruitment programs and establish an information clearinghouse regarding sites available for students to gain clinical experience.

**SENATE BILL 573**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bivins et al.  
**HOUSE SPONSOR:** Rangel

Senate Bill 573 amends the Education Code to require the Texas Higher Education Coordinating Board to establish a statewide public awareness campaign that targets primary and secondary school students to promote the value and availability of higher education. The campaign may include information on the benefits of obtaining a postsecondary education, the types of institutions and degree programs available, academic preparation and other enrollment requirements, and financial aid. The bill requires the board to give priority to reaching primary and secondary school student groups that are traditionally underrepresented in higher education.

**SENATE BILL 575**  
**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Staples  
**HOUSE SPONSOR:** Sadler

Senate Bill 575 amends the Health and Safety Code to exempt facilities and programs operated by or on the campus of a public or accredited private or independent college or university from licensing and regulation under the Texas Youth Camp Safety and Health Act.

**SENATE BILL 576**  
**EFFECTIVE:** 5-2-01

**SENATE AUTHOR:** R. West et al.  
**HOUSE SPONSOR:** J. Jones et al.

Senate Bill 576 amends the Education Code to establish the University of North Texas at Dallas as an institution of higher education and a component of the University of North Texas System. The bill allows the university to operate as a general academic institution upon certification by the Texas Higher Education Coordinating Board that enrollment at the University of North Texas System Center at Dallas has reached 2,500 full-time equivalent students for one semester. The bill updates Chapter 105 of the code to reflect the University of North Texas System's growth and to make provisions previously applicable only to the governance of the University of North Texas applicable to system governance.

**SENATE BILL 596**  
**EFFECTIVE:** 6-11-01

**SENATE AUTHOR:** Duncan et al.  
**HOUSE SPONSOR:** Giddings

The Education Code requires a school district to offer prekindergarten classes if it identifies 15 or more four-year-old children who are eligible by virtue of either limited English proficiency, educational disadvantage, or homelessness, and it allows a district to offer prekindergarten classes if it identifies 15 or more three-year-old children who are similarly disadvantaged. These prekindergarten classes must be operated on a half-day basis. Senate Bill 596 amends the code to prohibit a district from charging tuition for the half-day prekindergarten classes provided to disadvantaged children. The bill allows a district to provide, either on a tuition basis or by using district funds, an additional half-day of prekindergarten for such children and both half-day and full-day prekindergarten for children not otherwise eligible for the free prekindergarten classes. A district that provides a prekindergarten program on a tuition basis is prohibited from charging tuition at a rate that is higher than necessary to cover the cost of providing the program, and it must submit the proposed tuition rate to the commissioner of education for approval.

The bill also requires a district that offers prekindergarten classes to include prekindergarten student demographic information, enrollment data, the number of half-day and full-day classes offered, and program funding sources in its report submission to the Public Education Information Management System.



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### **SENATE BILL 627**

**EFFECTIVE:** 5-3-01

**SENATE AUTHOR:** Staples et al.

**HOUSE SPONSOR:** Berman

Senate Bill 627 amends the Education Code to allow The University of Texas System board of regents to impose an intercollegiate athletics fee at The University of Texas at Tyler to develop and maintain an intercollegiate athletics program at the university. Imposition of the fee of \$7 per credit hour and any increase in the fee amount must be approved by a majority of the students voting in an election held for that purpose. The fee is applicable to a maximum of 15 credit hours per semester, and students enrolled for less than six credit hours in a semester will be charged the fee as if they were enrolled for six credit hours. The bill excludes the intercollegiate athletics fee from the \$150 cap on compulsory student services fees that may be levied in a single semester or summer session fee.

Senate Bill 627 applies beginning with the 2001 fall semester.

### **SENATE BILL 628**

**EFFECTIVE:** 5-3-01

**SENATE AUTHOR:** Staples et al.

**HOUSE SPONSOR:** Berman

Senate Bill 628 amends the Education Code to allow The University of Texas System board of regents to charge each student at The University of Texas at Tyler a recreational facility fee to finance the construction, equipping, operation, improvement, or maintenance of a campus recreational facility or program. The bill caps the amount that may be charged based on the length of the semester or summer term and makes the imposition of the fee and any increase in the amount of the fee subject to approval by a majority vote in a student election on the fee or fee increase. It also requires the deposit of fee revenues in a dedicated account under the control of a student fee advisory committee, requires the committee to submit to the board an annual itemized budget and a report on the past year's recreational facility activities and related spending, and allows the board to amend the budget and set the fee amount accordingly. The bill also excludes the recreational facility fee from the cap on compulsory student services fees that may be levied in a single semester or summer session.

Senate Bill 628 applies beginning with the 2001 fall semester.

### **SENATE BILL 676**

**EFFECTIVE:** 4-11-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Oliveira

The Education Code allows limited English proficiency (LEP) students whose primary language is Spanish to be tested using a Spanish language version of the statewide Texas Assessment of Academic Skills (TAAS) test, while other LEP students and recent unschooled immigrants may receive a temporary exemption. Senate Bill 676 amends the Education Code to allow a LEP student to take the Spanish language test for up to three years and to exempt a LEP student for up to one year after first entering school in the United States if the student has not demonstrated a certain level of English proficiency, and for up to two additional years if the student is a recent unschooled immigrant or is in a grade for which no test is available in the student's primary language. The bill requires an exempted student to take the TAAS test once that level of English proficiency is achieved.

The bill requires the commissioner of education to develop, by rule, procedures under which a district's language proficiency assessment committee must determine which students are exempt from the TAAS test. The rules must ensure that a committee provides for administration of the TAAS test or the exit-level TAAS test to exempted students as soon as practicable. It also adds the percentage of TAAS-exempt LEP students as a public school accountability system indicator.

Senate Bill 676 applies beginning with the 2001-2002 school year.



**SENATE BILL 701****EFFECTIVE:** 4-11-01**SENATE AUTHOR:** R. Ellis**HOUSE SPONSOR:** S. Turner

Senate Bill 701 amends the Agriculture Code to make changes in a Texas Department of Agriculture grants program applicable to public elementary schools in large urban districts. The bill expands the eligible project types to include not only demonstration agricultural projects but also other projects designed to foster an understanding and awareness of agriculture. The bill revises the threshold for eligibility, providing that the minimum 49,000 school district enrollment applies in all cases without regard to the amount of legislative appropriations. The bill eliminates a provision in the law that prohibited grants to more than one school in the same district in the same school year.

**SENATE BILL 702****EFFECTIVE:** 6-13-01**SENATE AUTHOR:** R. West**HOUSE SPONSOR:** Oliveira

Senate Bill 702 amends the Education Code to increase public school accountability for student achievement by broadening the definition of “students at risk of dropping out of school,” expanding compensatory education programs for those students, adding additional academic excellence indicators and school district and campus performance measures relating to the performance of those additional groups of students, and increasing reporting requirements for district and campus report cards and the Texas Education Agency (TEA) comprehensive report to the governor and legislature to reflect those additional measures.

The revised definition of “at-risk” students includes students subjected to certain disciplinary actions, whether in the previous or current school year; previously reported dropouts; students in the custody of or referred to the Department of Protective and Regulatory Services; and homeless students. The revised definition also extends other criteria to include a student’s prior year academic performance or residence in certain facilities, and the bill allows other students who meet local eligibility criteria to receive compensatory education program services.

The bill also adds school completion rates as a campus performance indicator; amends another indicator to measure school performance based on the percentage, rather than the number, of students who receive accelerated instruction or are promoted through a grade placement committee; requires the commissioner of education to adopt accountability measures to assess the progress of students who failed the statewide test the previous year; and allows TEA to consider the progress of such students in determining a school district’s accreditation rating.

The bill requires TEA to prepare an annual rather than biennial comprehensive report and to provide additional information relating to the number and percentage of student test exemptions and the basis for those exemptions, including exemptions of students placed in alternative education programs (AEPs) and at-risk students and the overall test performance of those students. The annual report also must include information on the completion rates of students who graduate or receive a high school equivalency certificate within certain time frames and the number and percentage of all students who have not been accounted for in any of the school completion categories. Other information required in the report includes the number and percentage of students retained and the performance of such students on the statewide test; the number of students placed in AEPs, the average length of such placements, the students’ performance on the statewide test the year before and the year after their placement, and the dropout rates of those students; and a comparison of the performance of open-enrollment charter schools, charter schools predominantly serving at-risk students, and school districts on the various accountability indicators and measures.

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For purposes of determining a school district's compensatory education allotment under the Foundation School Program, the bill allows an alternate computation of the number of educationally disadvantaged students under a commissioner rule if the manner provided by statute does not apply to a particular district; this provision allows districts in which one or more campuses did not participate in the federal free or reduced-price lunch program to receive compensatory education funds for educationally disadvantaged students. The bill restricts the use of such funds to meeting the costs of providing a compensatory, intensive, or accelerated education program, an AEP, or any other program designed to eliminate certain disparities between at-risk students and all other students.

### **SENATE BILL 743**

**EFFECTIVE:** 5-14-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Coleman et al.

The Education Code exempts Mexican citizens who demonstrate financial need from having to pay foreign student tuition fees at a public college or university located in a county adjacent to the Texas-Mexico border, at certain public community colleges in such border counties, at Texas A&M University—Kingsville, or at Texas A&M University—Corpus Christi. Senate Bill 743 amends the Education Code to allow those foreign students to pay in-state resident tuition rates for courses that are part of a graduate degree program in public health and are conducted in a county adjacent to the border. The bill also allows a foreign service officer employed by the U.S. Department of State and enrolled in a public college or university to pay resident student tuition rates if the person is assigned to a department office in Mexico.

The code also allows the governing board of a public college or university to establish an emergency loan program under which students are loaned money to pay tuition and fees. The bill limits the maximum amount of an emergency loan to the amount of tuition and fees for the courses in which the student is actually enrolling.

### **SENATE BILL 826**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Truan

**HOUSE SPONSOR:** Grusendorf et al.

Senate Bill 826 amends the Education Code to allow a school district board of trustees to operate a school or program or hold a class on a college or university campus if it obtains the written consent of that institution's president or other chief executive officer. The bill also allows a school board to operate a school or program, including an extracurricular program, or hold a class outside the district, and it allows a college or university president or executive officer to consent to a district's request regardless of whether the college or university lies within the district's boundaries.

### **SENATE BILL 837**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Chavez

Senate Bill 837 amends the Education Code to require the Border Health Institute's governing board to develop a 10-year strategic plan to guide and evaluate the institute's progress toward achieving its statutory purposes. The plan must include goals, objectives, and performance standards for each institute program and a description of those programs relative to the institute purposes; an assessment of program and faculty needs; and an assessment of the institute's need for new initiatives.

**SENATE BILL 903**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Morrison

Senate Bill 903 amends the Education Code to establish the women's athletic development fund in the state treasury administered by the Texas Higher Education Coordinating Board to support women's athletic development programs operated by public colleges and universities on a collaborative basis with Texas public high schools. The bill requires the board, when selecting programs to be supported with money from the fund, to give priority to programs addressing the needs of public high school students whose economic conditions limit their access to athletic facilities, programs, and opportunities, and also to consider whether a program promotes gender equity and includes the participation of college coaches and athletes, to the extent such participation is allowed under national college athletic rules.

The bill also requires the board to conduct a best practices study of current women's athletic development programs at colleges and universities in Texas and other states.

**SENATE BILL 940**  
**EFFECTIVE:** 6-11-01

**SENATE AUTHOR:** Bivins et al.  
**HOUSE SPONSOR:** Rangel

Senate Bill 940 amends the Education Code to establish the Joint Admission Medical Program to recruit and help highly qualified, economically disadvantaged resident students prepare for, gain admission to, and succeed in medical school by providing them financial and academic support services, including scholarships and stipends and mentoring and internship programs, and guaranteeing their admission to at least one participating medical school. The bill identifies the medical schools required to participate in the program, requires them to establish the Joint Admission Medical Program Council to administer the program, and sets forth the council's duties.

The bill establishes initial eligibility criteria for student applicants and eligibility criteria for continued participation in the program, and it requires each participant to enter into an agreement to maintain eligibility and to repay any scholarship or stipend received if the student enrolls in an out-of-state medical school. The bill also requires each participating medical school to enter into an agreement outlining the terms of its participation on the council and the resources, internship and mentoring programs, and services it is obligated to provide participating students, and it requires each public or private four-year university in the state also to enter into an agreement to provide the support services and academic programs necessary to prepare those students for medical school.

**SENATE BILL 975**  
**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Shapleigh et al.  
**HOUSE SPONSOR:** Hochberg

Senate Bill 975 amends the Education Code to require the commissioner of education to implement a program that would allow school districts to offer Internet or other electronic courses to their students or to students in other districts under an interdistrict agreement. The bill requires the commissioner to select districts to participate in the program based on district applications and allows the commissioner to determine the number of districts that can participate, provided the commissioner, to the extent possible, permits the participation of rural and urban districts with higher than average dropout rates or numbers of at-risk students or underserved gifted and talented students. The bill establishes application deadlines, procedures, and requirements; allows interagency cooperation between the commissioner and other agencies in the adoption of technical standards for auditing or verifying student attendance in electronic

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courses; and requires the commissioner to submit a report to the legislature's presiding officers not later than December 1, 2002, regarding course funding, accountability measures, security or privacy issues, educational benefits, and other related matters.

**SENATE BILL 989**  
**EFFECTIVE:** 5-3-01

**SENATE AUTHOR:** Ogden  
**HOUSE SPONSOR:** Williams

Senate Bill 989 amends the Education Code to modify the statement of the purpose of Prairie View A&M University by deleting the reference to students "with latent aptitudes, talents, and abilities" in the description of its role as a statewide special purpose institution of higher education.

**SENATE BILL 998**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla  
**HOUSE SPONSOR:** Hardcastle

Senate Bill 998 amends the Education Code to prohibit the State Board for Educator Certification from requiring a person who has been employed for at least three years as a teacher in an alternative education program or a juvenile justice alternative education program to complete an alternative educator certification program before taking the appropriate certification examination.

**SENATE BILL 1057**  
**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** R. Ellis  
**HOUSE SPONSOR:** Rangel

Senate Bill 1057 amends the Education Code to redesignate the Teach for Texas grant program as the Teach for Texas financial assistance program and establish it as a program separate from the TEXAS grant program. The bill specifies that these grants are available only to students seeking certification in an educator certification program at an eligible institution, and it extends eligibility to college graduates in the first year of an educator certification program, adds other eligibility criteria similar to those in the TEXAS grant program, and increases the amount of an individual grant from two to four times the amount of a TEXAS grant. The bill establishes a Teach for Texas alternative certification assistance program for persons seeking certification through alternative educator certification programs. The amount of an individual grant under that program is two times the amount of a TEXAS grant.

The bill also extends a person's period of eligibility for a TEXAS grant by requiring the Texas Higher Education Coordinating Board to adopt rules to provide additional time for an otherwise eligible person whose enrollment is interrupted by hardship or other good cause. The bill requires the coordinating board and the commissioner of education to develop a plan or recommendations to ensure the adequate dissemination of information on the TEXAS grant program and other financial aid to prospective students and financial aid recipients, parents, school counselors, financial aid offices, and other parties. The bill also amends the teacher education loan repayment assistance program by statutorily prescribing the minimum annual and maximum total amounts of repayment assistance an individual may receive rather than allowing the board to set those amounts by rule.

**SENATE BILL 1100**  
**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Moncrief et al.  
**HOUSE SPONSOR:** Rangel

Senate Bill 1100 amends the Education Code to allow the governing boards of the University of North Texas Health Science Center at Fort Worth and the Texas Tech University Health Sciences Center to establish at each of those institutions a pilot center for the advancement of

quality in long-term care. The pilot centers are to identify opportunities for research, education, and outreach programs aimed at improving the quality of care in long-term care facilities and to implement and evaluate such programs. The bill lists specific charges for the centers, including a requirement to serve as training sites for doctors, nurses, nursing assistants, facility administrators, therapists, social workers, and investigators, and it requires each pilot center to establish a multidisciplinary leadership team to coordinate certain activities across the centers. The bill also requires the two governing boards to provide to the legislature a joint report on the pilot centers' activities not later than December 1, 2002.

**SENATE BILL 1180****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Gallegos**HOUSE SPONSOR:** Danburg

An existing session law relating to school board trustees in certain independent school districts requires candidates in a school board election to file their candidacy with the board of trustees calling the election not less than 30 days before the election date. Senate Bill 1180 amends the statute to require that filing by the deadline prescribed by the Education Code for an application to get on the ballot.

**SENATE BILL 1190****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** R. Ellis**HOUSE SPONSOR:** McCall et al.

Senate Bill 1190 amends the Education Code to allow public colleges and universities to establish and administer centers to manage, transfer, market, or otherwise commercialize technology owned by an institution or in which they have an interest. The bill allows the centers to provide services to more than one college or university, and it allows a college or university to contract with a center under the control of a governing board other than its own.

Through the centers, a college or university may make technology that it owns or controls available to others for commercial application through licensing agreements or other transfer instruments; acquire interests in and ownership of technology; provide business, scientific, and engineering services and technical assistance to persons engaged in the development, manufacture, or marketing of that technology; establish and operate corporations and limited liability companies for technology development and commercialization and convey equity interest in those entities; and engage in other related activities. A college or university may also provide assistance in the form of monetary support or the use of premises, computers, software, various types of equipment and supplies, machinery, custodial services, utilities, or other services normally regarded as overhead.

The bill requires the Texas Higher Education Coordinating Board to submit to the governor and the legislature a detailed financial report on each institution's activities not later than December 1 of each even-numbered year.

**SENATE BILL 1196****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Truan**HOUSE SPONSOR:** Hochberg

Senate Bill 1196 amends the Education Code to prohibit the confinement of a student with a disability in a locked box, locked closet, or other specially designed locked space as either a discipline management or behavior management technique. The bill prohibits a school district employee, volunteer, or independent contractor from placing a student in seclusion, which the bill defines as a behavior management technique in which a student is confined in a locked box, locked closet, or locked room that is designed solely to seclude a person and contains less than 50 square feet of space. The bill also requires the commissioner of education by rule to



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adopt procedures for the use of restraint, either through physical force or a mechanical device, and time-out by a district employee, volunteer, or independent contractor against a student receiving special education services. The bill provides an exception for the confinement of a student in an emergency situation while awaiting the arrival of law enforcement personnel if the student possesses a weapon and the confinement is necessary to prevent bodily harm to the student or another person. The bill makes these provisions applicable to open-enrollment charter schools.

The bill requires the commissioner to adopt the rules regarding the use of restraint and time-out not later than August 1, 2002, and provides that until those rules are adopted the use of those techniques is to be governed by district policy. The prohibition against the use of seclusion applies beginning September 1, 2001.

**SENATE BILL 1205**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Jackson  
**HOUSE SPONSOR:** Hamric

Senate Bill 1205 amends the Education Code to exempt certain courses offered by proprietary schools from regulation under the chapter relating to those schools. The bill exempts certain vocational or recreational courses that require 24 or fewer classroom hours; cost less than \$500; do not award credits or units toward the completion of another, longer course; and comply with other requirements relating to refunds, instructor qualifications, and recordkeeping. The bill also provides that a business that offers only courses that are exempt from regulation is itself exempt from regulation under the chapter.

**SENATE BILL 1429**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West  
**HOUSE SPONSOR:** G. Lewis

Senate Bill 1429 amends the Education Code to provide for the establishment of the Center for Relationship Violence Prevention and Intervention at Prairie View A&M University, contingent on the availability of federal funding or other funding for that purpose. The bill delegates responsibility for the organization, control, and management of the center to The Texas A&M University System board of regents, which must approve the center's hiring of personnel and its operating budget. The bill allows the center to provide services to victims and perpetrators of relationship violence; serve as a shelter for victims in Waller County and vicinity; conduct, coordinate, collect, and evaluate relevant research; provide a setting for educational programs on relationship violence issues; serve as a state and national information resource; and develop programs, policies, and strategies to address relationship violence and related social problems.

**SENATE BILL 1446**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Oliveira

The Education Code requires a school district board of trustees that makes a severance payment to a superintendent to report the terms of the payment to the commissioner of education. Previously, the code also required the commissioner to reduce the district's Foundation School Program (FSP) funding by an amount equal to the severance payment for the school year following the school year in which the first payment was made. Senate Bill 1446 amends the code to define "severance payment" as any amount paid by the board to or in behalf of the superintendent that exceeds the amount the superintendent earned under the contract as of the termination date, including any amount above the earned standard salary and benefits paid as a condition of early termination.



The bill also requires the commissioner to reduce the district's FSP funds by any amount that the severance payment exceeds one year's salary and benefits under the terms of the contract, and it deletes the provision that delayed the reduction in the district's FSP funding until the school year following the school year in which the first payment is made, making the penalty applicable to the year in which the payment is made.

**SENATE BILL 1472**  
**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Ogden  
**HOUSE SPONSOR:** Williams

The Education Code previously required each public college and university to collect a general property deposit not to exceed \$10 from each student to insure the institution against losses, damages, and breakage in libraries and laboratories. Senate Bill 1472 amends the Education Code to allow a college or university to collect from each student a deposit of up to \$100 for that purpose. It also requires the deposit to be returned to the student on the student's withdrawal or graduation, less any amount necessary to cover any loss, damage, or breakage caused by the student.

**SENATE BILL 1498**  
**EFFECTIVE:** 5-18-01

**SENATE AUTHOR:** Harris  
**HOUSE SPONSOR:** Goodman

Senate Bill 1498 amends the Education Code to allow The University of Texas System board of regents to charge each student at The University of Texas at Arlington a recreational facility fee to finance recreational facilities or recreational programs at the university. Imposition of the initial fee, which is limited to specific amounts depending on the length of the semester or term in which it is levied, is subject to approval by a majority of the students voting in an election called for that purpose. The bill allows the board to increase the amount of the fee from one academic year to the next with the approval of the student government's legislative body, but any increase of more than 10 percent must also be approved by a majority vote in a student election called for that purpose. The bill also establishes caps, above the initial limits, for each semester or summer session term.

The bill includes provisions for the appointment of a recreational facility student advisory committee to advise the president and for the deposit of fee revenues in a recreational facility fee account. It also provides for the granting of permission for non-students to use a facility financed with fee revenue if the use does not interfere with students' use of the facility, the non-student is also charged a fee for using the facility that is not less than either the student fee or the university's costs of providing for the use, and the use does not increase the university's potential liability.

**SENATE BILL 1596**  
**EFFECTIVE:** 6-11-01

**SENATE AUTHOR:** Bivins et al.  
**HOUSE SPONSOR:** Rangel et al.

In 1999, the Texas Legislature created the Toward EXcellence, Access, & Success (TEXAS) grant program to provide financial aid to eligible undergraduate students and to help them pay tuition, fees, and other costs at any public or private college or university in the state. Senate Bill 1596 amends the Education Code to establish the TEXAS grant II program to provide a similar grant of money to enable students to attend two-year public institutions of higher education in the state. The bill sets forth requirements for a student's initial and continued eligibility for receipt of a TEXAS grant II and directs the Texas Higher Education Coordinating Board and the eligible institutions to give highest priority to students with the greatest financial need. The bill also establishes a 75-semester-credit-hour limit on a person's continued receipt

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of a TEXAS grant II as well as a four-year limit on the person's grant eligibility, beginning at the time of the initial award and the student's enrollment in the two-year college or technical institute, and it prohibits a person from receiving a TEXAS grant and a TEXAS grant II simultaneously.

**SENATE BILL 1671**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** Davis et al.

Senate Bill 1671 amends the Education Code to allow the governing board of an independent school district to issue bonds for the purchase of new school buses.

**SENATE BILL 1727**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Cain et al.

**HOUSE SPONSOR:** Hardcastle

Senate Bill 1727 amends the Education Code to require the staff development provided by a school district to include training that relates to the instruction of students with disabilities and that is designed for educators who work primarily outside the area of special education.

**SENATE BILL 1735**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Cain

**HOUSE SPONSOR:** Dunnam

Senate Bill 1735 amends the Education Code to conform to federal statutes state laws regarding special education programs for students with disabilities. The bill requires any disciplinary action regarding a student with disabilities that would constitute a change in placement under federal law to occur only after a manifestation determination review by the student's admission, review, and dismissal committee, and such action must be determined in accordance with all applicable federal law and regulations. The bill requires a teacher in a disciplinary alternative education program who has a special education assignment to hold an appropriate certificate or permit for that assignment.

The bill allows a special education hearing officer, in a due process hearing, to order without parental consent one or more evaluations of a student who is eligible, or who is thought to be eligible, for special education services, and it makes that order equivalent to a court order for purposes of any state or federal law providing for consent by order of a court.

The bill also amends the Education Code and Family Code to transfer parental rights regarding the education of a child, including the right to make certain educational decisions, from a parent to a student who has attained the age of 18 or has been declared an adult by a court, and to grant a student with a disability who is 18 years of age or older or is no longer legally a minor the same right to make educational decisions as an adult student without a disability. The bill includes an exception to the transfer of parental rights to provide that a district that is required to provide certain parental notification under state or federal law must provide notice to both the student and the parents.

**SENATE BILL 1814**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** R. Ellis

**HOUSE SPONSOR:** Rangel

Chapter 54 of the Education Code establishes minimum tuition rates that public college and university governing boards must charge resident and nonresident students in various degree programs. Senate Bill 1814 amends the Education Code to require governing boards to set tuition for graduate or professional pharmacy programs and for law schools at their respective institutions at a rate that is at least equal to but not more than three times the prescribed minimum rate.

**SENATE BILL 1818**  
**EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Bivins  
**HOUSE SPONSOR:** Telford

Senate Bill 1818 amends the Education Code to grant the board of regents of The Texas A&M University System general authority to exercise the power of eminent domain to acquire any property considered necessary to carry out its powers and duties, and it repeals other provisions that granted eminent domain powers to the board of regents within the limited scope of acquiring property for specific institutions.

**SENATE BILL 1840**  
**EFFECTIVE:** 6-13-01**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Puente

Senate Bill 1840 amends the Education Code to require The University of Texas System board of regents to conduct a study, aided by the Texas Higher Education Coordinating Board, to evaluate the feasibility and potential benefits of operating The University of Texas at San Antonio and The University of Texas Health Science Center at San Antonio as a single research university. The bill requires the board of regents to complete the study and report its results, together with recommendations and proposed timelines and specific steps for implementing any proposed changes, to the legislature not later than October 1, 2002.

**SENATE JOINT RESOLUTION 2**  
**FOR ELECTION:** 11-6-01**SENATE AUTHOR:** Wentworth  
**HOUSE SPONSOR:** Hilderbran

Senate Joint Resolution 2 proposes a constitutional amendment that would allow the legislature to authorize, by general law, the donation of certain district property by an independent school district's board of trustees for the purpose of preserving that property. That general law would have to require the board, before the donation is made, to determine that the building is historically significant, that the transfer will further its preservation, and that the district does not need the land or the building for educational purposes.



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### **HOUSE BILL 59**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Puente

**SENATE SPONSOR:** R. West

House Bill 59 amends the Election Code to authorize the secretary of state to implement a voter information service program to compile information on candidates for judicial office in the form of a voter information guide, and to make the guide available to the public on the Internet. If the secretary of state implements a voter information service program, a candidate for judicial office may file with the secretary of state an informational statement on the candidate's current occupation, educational and occupational background, biographical information, and previous experience serving in government. The secretary of state may include in the guide a statement that the guide may be used at the polls to assist the voters in marking their ballots.

### **HOUSE BILL 407**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Denny

**SENATE SPONSOR:** Shapiro

House Bill 407 amends the Election Code to expand the list of persons required to file additional reports during the period beginning the ninth day before election day and ending at noon on the second day before election day to include certain candidates for statewide office and specific-purpose committees for supporting or opposing a candidate for statewide office, that accept political contributions from a person that in the aggregate exceed \$1,000 during a reporting period.

### **HOUSE BILL 440**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Madden et al.

**SENATE SPONSOR:** Wentworth

House Bill 440 amends the Local Government Code to apply to library district board of trustee elections a prohibition against counting write-in votes for individuals whose names do not appear on a list of qualified write-in candidates. The law governing such write-in candidacy is the same as applies to a general election for city officers.

### **HOUSE BILL 444**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Madden

**SENATE SPONSOR:** Walker

House Bill 444 amends the Election Code to prohibit a write-in vote from being counted in any election for city officers unless the name written in appears on the list of write-in candidates. Under previous law, the prohibition applied only to a general election.

### **HOUSE BILL 563**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Madden et al.

**SENATE SPONSOR:** Shapiro

House Bill 563 amends the Election Code to require a county clerk to provide notice of a change in the location of a polling place if the location changes after notice of a general or special election that is ordered by the governor or a county judge has been given. The bill sets out certain requirements relating to the notice. The bill also requires a presiding judge to provide for the security of a polling place if it is left unattended at any time after the preparations for voting begin.

**HOUSE BILL 831**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Madden et al.

**SENATE SPONSOR:** Shapiro

House Bill 831 amends the Election Code to authorize the secretary of state, in certain circumstances, to declare an unopposed candidate elected to fill a vacancy in the legislature. The election is not held, and a copy of the declaration is required to be posted on election day at each polling place that would have been used in the election. The bill requires the secretary of state to issue a certificate of election to a candidate declared elected in an uncontested race in the same manner as a candidate elected in an election.

In a special election to fill a vacancy in the legislature, before a candidate's name may be placed on the list of write-in candidates, the bill requires the candidate to file a declaration of write-in candidacy with the secretary of state by a certain time. The bill prohibits a write-in vote to be counted unless the name appears on the list of write-in candidates.

The bill takes effect January 1, 2002, contingent on voter approval of the constitutional amendment proposed by House Joint Resolution 47.

**HOUSE BILL 1117**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Goodman

**SENATE SPONSOR:** Harris

House Bill 1117 amends the Election Code to require a candidate for the office of chief justice or justice, supreme court or presiding judge or judge, or court of criminal appeals who pays a filing fee to include with the application a petition signed by at least 100 persons in each of five state senate districts.

**HOUSE BILL 1419**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Jones et al.

**SENATE SPONSOR:** Whitmire

House Bill 1419 requires the secretary of state to conduct a study of voting systems, technologies, and strategies. In the study, the secretary of state must reexamine the voting system of each county to determine whether the system complies with applicable standards prescribed by law, study the effectiveness of adopting a uniform voting system to be used by counties statewide, and study innovative available voting technologies and approaches to voting. The bill requires the secretary of state to report the conclusions and recommendations of the study to the governor, the lieutenant governor, and the speaker of the house of representatives no later than December 1, 2002.

**HOUSE BILL 1599**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Danburg et al.

**SENATE SPONSOR:** Shapiro

House Bill 1599 amends the Election Code to provide for an automatic recount in certain elections ending in a tie vote that is not resolved by casting lots or the withdrawal of a tying candidate before a second election is required.

The bill also permits a prevailing candidate in certain elections to obtain an initial recount if the opposing candidate's initial recount petition is approved for a recount that does not include all of the voting system precincts in the election.

In addition, the bill provides that, where an electronic voting system is used in an election, a central counting station manager must have the ballots examined to detect any irregularly marked ballots, determine whether the ballots to be counted automatically can be properly counted, and have each irregularly marked ballot duplicated to indicate the intent of the voter if the intent is clearly ascertainable, unless other law prohibits counting the vote.



**HOUSE BILL 1639**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Yarbrough  
**SENATE SPONSOR:** Shapiro

House Bill 1639 amends the Election Code to require that an application form for early voting be printed or stamped with the name, office, or official title of the early voting clerk. Previous law required both the name and official title of the clerk on the form.

**HOUSE BILL 1820**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Madden et al.  
**SENATE SPONSOR:** Shapiro

House Bill 1820 amends the Election Code to provide a mechanism for eliminating county election precincts with no population or a substantially small population. The bill authorizes a commissioners court, after each redistricting of wards of a city with a population of 10,000 or more, to submit recommendations to the governing body of the city on changes to the wards that would allow the county to eliminate such election precincts. After each redistricting of commissioners or justice precincts, a commissioners court is required to consider changes to the commissioners or justice precincts that would allow the county to eliminate election precincts with no population or a substantially small population. After each redistricting of congressional, legislative, or State Board of Education districts, a commissioners court is authorized to submit recommendations to the secretary of state on changes to the districts that would allow the county to eliminate county election precincts with no population or a substantially small population. The bill requires the secretary of state to file a report containing the recommendations with the governor, the lieutenant governor, and the speaker of the house of representatives by a certain date.

**HOUSE BILL 1856**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Danburg et al.  
**SENATE SPONSOR:** Shapiro

House Bill 1856 amends Election Code provisions relating to certain voting systems. The bill prohibits, after September 1, 2001, the acquisition or adoption of a voting system that uses a punch-card ballot or similar form of tabulating card, except for purposes of early voting by mail, but does not prohibit the use of those systems if they were adopted before that date. In an election using a punch-card ballot system, the bill provides that the order of the candidates' and propositions' punch-hole spaces and corresponding numbers on the ballot label must be the same as the order in which the candidates' names and the propositions appear on the ballot. Before the polls open, an election officer is required to check each voting device and remove any punch-card ballot chads that have accumulated. In an election using punch-card or centrally counted optical scan ballots, the undervotes and overvotes on the ballots must be tallied, tabulated, and reported by race and by election precinct in the form and manner prescribed by the secretary of state.

The bill provides that an electronic voting system must require voters to deposit the ballots directly into a unit of automatic tabulating equipment that is programmed to return an irregularly marked ballot to the voter. The bill also requires sealed ballot boxes to be used to deliver electronic system ballots from the polling place to the central counting station. The central counting station manager is required to have the ballots examined to detect any irregularly marked ballots, determine whether the ballots to be counted automatically can be properly counted, and have each irregularly marked ballot duplicated to indicate the intent of the voter if the intent is clearly ascertainable, unless other law prohibits counting the vote.

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House Bill 1856 creates a new chapter relating to direct recording electronic voting machines. The bill requires the general custodian of election records to test each machine's logic and accuracy functions before using the machine in an election, and to conduct a recount sufficient to confirm the accuracy of the vote totals in an election in which the machines are used for the first time. During the early voting period, the voting clerk is required to conduct a daily audit of the machines to ensure proper correspondence among the numbers of ballots provided on the machines, names on the poll list, and ballots cast on the machines. The bill also requires each machine to provide a voter with a screen in summary format of the voter's choices for the voter to review before the vote is actually cast.

**HOUSE BILL 2336**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Danburg et al.  
**SENATE SPONSOR:** R. Ellis

House Bill 2336 amends the Election Code to assign the secretary of state the duty to administer and distribute any federal funds that may be made available to assist in the administration of elections, including assistance for the phasing out or prohibition of the use of punch-card ballot voting systems.

**HOUSE BILL 2691**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Madden et al.  
**SENATE SPONSOR:** R. Ellis

House Bill 2691 amends Election Code provisions relating to voting registration procedures for a person who resides in a county with a population of 2.1 million or more and, on written request to the Department of Public Safety by the commissioners court of a county with a population greater than 400,000 but less than 2.1 million, for a person who resides in that county. If a person in such a county completes an electronic voter registration application through the department, the bill requires the department to input the information provided on the application into its electronic database system, inform the applicant that the person's electronic signature will be used for submitting the voter registration application, and electronically transfer the applicant's registration data and signature to the voter registrar of the county in which the applicant resides within a certain period. The voter registrar is required to maintain a database approved by the secretary of state for receiving electronically transmitted registration applications.

**HOUSE BILL 2780**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Villarreal  
**SENATE SPONSOR:** Madla

House Bill 2780 amends the Election Code to establish that submission of a recount petition for an office delays the issuance of a certificate of election and qualification for the office pending completion of the recount.

**HOUSE BILL 2921**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Jones et al.  
**SENATE SPONSOR:** Whitmire

House Bill 2921 amends the Election Code to prohibit a list of potentially ineligible voters produced for a county by a private business entity from being made available to the public or otherwise used by the registrar unless the registrar has verified the accuracy of the information on the list through available public records.

**HOUSE BILL 2922**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Jones et al.  
**SENATE SPONSOR:** Whitmire

House Bill 2922 amends the Election Code to require the secretary of state to establish a toll-free telephone number to allow a person to report an existing or potential abuse of voting rights. The bill requires that a notice be posted at each polling place during the early voting period and on certain election days informing voters of the telephone number and its purpose.

**HOUSE BILL 2923**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Jones et al.  
**SENATE SPONSOR:** Whitmire

House Bill 2923 amends the Election Code to provide that, in certain elections, if new voting system technology is implemented, the equipment implementing the technology must be distributed and used proportionately and equitably among the election precincts in which it is used. The bill requires the secretary of state to prescribe procedures necessary to carry out this provision in a manner that protects the voting rights of the affected voters.

**HOUSE BILL 3181**  
**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Danburg et al.  
**SENATE SPONSOR:** Shapiro

House Bill 3181 amends Election Code provisions relating to voter registration. The bill requires the secretary of state, in conjunction with the Department of Information Resources, to conduct a study to determine the feasibility of allowing voters to correct information on their voter registration certificates by digital transmission and, if feasible, authorizes the secretary to adopt rules and procedures to approve technologies for submitting the changes and to implement a system for such transmission.

The bill requires the Department of Public Safety (DPS), rather than the institutional division of the Texas Department of Criminal Justice (TDCJ), to prepare each week rather than each month an abstract of each final judgment convicting a person 18 years of age or older who is a resident of Texas of a felony, and to file each abstract with the secretary of state no later than one week following the week in which the abstract is prepared. The secretary of state is required to file each abstract with the voter registrar of the person's county of residence no later than one week following the week in which the abstract is received. Under previous law, TDCJ had until the 10th day of the month following the month in which it prepared an abstract to file the abstract with the registrar. The county registrar of a county that has not contracted with the secretary of state for electronic registration data services is required to deliver to the secretary once each week, rather than five specified times each year, a list containing each new registration, canceled registration, and change of registration information that has occurred in the county since the delivery of the previous list. The secretary is required to use the information to identify and notify the appropriate county registrar of any voters in the master file that may be duplicated, deceased, or ineligible because of a felony conviction.

The bill authorizes state funds to be disbursed to defray additional expenses of the registrar's office related to complying with the weekly updating requirements and requires any funds that lapse to the state after the expiration of the two-year period to be placed in a special fund and issued to counties with limited technological resources to upgrade voter registration technology.

House Bill 3181 requires DPS, once each week, to electronically transfer to the secretary of state the name of each person who completes a voter registration application submitted to DPS and requires the secretary to inform the appropriate voter registrar no later than the seventh day after the secretary receives the information.

## Elections

The bill amends the Government Code to provide that the chapter regarding surplus and salvage property does not apply to the disposition of surplus computer equipment by the secretary of state and to require the secretary to give preference to transferring the property to counties for the purpose of improving voter registration technology.

### **HOUSE BILL 3305**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Martinez Fischer

**SENATE SPONSOR:** Van de Putte

House Bill 3305 amends the Election Code to change the deadlines for ordering certain elections, filing applications for a place on the ballot, withdrawing from an election, and omitting the name of a candidate from the ballot to count from the earliest allowable date for the beginning of early voting by personal appearance rather than from election day. The bill requires the secretary of state to prescribe any rules necessary to facilitate the implementation of these provisions.

The bill also amends the Water Code, Education Code, and Health and Safety Code to modify the filing deadline for a declaration of write-in candidacy in elections for self-liquidating navigation districts, junior college districts, and hospital districts.

### **HOUSE JOINT RESOLUTION 45**

**FOR ELECTION:** 11-6-01

**HOUSE AUTHOR:** Tillery et al.

**SENATE SPONSOR:** Shapiro

House Joint Resolution 45 proposes a constitutional amendment to require the governor to convene the legislature in a special session to appoint presidential electors if the governor determines that a reasonable likelihood exists that a final determination of the appointment of electors will not occur before the deadline prescribed by law. The resolution prohibits the legislature from considering any subject other than the appointment of electors at the special session.

### **HOUSE JOINT RESOLUTION 47**

**FOR ELECTION:** 11-6-01

**HOUSE AUTHOR:** Madden et al.

**SENATE SPONSOR:** Shapiro

House Joint Resolution 47 proposes a constitutional amendment to authorize the legislature to provide by statute for the filling of a vacancy in the legislature without an election if only one person qualifies and declares a candidacy in the election to fill the vacancy.

### **SENATE BILL 79**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro et al.

**HOUSE SPONSOR:** Madden

Current law requires each general or special election in the state to be held on a uniform election date and exempts certain types of elections from this requirement. Senate Bill 79 amends the Election Code, the Local Government Code, and the Water Code to modify the uniform election dates for state general or special elections and to make changes to the exemptions from those uniform dates. Local option elections under the Alcoholic Beverage Code, elections held by a political subdivision using the convention method of election, elections to recall an officer of a political subdivision, and elections to create crime control and prevention districts are no longer exempt from the uniform election dates. The bill limits a political subdivision to one exemption during a state fiscal biennium for certain bond or tax levy elections relating to public schools or colleges. The bill also prohibits elections for an office in which a majority vote is required from being held on the February or September uniform election date. The bill transfers from the mayor to the governing body, in a city with a population of less than 1.9 million, the duty to order the general election for city officers.

**SENATE BILL 263****EFFECTIVE:** 6-13-01**SENATE AUTHOR:** Ogden**HOUSE SPONSOR:** F. Brown

Senate Bill 263 amends the Education Code to require each governing board of a public college or university to adopt a policy regulating travel by that institution's students to off-campus activities or events that (1) are organized and sponsored by the institution; (2) take place more than 25 miles from campus; and (3) either are funded by the institution and entail travel in school-owned or leased vehicles or are required by a registered student organization. The policy must address different modes of travel likely to be used and related safety issues and be made publicly available in the school's catalog and by other appropriate means.

**SENATE BILL 720****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** R. West**HOUSE SPONSOR:** Hartnett

Senate Bill 720 amends the Election Code to allow a judicial officeholder or specific-purpose committee assisting the officeholder to use political funds to make contributions to political committees in non-election years and limits the aggregate amount to \$250 per calendar year. The bill limits the amount a judicial candidate or officeholder or specific-purpose committee supporting or opposing the judicial candidate or officeholder may contribute to the state executive committee or the county executive committee of a political party.

**SENATE BILL 1014****EFFECTIVE:** 5-18-01**SENATE AUTHOR:** Ogden**HOUSE SPONSOR:** Kolkhorst

Senate Bill 1014 amends the Education Code to reassign the territory within the Rockdale Independent School District located in Milam County from the Blinn College District Service Area to the Temple Junior College District Service Area.

**SENATE BILL 1023****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** J. E. Brown**HOUSE SPONSOR:** Ritter

Senate Bill 1023 amends the Election Code to change the amount of compensation an election judge or clerk may receive for services rendered at a polling place from \$6 an hour to an amount fixed by the appropriate authority, which must be at least the federal minimum hourly wage.

**SENATE BILL 1491****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Shapleigh**HOUSE SPONSOR:** Danburg

Senate Bill 1491 amends the Election Code to require that information on a personal appearance early voting roster be made available for public inspection not later than the beginning of regular business hours on the day after the information is entered on the roster.





## ENERGY AND UTILITY REGULATION

### **HOUSE BILL 924**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** J. E. Brown

House Bill 924 amends the Water Code to authorize a district or water supply corporation to require, as a condition for service, that an applicant for service or a developer grant the district or corporation permanent recorded easements that will provide reasonable access for the purpose of installing and maintaining any infrastructure necessary to provide service to the applicant or to the subdivision. The bill prohibits a district or corporation from requiring an applicant for service to provide an easement for a service line for the sole benefit of another applicant.

### **HOUSE BILL 981**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** T. King

**SENATE SPONSOR:** Armbrister

House Bill 981 amends the Natural Resources Code to require a payor of oil and gas royalties to include on a royalty check stub, in addition to the information previously required, the county and state in which a well is located and the telephone number at which a royalty owner can obtain additional information regarding the payment. The bill also requires a payor to provide a royalty interest owner, upon the owner's request, information about the heating value of the gas produced or sold from the lease, property, or well or identification information for each lease, property, or well, as requested, within 60 days of receiving the request, and it establishes enforcement procedures for a payor failing to comply with these requirements.

House Bill 981 takes effect January 1, 2002, except for provisions relating to new information to be provided by royalty payors, which take effect September 1, 2002.

### **HOUSE BILL 1351**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Brimer

**SENATE SPONSOR:** Armbrister

House Bill 1351 amends the Utilities Code to prohibit the Public Utility Commission of Texas from assessing the uniform charge that funds the Texas universal service fund on pay telephone service.

### **HOUSE BILL 1426**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Shields

**SENATE SPONSOR:** Lindsay

House Bill 1426 amends the Natural Resources Code to repeal an obsolete section of the code that authorized a temporary reduction of the royalty rate on gas produced from certain state lands.

### **HOUSE BILL 1692**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Chisum et al.

**SENATE SPONSOR:** Bivins

House Bill 1692 amends the Utilities Code to postpone the implementation of electric utility retail customer choice until the later of January 1, 2007, or the date certain non-ERCOT utilities are authorized by the Public Utility Commission of Texas to implement customer choice. The bill requires certain electric utilities to submit to the electric utility restructuring legislative oversight committee an analysis of the need for transmission facilities and to file with the commission a plan to develop transmission interconnections. The commission must

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review and approve the plan and also approve a rate rider mechanism for the recovery of costs related to transmission facilities. The bill provides for a process by which the utilities may recoup expenses relating to the transition to competition.

**HOUSE BILL 1902**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** S. Turner  
**SENATE SPONSOR:** Sibley

House Bill 1902 amends Utilities Code provisions relating to the use of the system benefit fund created in 1999 as part of electric utility industry restructuring legislation. The bill establishes the fund as a general revenue account subject to appropriation, rather than as a trust fund under the comptroller as provided originally. It sets the maximum for the fee that finances the fund at 65 cents per megawatt hour, whereas under previous law that maximum applied only to selected calendar years. The bill revises and prioritizes how the fund is to be used to assist low-income electric customers, support customer education, offset certain program expenses, and provide compensation for the school funding loss that results from the utility restructuring. Other provisions change the annual deadline for the comptroller's certification to the Texas Education Agency of the loss amount and specify how the loss is calculated and compensation is to be determined.

**HOUSE BILL 2156**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Danburg  
**SENATE SPONSOR:** Van de Putte

House Bill 2156 amends the Utilities Code to require the Public Utility Commission of Texas to provide for an integrated eligibility process for utility customer service discounts. The bill expands the uses of the universal service fund to include financing the implementation and administration of the eligibility process for such discounts relating to telecommunications services and expands the purposes of the system benefit fund to include reimbursement to the commission and the Texas Department of Human Services for implementation and administration expenses. The bill discontinues the tel-assistance service program and transfers its funds, employees, resources, and enrollees to the lifeline service program.

**HOUSE BILL 2388**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum et al.  
**SENATE SPONSOR:** Bivins

House Bill 2388 amends the Utilities Code to authorize the Public Utility Commission of Texas to designate a telecommunications provider to provide voice-grade telecommunications services to permanent residential or business premises that are not included within the certificated area of a holder of a certificate of convenience and necessity if the provider is otherwise eligible to receive universal service funds. The bill sets forth procedures by which a permanent resident may petition the commission for such services and requires the commission to permit the provider to recover from the state universal service fund the actual costs of providing service. The bill also authorizes the commission to assess each petitioner an aid to construction charge not to exceed \$3,000.

**HOUSE BILL 2391**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** B. Turner  
**SENATE SPONSOR:** Cain

House Bill 2391 amends the Utilities Code to increase from one cent to five cents the amount that a notification center is required to pay to the Texas Underground Facility Notification Corporation each time a notification center receives a call from an excavator reporting an intent to excavate. The bill reduces from \$500,000 to \$250,000 a year the limit before a corporation is required to waive the five-cent charge for the remainder of the year.

The bill increases the civil penalties for an excavator that violates the notification requirements or that damages an underground facility during excavation. The bill requires a county or district attorney who decides not to bring an action to recover the penalties to notify the board of directors of the corporation, and it allows the board to give the excavator a warning letter and require the excavator to attend a safety training course. The bill requires the board to establish a procedure to ensure verification of the excavator violations before proceeding with a warning letter and training course.

**HOUSE BILL 2436**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Merritt

**SENATE SPONSOR:** J. E. Brown

House Bill 2436 amends the Natural Resources Code to require the Bureau of Economic Geology of The University of Texas at Austin to conduct a study of the East Texas oil field for the purpose of making recommendations regarding measures that should be taken to maximize the ultimate recovery of oil and gas from the field. The bill creates the East Texas Oil Field Advisory Committee, prescribes its composition and provides for the appointment of its members, and requires the committee to advise the bureau on matters relating to the study. The bureau is required to issue an interim report not later than January 1, 2003, and a final report not later than September 1, 2003, to the governor, lieutenant governor, and speaker of the house of representatives.

**HOUSE BILL 2718**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** R. Lewis

**SENATE SPONSOR:** Armbrister

House Bill 2718 amends the Utilities Code to extend the deadline for a regulatory authority to respond to a gas utility's application for a rate change to recover certain facility relocation costs through a surcharge in the service area where a relocation was required to accommodate a public work from the 30th to the 35th day after the application is received and provides that the application is approved if the regulatory authority does not make a decision on the application before the deadline.

**HOUSE BILL 2806**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kitchen et al.

**SENATE SPONSOR:** Barrientos

House Bill 2806 amends the Utilities Code to prohibit a gas utility or other provider of natural gas from disconnecting natural gas service to a residential customer on a weekend day unless personnel of the provider are available on that day to take payments and reconnect service. The bill also prohibits a provider from disconnecting natural gas service to a residential customer during an extreme weather emergency, defined as a period during which the previous day's highest temperature did not exceed 32 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours. The bill requires the provider to defer collection of the full payment of the bills that are due during the weather emergency until after the emergency is over and to work with the customers to establish a pay schedule for deferred bills.

**HOUSE BILL 2839**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Dukes

**SENATE SPONSOR:** Carona

House Bill 2839 amends the Government Code to require the state energy conservation office to implement and maintain the Texas Energy Assistance Loan Program. The bill requires the energy office to develop and implement through the program a home buyer mortgage project, an energy efficiency improvement project, and an agricultural equipment mortgage

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project to make loans available to buyers purchasing certain energy efficient residential housing to property owners who are making energy efficiency improvements to existing housing, and to owners of agricultural equipment for the purpose of making energy efficiency improvements to the equipment, respectively. The bill requires the office to provide training and technical assistance in the conduct of energy efficiency ratings and the construction, design, and remodeling of energy-efficient housing, and to provide educational workshops or seminars for potential beneficiaries of the program. The bill also requires the office to establish a home rating and mortgage marketing project to promote the home rating system established in its voluntary participation guidelines. The bill requires the energy office to fund the Texas Energy Assistance Loan Program with funds available from the oil overcharge account.

**HOUSE BILL 2845**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Danburg  
**SENATE SPONSOR:** Cain

House Bill 2845 requires the state energy conservation office to develop a statewide plan for the coordinated acceleration of the commercialization of fuel cell generation in the state. The bill specifies certain factors that must be considered in the creation of the plan, including the availability of funding for research and development, the creation of market mechanisms to recognize and reward contributions to the reduction of harmful emissions, the use of tax or other economic incentives, and the impact of fuel cell technology use in non-attainment or near non-attainment areas under the federal Clean Air Act. The bill also requires the energy office to seek the assistance and support of the Texas Natural Resource Conservation Commission, the Public Utility Commission of Texas, and other state or local agencies and to appoint a fuel cell initiative advisory committee to advise the energy office regarding development of the plan. The bill requires the energy office to issue a report of its findings to the House Energy Resources Committee and the Senate Business and Commerce Committee not later than September 15, 2002.

**HOUSE BILL 3348**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Counts  
**SENATE SPONSOR:** Haywood

House Bill 3348 creates the Texas Energy Resource Council to coordinate a program designed to promote environmentally sound energy production methods; educate the public about the importance of the oil, natural gas, and pipeline industries; and promote the exploration for and production of energy. The bill establishes the composition, terms, and compensation of the council; creates the energy resource account to fund the council; imposes a fee based on a percentage of the market value of each producer's oil, gas, or condensate production; caps the fee at \$150,000 per producer per year; and provides for the collection, deposit, and refund of the assessment.

**HOUSE BILL 3415**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon  
**SENATE SPONSOR:** Barrientos

House Bill 3415 amends the Health and Safety Code to require the Texas Natural Resource Conservation Commission (TNRCC) and the Public Utility Commission of Texas (PUC) to undertake certain activities to jointly promote the economic development and use of landfill gas. The bill requires the TNRCC to give priority to processing registration applications if it requires persons to register before engaging in landfill gas recovery activities, and it requires the TNRCC and the PUC to provide joint reports to the legislature on the status of the development of landfill gas in the state by November 1 of 2002, 2004, and 2006.

**HOUSE BILL 3604**

**EFFECTIVE:** 9-1-01

House Bill 3604 amends the Local Government Code to authorize an electric, gas, water, or sewer service utility to connect subdivided land that was located in the extraterritorial jurisdiction of a municipality on August 31, 1999, with utility service without having received a certificate from the commissioners court that verifies compliance with platting requirements if the utility is presented with an alternate certification stating that the subdivided land (1) was sold or otherwise conveyed to the current owner before September 1, 1999; (2) is located in a subdivision in which the utility previously provided service; and (3) is a residential construction site and contains at least a completed foundation that was begun on or before May 1, 2003.

**HOUSE AUTHOR:** Najera

**SENATE SPONSOR:** Shapleigh

**SENATE BILL 72**

**EFFECTIVE:** 8-27-01

Senate Bill 72 amends the Education Code to change the titles of the chairman and vice chairman of the Texas Woman's University board of regents to presiding officer and assistant presiding officer, respectively.

**SENATE AUTHOR:** Haywood

**HOUSE SPONSOR:** Solomons

**SENATE BILL 289**

**EFFECTIVE:** 9-1-01

The Water Rights Adjudication Act provides for assessments against water rights holders by the Texas Natural Resource Conservation Commission to pay watermaster administrative costs. Similar assessments apply under the Water Code to pay the compensation and expenses of a court-appointed watermaster in certain lawsuits and to recoup commission costs for the administration of water quality management programs in a watershed. Senate Bill 289 amends the act and the Water Code to provide an assessment exemption from those water quality management and watermaster fees for a holder of a non-priority hydroelectric water right who owns or operates privately owned facilities with a collective generation capacity of less than two megawatts.

**SENATE AUTHOR:** Armbrister et al.

**HOUSE SPONSOR:** Morrison

**SENATE BILL 1015**

**EFFECTIVE:** 9-1-01

Senate Bill 1015 amends the Natural Resources Code to exempt category "P" licensees from certain examination requirements relating to the sale, storage, or handling of liquefied petroleum gas (LP-gas) in cylinders and from certain workers' compensation requirements. The bill also requires each category "E" licensee who provides cylinders of LP-gas to a category "P" licensee to provide to each person supervising the handling the cylinders at each outlet or location of the category "P" licensee a manual and training approved by the Railroad Commission of Texas covering the proper procedures for handling LP-gas in the portable cylinder exchange process.

**SENATE AUTHOR:** R. West et al.

**HOUSE SPONSOR:** Driver

**SENATE BILL 1185**

**EFFECTIVE:** 9-1-01

Senate Bill 1185 amends the Local Government Code to require a regulating authority that has adopted impervious cover lot regulations or sedimentation, retention, or erosion regulations to approve a telecommunications utility's request to expand a critical facility that existed on April 1, 2001, and that must expand to meet certain requirements in federal or state law unless the authority finds after a hearing that suitable vacant contiguous land that would satisfy those

**SENATE AUTHOR:** Whitmire

**HOUSE SPONSOR:** Dukes

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regulations is not available except at a price that exceeds fair market value or through the use of condemnation. The bill requires the authority to approve or deny the request not later than the 60th day after it is received, and it provides that if the authority fails to make a decision within that period, the request is approved and the authority is prohibited from applying those regulations.

**SENATE BILL 1659**

**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** McCall

Senate Bill 1659 amends Utilities Code provisions relating to the format of telecommunications billing statements issued by local exchange companies. The bill deletes the requirement that a bill be simplified into general categories and requires a company, on an annual basis, to file for compliance review a copy of any portion of its bill that has not been previously approved by the Public Utility Commission of Texas.



## FAMILY LAW AND JUVENILE JUSTICE

### **HOUSE BILL 360**

**EFFECTIVE:** 9-1-01

House Bill 360 amends the Family Code to expand the definition of “abuse” to include causing, permitting, encouraging, engaging in, or allowing a sexual performance by a child. The bill also adds to the description of sexual conduct harmful to a child’s mental, emotional, or physical welfare the offense of indecency with a child, sexual assault, and aggravated sexual assault.

**HOUSE AUTHOR:** Wise et al.

**SENATE SPONSOR:** Zaffirini

### **HOUSE BILL 591**

**EFFECTIVE:** 9-1-01

House Bill 591 amends the Family Code to broaden the liability of a parent who is ordered to provide health insurance for a child and fails to do so to include the cost of health insurance premiums paid on behalf of the child.

**HOUSE AUTHOR:** Goodman et al.

**SENATE SPONSOR:** Harris

### **HOUSE BILL 593**

**EFFECTIVE:** 9-1-01

House Bill 593 amends the Family Code to remove requirements for certain personal information to be included in applications for a protective order, in petitions in a suit affecting the parent-child relationship, and in orders for enforcement of child support.

**HOUSE AUTHOR:** Goodman

**SENATE SPONSOR:** Harris

### **HOUSE BILL 594**

**EFFECTIVE:** 9-1-01

House Bill 594 amends the Family Code to require a court that has issued a judgment in a suit for the dissolution of marriage that divides the parties’ estate, at the request of either party, to state in writing the court’s findings of fact and conclusions of law concerning the characterization of each party’s assets, liabilities, claims, and offsets and the value or amount of the community estate’s assets, liabilities, claims, and offsets on which disputed evidence was presented.

**HOUSE AUTHOR:** Goodman

**SENATE SPONSOR:** Harris

### **HOUSE BILL 596**

**EFFECTIVE:** 9-1-01

House Bill 596 amends provisions of the Family Code relating to the modification of orders in suits affecting the parent-child relationship. The bill includes provisions to raise from 10 to 12 years the age at which a child may choose or be interviewed on the choice of the managing conservator; replace references to sole and joint managing conservators with references to conservators or persons with the exclusive right to determine a child’s primary residence; allow a court to modify an order that would provide for the appointment, terms, and conditions of a conservator if the conservator with exclusive right to establish the child’s primary residence had voluntarily relinquished care and possession of the child for at least six months; and provide that the conviction or deferred adjudication for an offense involving sexual abuse, aggravated sexual abuse, or indecency with a child is sufficient to justify a temporary order and modification of an existing order for the appointment of conservator or possession of or access to a child.

**HOUSE AUTHOR:** Goodman

**SENATE SPONSOR:** R. West

**HOUSE BILL 691**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Harris

House Bill 691 amends the Family Code to establish procedures for income withholding for spousal maintenance that are substantially similar to the procedures for income withholding to satisfy a child support order. The bill establishes the order of priority in which multiple child support and spousal maintenance obligations are satisfied from the amounts withheld, requiring that the child support payments be granted priority, and sets the maximum total amount that may be withheld from a person's earnings for those obligations.

**HOUSE BILL 706**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Morrison et al.

**SENATE SPONSOR:** Truan

House Bill 706 amends provisions of the Family Code relating to the emergency possession of and the termination of the parent-child relationship of certain abandoned children. The bill defines a designated emergency infant care provider to include an emergency medical services provider, a hospital, or a child-placing agency licensed by the Department of Protective and Regulatory Services. A designated emergency infant care provider is required to take possession of a child who appears to be 60, rather than 30, days old, or younger if the child is voluntarily delivered to the provider by the child's parent and the parent does not express an intent to return for the child. The bill provides that the provider has no legal duty to detain the parent or ascertain the parent's identity and is not liable for damages related to the possession or treatment of the child. The provider must notify the department of the possession, and the department is required to assume care, control, and custody of the child and to file a suit seeking termination of the parent-child relationship not later than the 45th day after the date it assumes custody. The bill requires the department to report the child to local law enforcement as a potential missing child, defines certain parental rights, and allows the department not to search for or give preference to the child's relatives in the permanency planning process if it does not have information concerning the identity of the child or the child's parents.

**HOUSE BILL 769**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** P. King

**SENATE SPONSOR:** R. West

House Bill 769 amends the Family Code to authorize the clerk of the court to charge a fee of not more than \$15 for filing an administrative writ of withholding for the enforcement of an order for child support. The bill requires the Title IV-D agency to pay the filing fee for the writ in certain child support cases.

**HOUSE BILL 822**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings et al.

**SENATE SPONSOR:** R. West

House Bill 822 amends the Code of Criminal Procedure and the Family Code to increase from 90 to not more than 180 the number of days a justice, municipal, or juvenile court is authorized to defer proceedings or adjudication against certain defendants on written or oral request to attend a teen court program. A defendant for whom proceedings are deferred is required to complete the teen court program not later than the 90th day after the date of the teen court punishment hearing or the last day of the deferral period, whichever is earlier.

**HOUSE BILL 899**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** R. West

House Bill 899 amends provisions of the Family Code relating to retroactive child support and the abeyance of enforcement of child support arrearages. The bill creates a presumption that a court order limiting the amount of retroactive child support to an amount not to exceed the total amount of support that would have been due for the four years preceding the filing of the petition is reasonable and in the best interest of the child. The bill also authorizes the court, with the agreement of the Title IV-D agency, to hold in abeyance the enforcement of any arrearages, including interest, that have been assigned to the agency if the obligor complies with certain requirements.

**HOUSE BILL 919**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman et al.

**SENATE SPONSOR:** R. West

House Bill 919 amends the Family Code to clarify existing law relating to the enforcement of protective orders from another jurisdiction by deleting current law and replacing it with the Uniform Interstate Enforcement of Protective Orders Act.

**HOUSE BILL 920**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Goodman

**SENATE SPONSOR:** R. West

House Bill 920 amends the Family Code to adopt the Uniform Parentage Act, which sets forth provisions and modifications relating to the parent-child relationship and makes uniform the law of those states that enact it. The act includes new provisions governing genetic testing of an individual to determine parentage, voluntarily or under an order of a court or a support enforcement agency, and establishes certain criteria to determine parentage that apply only to a child conceived by means of assisted reproduction. The bill amends the Family Code and the Texas Probate Code to make conforming changes.

**HOUSE BILL 997**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** P. King

**SENATE SPONSOR:** Harris

House Bill 997 amends the Family Code to repeal the requirement that a child be at least five days old before a court may conduct a hearing or render a decision on the termination of a parent-child relationship.

**HOUSE BILL 1118**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman et al.

**SENATE SPONSOR:** R. West

House Bill 1118 amends Family Code, Code of Criminal Procedure, Human Resources Code, and Government Code provisions affecting the juvenile justice system, including provisions relating to youth records, sex offender registration, juvenile board duties, justice and municipal court jurisdiction, disposition and sentencing, appointment of an attorney, and temporary custody of juveniles for the purpose of fingerprinting and photographing. Work groups composed of judges, attorneys, probation officials, and others with an interest in the juvenile justice system met to identify problems in the process, and many provisions of this bill are a result of their recommendations.

The bill makes changes in the responsibilities of juvenile boards, courts, and probation departments that allow the juvenile board in each county rather than a juvenile court to make policy relating to juveniles. The bill establishes guidelines for the automatic restriction of access to juvenile records and the destruction of certain physical records and files. It also

establishes guidelines for courts to determine whether or not a juvenile offender could be exempt or deferred from being registered as a sex offender and to determine the risk to the public at large.

House Bill 1118 prohibits the confinement of a juvenile in a post-adjudication secure correctional facility, including a drug and alcohol treatment center, for a first time status offense, such as truancy, running away, or underage drinking. It also prohibits confinement or Texas Youth Commission commitment for a youth adjudicated for contempt of court by a municipal, justice, or juvenile court. The bill establishes guidelines for the appointment of an attorney for a juvenile, and once appointed, the attorney is required to continue to represent the juvenile until the case is terminated, the family retains other counsel, or new counsel is appointed.

The bill authorizes the creation of a local juvenile justice information system composed of a county or multicounty computerized database of information concerning children, with data entry and access by the partner agencies that are members of the system. It authorizes juvenile justice agencies in a county or region of this state to jointly create and maintain a local juvenile justice information system to aid in processing the cases of children under the juvenile justice code, to facilitate the delivery of services to children in the system, and to aid in the early identification of at-risk and delinquent children.

House Bill 1118 authorizes a justice or municipal court, with the consent of the city council or commissioners court, to employ a case manager for juvenile cases and establishes guidelines for taking a child into temporary custody for the purpose of fingerprinting and photographing.

The bill also directs the Prairie View A&M University Center for the Study and Prevention of Juvenile Crime and Delinquency to study the relationship of the juvenile justice system to special categories of juveniles, including minorities, female offenders, and sex offenders, and to report the center's findings and recommendations to the lieutenant governor, the speaker of the house of representatives, and the governor by December 1, 2002.

**HOUSE BILL 1137**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Menendez

**SENATE SPONSOR:** Van de Putte

House Bill 1137 amends the Family Code to include a domestic relations office among those persons or entities that may conduct court-ordered social studies in certain suits affecting the parent-child relationship.

**HOUSE BILL 1245**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman

**SENATE SPONSOR:** Harris

House Bill 1245 amends provisions of the Family Code relating to the relationship between separate and community property during a marriage. The bill defines "economic contribution," "equity," "marital estate," and "spouse" as they relate to a claim for economic contribution and reimbursement, and provides that a marital estate that makes an economic contribution to property owned by another marital estate has a claim for economic contribution with respect to the benefited estate.

The bill clarifies that a claim for economic contribution does not create an ownership interest in property, but does create a claim against the property of the benefited estate. The bill describes claims based on economic contribution, offsetting claims, claims for reimbursement, nonreimbursable claims, and equitable liens imposed on a marital estate. The bill also establishes the effect of premarital and marital property agreements on a claim for economic contribution and makes conforming changes.

**HOUSE BILL 1266**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dukes

**SENATE SPONSOR:** R. Ellis

House Bill 1266 amends the Family Code to provide that the court in an adversary hearing must require each parent, alleged father, or relative of the child before the court to provide the Department of Protective and Regulatory Services with information necessary to locate any other absent parent, alleged father, or relative of the child. In a status or permanency hearing, the bill requires the court to determine whether sufficient information has been furnished to the department to locate an absent parent, alleged father, or relative of the child. The bill also amends provisions relating to swift adoption teams to require the teams to attempt to place a child for adoption with an appropriate relative of the child.

**HOUSE BILL 1267**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dukes

**SENATE SPONSOR:** Carona

House Bill 1267 amends the Code of Criminal Procedure to require an investigator from the appropriate local law enforcement agency, on receipt of a report alleging serious physical or sexual abuse of a child, to investigate the report jointly with the Department of Protective and Regulatory Services or with the agency responsible for conducting an investigation of abuse or neglect in certain facilities.

**HOUSE BILL 1363**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman et al.

**SENATE SPONSOR:** Harris

House Bill 1363 amends the Family Code to establish that, on written agreement of the parties and their attorneys, a dissolution of marriage proceeding or a suit affecting a parent-child relationship may be conducted under collaborative law procedures and sets forth provisions to govern those procedures. If a court is notified 30 days before trial that the parties are using collaborative law procedures, the bill prohibits the court from proceeding with certain trial requirements until a party notifies the court that the collaborative law procedures did not result in a settlement. If the procedures do not result in a settlement on or before the second anniversary of the date the suit was filed, the bill authorizes the court to set the suit for trial on the regular docket or dismiss the suit without prejudice.

**HOUSE BILL 1365**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman et al.

**SENATE SPONSOR:** Harris

House Bill 1365 amends provisions of the Family Code relating to the establishment, modification, and enforcement of child support. The bill provides for technical corrections and procedural changes recommended by the office of the attorney general's child support division to strengthen enforcement of support obligations and to improve procedures used to determine parentage. The bill also provides for the continuation of the duty to pay child support after the death of the obligee and refers to medical support, rather than health insurance coverage, provided by the obligor in addition to child support. It authorizes a court to order the abeyance of the enforcement of child support arrearages under certain conditions and amends provisions relating to child support lien and levy processes.

House Bill 1365 amends the Finance Code to provide for the registration and regulation by the Texas Department of Banking of private child support enforcement agencies.



**HOUSE BILL 1376**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Menendez

**SENATE SPONSOR:** Van de Putte

House Bill 1376 amends the Family Code to reduce from six to two the number of years that a person must have served as an associate judge to be eligible for appointment as a visiting associate judge in certain family law cases.

**HOUSE BILL 1377**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Menendez

**SENATE SPONSOR:** Van de Putte

House Bill 1377 amends the Family Code to allow the court to order termination of the parent-child relationship in a suit filed by the Department of Protective and Regulatory Services if the court finds that the department has been the temporary or sole managing conservator of the child for at least six months preceding the date of the hearing on the termination.

**HOUSE BILL 1452**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Menendez et al.

**SENATE SPONSOR:** Van de Putte

House Bill 1452 amends Family Code provisions relating to the placement of a person on community supervision in a proceeding to enforce a child support order. The bill adds to the terms and conditions of community supervision the requirement that the person seek employment assistance offered by the Texas Workforce Commission and participate in mediation or other services to alleviate conditions that prevent the person from obeying the court's order.

The bill amends provisions relating to community supervision fees collected by an officer employed by a domestic relations office and adds a domestic relations office to the list of entities authorized to file a motion to revoke community supervision.

**HOUSE BILL 1566**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Morrison

**SENATE SPONSOR:** Harris

House Bill 1566 amends the Family Code to require an affidavit supporting a Department of Protective and Regulatory Services suit for emergency custody to affirm that reasonable efforts, consistent with the circumstances and providing for the child's safety, have been made to prevent or eliminate the need to remove the child. The bill expands the circumstances that would bar the child's return to include a court finding that the continuation of the child in the home would be contrary to the child's welfare and that reasonable efforts, consistent with the circumstances and providing for the safety of the child, were made to prevent or eliminate the need for removal of the child.

House Bill 1566 adds a preadoptive parent and a relative of the child providing care to the list of people entitled to at least 10 days' notice of a permanency hearing or a placement review hearing. The bill also provides that in a permanency or placement review hearing the court is required to determine whether the child's current placement is necessary, safe, and appropriate; whether a current out-of-state placement continues to be in the child's best interest; and whether the department has made reasonable efforts to finalize the current permanency plan.



**HOUSE BILL 1632**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** P. King et al.

**SENATE SPONSOR:** Harris

House Bill 1632 amends provisions of the Family Code relating to suits for the termination of the parent-child relationship and the adoption of children. The bill specifies that the final order in a proceeding for an adoption or an involuntary termination of the parent-child relationship is not required to include identifying information required for other final custody orders. The bill also adds a private entity to the list of those authorized to make a social study.

House Bill 1632 amends the Family Code to require preadoptive home screenings in cases where an adoption or a request for the termination of a parent-child relationship has been filed. In cases where a home screening is required, both the home screening and a post-placement adoptive report must be filed before a court may issue a final order.

**HOUSE BILL 1634**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** P. King

**SENATE SPONSOR:** Harris

House Bill 1634 amends the Penal Code to include fees or reimbursements for adoption counseling among the exceptions to what constitutes the criminal act of offering or accepting any kind of payment in exchange for a child for the purpose of adoption. The bill would also exempt reimbursements to a licensed child-placing agency for necessary pregnancy-related expenses paid by the agency as allowed by the minimum standards set by the Department of Protective and Regulatory Services.

**HOUSE BILL 1790**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Clark

**SENATE SPONSOR:** Haywood

House Bill 1790 amends the Family Code to require the office or official designated by the juvenile court to promptly give notice to a parent or guardian of a child who has been referred to juvenile court, but not taken into custody, and to include a statement of the reason for the referral.

**HOUSE BILL 1881**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hilderbran

**SENATE SPONSOR:** Wentworth

House Bill 1881 amends the Human Resources Code to add the judge of the county court at law of Kendall County to the county juvenile board.

**HOUSE BILL 1901**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** S. Turner et al.

**SENATE SPONSOR:** Whitmire

House Bill 1901 amends the Health and Safety Code to require the Texas Council on Offenders with Mental Impairments to conduct a study and to develop a comprehensive plan for juveniles with mental health and substance abuse disorders who are involved in or who are at risk of becoming involved in the juvenile justice system. The bill sets forth the requirements for the plan and requires the participation of certain groups in the preparation of the study and the plan. The bill requires the council to submit the study and plan, with its recommendations and projected funding, to the lieutenant governor, the speaker of the house of representatives, and the members of the legislature before December 1, 2002, and provides for the expiration of the provision on December 1, 2002.

The bill authorizes the council, in cooperation with the Texas Commission on Alcohol and Drug Abuse, the Texas Department of Mental Health and Mental Retardation, the Department of Protective and Regulatory Services, the Texas Juvenile Probation Commission, the Texas

Youth Commission, and the Texas Education Agency to establish pilot programs that build on existing programs to address prevention, intervention, and continuity of care for juveniles with mental health and substance abuse disorders.

**HOUSE BILL 2158**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson  
**SENATE SPONSOR:** R. West

House Bill 2158 amends the Family Code to require appellate courts to accelerate appeals in cases involving the termination of the parent-child relationship and provides that procedures for an accelerated appeal under the Texas Rules of Appellate Procedure apply to an appeal in such cases.

**HOUSE BILL 2249**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman et al.  
**SENATE SPONSOR:** Harris

House Bill 2249 amends provisions of the Family Code relating to the involuntary termination of the parent-child relationship and the review of the placement of children under the care of the Department of Protective and Regulatory Services. The bill makes various changes in the law to ensure prompt action in foster care cases in order to minimize the time that children spend in temporary care. The bill provides tools to enforce deadlines, such as authorizing the termination of a parent-child relationship in a suit filed by the department if the agency had been the temporary conservator of the child for at least six months preceding the date of the hearing, prohibiting parties to a suit from extending the deadlines set by the court, and allowing the court to delay the trial to await the resolution of criminal charges against a parent only if it finds the delay to be in the best interest of the child. The bill also provides for the acceleration of the appeals process in foster care cases by establishing deadlines for motions and hearings for appeals and prohibiting a court from extending the deadline for filing a record or appellate brief except for good cause.

**HOUSE BILL 2275**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings  
**SENATE SPONSOR:** Wentworth

House Bill 2275 amends the Family Code to require the office of the attorney general to update the agency's child support automated system no later than the first business day after being notified that the service of citation in a child support suit has been served.

The bill also requires all Title IV-D child support brochures published by the office to be made available to the public at courthouses where family law cases are heard.

**HOUSE BILL 2299**  
**EFFECTIVE:** 5-24-01

**HOUSE AUTHOR:** Thompson  
**SENATE SPONSOR:** Jackson

House Bill 2299 amends the Family Code to require a Texas court to notify a court in another state of simultaneous child custody proceedings involving the same parties, and to request the other court to hold its proceedings in abeyance until the court of this state conducts a hearing to determine jurisdiction.

**HOUSE BILL 2368**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** George

**SENATE SPONSOR:** Shapiro

House Bill 2368 amends the Human Resources Code to increase from \$200 to \$250 per case the amount that the judge of a district court in Dallas County handling juvenile or family matters may assess for adoption, family, and home study investigations performed by the court services department or another agency funded by the county.

**HOUSE BILL 2381**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** R. West

House Bill 2381 amends the Family Code to prohibit a trial or appellate court from suspending an order or a judgment that terminates the parent-child relationship in a suit brought by the state or an authorized political subdivision of the state. The bill also requires the appellate courts to accelerate an appeal in a suit in which termination of the parent-child relationship is at issue.

**HOUSE BILL 2428**

**EFFECTIVE:** 5-16-01

**HOUSE AUTHOR:** Goodman

**SENATE SPONSOR:** Shapiro

House Bill 2428 amends the Family Code to establish that all records and communications used in providing services to abused or neglected children through court-appointed volunteer advocate programs are exempt from public information disclosure requirements. The bill specifies that only Department of Protective and Regulatory Services employees, medical professionals, law enforcement agencies, attorneys, and eligible advocacy centers who are involved with the case may have access to this confidential information.

**HOUSE BILL 2550**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uher

**SENATE SPONSOR:** J. E. Brown

House Bill 2550 amends the Family Code to establish that in applying child support guidelines for an obligor who receives social security benefits, the court is required to determine the amount of child support that would be ordered under the child support guidelines and subtract from that total the amount of benefits paid to or for the child as a result of the obligor's receipt of social security benefits.

**HOUSE BILL 2610**

**EFFECTIVE:** 5-25-01

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** J. E. Brown

House Bill 2610 amends the Penal Code to replace masculine terminology in provisions relating to the criminal offense of failure to pay child support with gender-neutral terminology.

**HOUSE BILL 2621**

**EFFECTIVE:** 5-24-01

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** J. E. Brown

House Bill 2621 amends the Penal Code to replace language in certain provisions relating to child custody with gender-neutral terminology.

**HOUSE BILL 2638**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** George

**SENATE SPONSOR:** Shapiro

House Bill 2638 amends the Human Resources Code to include in the duties of the Dallas County court services department the responsibility of monitoring, in addition to collecting, receiving, and disbursing, child and spousal support payments that are required by court order

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to be made to the department. In addition, the district and county courts administrator is required to collect a monthly fee not to exceed \$3 for monitoring, as well as receiving and disbursing, the support payments.

**HOUSE BILL 3334**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Telford

**SENATE SPONSOR:** Cain

House Bill 3334 amends the Human Resources Code to add the judge of each Bowie County statutory county court to the county juvenile board.

**HOUSE BILL 3403**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** T. King

**SENATE SPONSOR:** Zaffirini

House Bill 3403 amends the Family Code to authorize a county to establish a visitation center or a visitation exchange facility for the purpose of facilitating the terms of a court order providing for the possession of or access to a child.

**HOUSE BILL 3677**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Christian

**SENATE SPONSOR:** Staples

House Bill 3677 amends the Human Resources Code to add the judge of each county court at law to the Nacogdoches County Juvenile Board.

**SENATE BILL 68**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** McCall et al.

Senate Bill 68 amends the Family Code to define “dating violence” and to include it under the definition of “family violence.” The bill permits a victim of dating violence to apply for a protective order, amends the description of who may file an application for a protective order, and makes conforming changes.

**SENATE BILL 140**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 140 amends the Family Code to create a rebuttable presumption that it is not in the best interest of a child to award sole managing conservatorship, the exclusive right to determine a child’s primary residence, or unsupervised visitation to a parent regarding whom there is credible evidence of a history of past or present child neglect or physical or sexual abuse or sexual assault against the other parent, a spouse, or a child.

**SENATE BILL 233**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Menendez

Senate Bill 233 amends provisions of the Family Code relating to parental liability for the wilful and malicious conduct of a child to include children who are at least 10, rather than 12, years of age.

**SENATE BILL 236**

**EFFECTIVE:** 6-5-01

**SENATE AUTHOR:** Harris et al.

**HOUSE SPONSOR:** Chavez et al.

Senate Bill 236 amends the Family Code to establish procedures for rendering a medical support order in suits affecting the parent-child relationship and to require certain children to be enrolled in the state child health plan or another medical assistance program.

Senate Bill 236 also amends the Health and Safety Code to repeal the Texas Healthy Kids Corporation and to require the Texas Department of Insurance to oversee the implementation of the dissolution plan. The bill provides that all funds from the Texas Healthy Kids Fund are to be transferred to a dedicated account in the general revenue fund to be appropriated only to the Health and Human Services Commission to provide coverage under the state child health plan.

**SENATE BILL 252**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** P. King

Senate Bill 252 amends the Family Code to require a court-appointed receiver in a suit for the dissolution of marriage to give notice of the appointment to each lien-holder of any property under the receiver's control not later than the 30th day after the receiver is appointed.

**SENATE BILL 479**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West

**HOUSE SPONSOR:** Naishtat

Senate Bill 479 amends the Family Code to require a law enforcement agency, on receipt of an original or modified protective order from a court clerk, to enter the required information into the statewide law enforcement information system maintained by the Department of Public Safety not later than 10 days after the date the order is received.

**SENATE BILL 700**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. Ellis

**HOUSE SPONSOR:** S. Turner

Senate Bill 700 amends the Family Code to expand the terms under which a court may issue an order suspending a driver's, business, occupation, professional, or other regulated activity license to include the failure of an individual to comply with the terms of a court order providing for the possession of or access to a child.

**SENATE BILL 769**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** A. Reyna et al.

Senate Bill 769 amends the Family Code to require an order in a suit that provides for the possession of or access to a child to contain notice informing the parent of a child with whom the child does not primarily reside of the parent's right to file for modification of the terms of possession or access and the grounds for modification. The bill requires the Title IV-D agency to provide that forms used in providing services to the public must contain the same notice informing parents of the right to modify the terms of a court order providing for the possession of or access to a child.

**SENATE BILL 776**

**EFFECTIVE:** 1-1-02

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Goodman

Senate Bill 776 amends the Family Code to reduce from 12 to 6 percent the interest rate on delinquent child support, child support arrearages, and retroactive child support awards. The bill also requires a child support agency or local child support registry that receives an amount of child support in excess of the court-ordered amount from an obligor who is not in arrears to attempt to carry out the intent of the obligor. If the obligor does not express an intent for the application of the excess amount, the agency or registry is required to credit the amount to the obligor's future child support obligation and promptly disburse the excess amount to the obligee.

**SENATE BILL 1064**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Staples et al.

**HOUSE SPONSOR:** Hopson

Senate Bill 1064 amends the Family Code to establish that it is the intention of the legislature that the Department of Protective and Regulatory Services, when providing adoption services, keep siblings together and, whenever possible, place siblings in the same adoptive home.

**SENATE BILL 1432**

**EFFECTIVE:** See below

**SENATE AUTHOR:** R. West et al.

**HOUSE SPONSOR:** A. Reyna

Senate Bill 1432 amends provisions of the Education Code, Family Code, and Code of Criminal Procedure relating to truancy, high school equivalency programs, and the authority of justice, municipal, and certain juvenile courts in relation to children. The bill requires the Texas Education Agency to develop a process for a school district or open-enrollment charter school to apply to the commissioner of education for authority to operate a program to prepare eligible students to take a high school equivalency examination and sets forth criteria for the program.

Truancy provisions of Senate Bill 1432 require a school district to record the name, address, and date of birth of the person enrolling a child in school; require a school district to send a written notice at the beginning of the school year setting out the policy regarding absences; set forth the powers and duties of a peace officer serving as an attendance officer and an attendance officer employed by a school district; require a school district to file a complaint in a justice or municipal court or refer a student to a juvenile court if the student fails to attend school without excuse on 10 or more days within a six-month period in the same school year; set forth provisions relating to the failure of the student or the student's parent to attend school proceedings; and authorize a court to suspend the driver's license or permit of a student subject to a truancy proceeding. The bill also allows an individual convicted of not more than one truancy violation to apply to the court after the individual's 18th birthday to have the record of the conviction expunged and authorizes a justice or municipal court, school district, juvenile probation department, or other appropriate governmental entity to employ a case manager to provide services in truancy cases.

Senate Bill 1432 takes effect September 1, 2001, except for the provisions relating to high school equivalency programs, which take effect January 1, 2002.

**SENATE BILL 1470**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Goodman

Senate Bill 1470 amends the Health and Safety Code to authorize the Texas Council on Offenders with Mental Impairments to establish an assertive community treatment pilot program in Tarrant County to provide treatment, rehabilitation, and support services to certain juveniles with severe and persistent mental illness who have been placed on probation by a juvenile court. The program must be modeled after other assertive community treatment programs established by the Texas Department of Mental Health and Mental Retardation and limited to not more than 30 participants at a time. The bill establishes certain guidelines for the implementation and administration of the program, requires the Texas Criminal Justice Policy Council to conduct a study to evaluate the effectiveness of the program, and requires the findings of the study to be reported to the governor, the lieutenant governor, and the speaker of the house of representatives no later than December 31, 2002.



**SENATE BILL 1589**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief  
**HOUSE SPONSOR:** Goodman et al.

Senate Bill 1589 amends the Government Code and the Human Resources Code to remove the Texas Juvenile Probation Commission from the list of health and human services agencies subject to the authority of the Health and Human Services Commission.

**SENATE BILL 1683**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Jackson  
**HOUSE SPONSOR:** J. Davis

Senate Bill 1683 amends the Family Code to provide that a child for whom the Department of Protective and Regulatory Services has been appointed managing conservator and who has been placed in a foster home or child-care institution is entitled to keep any money earned during the time of the child's placement. The bill authorizes the child to deposit the money in a bank or savings account subject to the sole management and control of the child. If the child is returned to a parent or guardian, the parent or guardian may not interfere with the child's authority over the account.



## GOVERNMENT—CITY

**HOUSE BILL 412****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Zbranek**SENATE SPONSOR:** Bernsen

House Bill 412 amends the Utilities Code to extend the deadline for certain municipally owned utilities to file with the Public Utilities Commission of Texas a request that areas within the certificated service area of the utility remain as presently certificated in order to be exempted from provisions relating to dividing multiple certificated service areas. The bill moves the deadline from February 1, 2000, to October 1, 2001.

**HOUSE BILL 630****EFFECTIVE:** 5-14-01**HOUSE AUTHOR:** S. Turner**SENATE SPONSOR:** Whitmire

House Bill 630 amends the Transportation Code to allow municipalities to permit the use of unmarked vehicles by municipal code enforcement officers assigned to enforce environmental criminal laws.

**HOUSE BILL 666****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Bailey**SENATE SPONSOR:** Lindsay

House Bill 666 amends the Local Government Code to prohibit a municipality located in a county with a population of 2.8 million or more from regulating in the municipality's extraterritorial jurisdiction the size, type, or method of construction of a water or wastewater facility that meets certain minimum state and federal standards and other criteria.

**HOUSE BILL 782****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Tillery**SENATE SPONSOR:** Carona

House Bill 782 amends the Local Government Code and the Development Corporation Act of 1979 to allow a home-rule municipality to enter into a contract with an industrial development corporation created by the municipality whereby the municipality can grant public money to the corporation for economic development, job creation or job training, or business expansion purposes.

**HOUSE BILL 958****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Burnam**SENATE SPONSOR:** Moncrief

House Bill 958 amends the Local Government Code to provide that a municipality that proposes to annex any portion of a paved county road must also annex the entire width of the county road and the adjacent right-of-way.

**HOUSE BILL 1264****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Clark**SENATE SPONSOR:** Shapiro

House Bill 1264 amends the Local Government Code to clarify that the provision relating to the presumption that a municipal ordinance defining boundaries of or annexing area to a municipality has been adopted with the consent of all appropriate persons if no action is taken to review or annul the ordinance within two years does not include the presumption that, in the absence of such action, another municipality has consented to the adoption of the ordinance.

**HOUSE BILL 1287**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson et al.

**SENATE SPONSOR:** Whitmire

House Bill 1287 amends the Health and Safety Code to authorize the commissioners court of a county, and to require the commissioners courts in counties with a population of 550,000 or more, to establish a drug court program for persons arrested for, charged with, or convicted of certain offenses relating to the possession, use, or sale of alcohol or controlled substances. The bill sets forth guidelines for the program and allows the program to collect certain fees from participants. The bill also provides that a county that is required to establish a drug court program and does not do so is ineligible to receive funds from the state for a community supervision and corrections department, as well as grants from the criminal justice division of the governor's office.

The Criminal Justice Policy Council is required to conduct a study of drug court programs in Texas and to issue a report by January 15, 2003.

**HOUSE BILL 1388**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Moreno

**SENATE SPONSOR:** Gallegos

House Bill 1388 amends the Local Government Code to include a fire department employee who performs fire arson investigation in the definition of "fire fighter" under municipal civil service provisions.

**HOUSE BILL 1737**

**EFFECTIVE:** 5-21-01

**HOUSE AUTHOR:** Carter

**SENATE SPONSOR:** Staples

House Bill 1737 amends the Health and Safety Code to allow a cemetery organization to acquire land adjacent to a cemetery it operates to be used for cemetery purposes, provided that the closest point of the property to be acquired is no more than 200 feet from the cemetery boundary.

**HOUSE BILL 1833**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings et al.

**SENATE SPONSOR:** R. West

House Bill 1833 amends the Local Government Code and the Transportation Code to allow a municipality by ordinance to adopt, as an alternative to quasi-judicial enforcement of health and safety ordinances, a procedure for an administrative adjudication hearing under which an administrative penalty may be imposed for violation of those ordinances. The bill amends the Local Government Code to require a municipality to exercise due diligence to determine the identity of a property owner or lien holder when providing notice of proceedings before a building and standards commission panel or when searching certain records relating to the property, and it requires a majority of a commission panel to hear and vote on a case. The bill exempts certain offenses for building and zoning ordinance violations that have been joined or consolidated for trial from a defendant's right to severance of those offenses. The bill allows a municipality to adopt an ordinance regarding substandard buildings that applies to property that has been seized and bid off to the municipality in a foreclosure of a tax lien.

House Bill 1833 amends the Health and Safety Code to allow the posting of notice of a violation of a municipal ordinance by means of a placard on a stake on the property to which the violation relates regardless of whether there are any buildings on the property.

House Bill 1833 amends the Government Code to add that a birth or death record is available to the chief executive officer of a home-rule municipality for certain identification purposes when enforcing a state statute or a municipal health and safety ordinance.

House Bill 1833 modifies certain provisions to provide the option of personal delivery and certified mailing of certain documents by a municipality.

**HOUSE BILL 1886**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Coleman

**SENATE SPONSOR:** Lindsay

House Bill 1886 amends Tax Code provisions relating to municipal hotel occupancy taxes to delete obsolete provisions relating to a municipality that has a population of at least 1.2 million and has adopted a capital improvement plan for convention and exposition facilities. No municipalities fall within those parameters at present. It amends other provisions relating to a municipality with a population exceeding 440,000, located in a county of one million or more, that has adopted a capital improvement plan for convention center facility expansion. The change eliminates the applicability of such provisions to a city with a population of 1.5 million or more with such a capital improvement plan, the practical effects of which are to lower the maximum tax rate for such a city from nine to seven percent and to eliminate certain powers relating to the pledge of tax revenue. The bill also amends provisions relating to the allocation of municipal hotel occupancy tax revenue. As amended, those provisions provide that the portion of revenue collected by a municipality with a population of more than 1.6 million that may be used for advertising and conducting solicitations and promotional programs to promote tourism and convention and hotel industry may not be less than 23 percent of the total collected. The 23 percent limitation is subject to the authority of the municipality to pledge all or any portion of the revenue to the payment or refunding of bonds or to spend the revenue for the operation and maintenance expenses of convention center facilities.

**HOUSE BILL 2220**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Martinez Fischer

**SENATE SPONSOR:** Madla

House Bill 2220 amends the Transportation Code to allow the governing body of a municipality to permit the use of an unmarked municipally owned vehicle by a municipal employee conducting an investigation of suspected fraud or other mismanagement within the municipality.

**HOUSE BILL 2384**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Carter

**SENATE SPONSOR:** Moncrief

House Bill 2384 amends the Local Government Code to require the governing body of a municipality with a population of more than 460,000 but less than 560,000 that has not recognized a fire fighters' or police officers' association as the sole and exclusive bargaining agent for covered employees by September 1, 2001, to receive voter approval before operating under other provisions relating to fire fighter and police officer employment matters. The bill requires the governing body to call an election on the recognition of an employee group as the sole and exclusive bargaining agent for certain municipal employees if a majority of the members of the governing body vote to hold the election or the voters submit a petition requesting an election. The bill requires the election to be held on the first authorized uniform date that occurs after the petition is filed and that allows sufficient time to comply with other requirements of law.

**HOUSE BILL 2579**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** R. Lewis

**SENATE SPONSOR:** Bernsen

House Bill 2579 amends the Local Government Code to prohibit a municipality located in whole or in part in Jasper, Newton, or Orange County from annexing all or part of the area located within the “Mauriceville boundary,” as defined in the bill, unless the municipality includes the area in its annexation plan and complies with certain applicable state laws. The bill sets forth specific procedures for a municipality to provide notice of its intent to annex or to remove from an annexation plan area located within the Mauriceville boundary. The bill also includes provisions for the incorporation of all or part of the Mauriceville boundary, including any area located within the extraterritorial jurisdiction of an affected municipality. These provisions expire at midnight on December 31, 2030.

**HOUSE BILL 2681**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Allen

**SENATE SPONSOR:** R. West

House Bill 2681 applies to a municipality that is located in three counties, has a population of less than 120,000, and has acquired a specified interest in real property that is required to be maintained as park property. It amends the Local Government Code to authorize the use of hotel occupancy tax revenue to finance the acquisition, construction, improvement, and equipping of a convention center facility or related infrastructure that is to be constructed on the property. The municipality may pledge revenue from the hotel occupancy tax to pay bonds or other obligations it issues to finance the convention center facility or infrastructure.

**HOUSE BILL 2682**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Allen

**SENATE SPONSOR:** R. West

House Bill 2682 amends the Tax Increment Financing Act to authorize a municipality that has territory in three counties and a population of less than 120,000 to enter into or amend an agreement with a school district located wholly or partly in a reinvestment zone created by the municipality to dedicate revenue from the tax increment fund to the district for acquiring, constructing, or reconstructing an educational facility located in or outside of the zone.

**SENATE BILL 365**

**EFFECTIVE:** 1-1-02

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Ritter

Senate Bill 365 amends the Local Government Code to adopt the International Residential Code (IRC) as the municipal residential building code in this state and the National Electrical Code as the municipal residential electrical construction code in this state. The bill authorizes municipalities to adopt local amendments to and administer and enforce those codes.

Senate Bill 365 also amends the Insurance Code to establish provisions relating to the insurability of residential property under the Texas Windstorm Insurance Association Act. The provisions (1) allow the commissioner of insurance to supplement certain building specifications in selected areas with the structural provisions of the IRC; (2) require certain persons to apply to the Texas Department of Insurance for a windstorm inspection before beginning, construction alteration, remodeling, enlargement, or repair of a structure; and (3) amend the criteria for consideration of a person as a qualified inspector to include licensed professional engineers and other certified professionals meeting requirements of the rules adopted by the commissioner for appointment as a windstorm building inspector.



**SENATE BILL 980**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Walker

Senate Bill 980 amends the Local Government Code to require a municipality to follow certain procedures when placing a moratorium on residential property development. The bill requires a municipality to hold two public hearings before imposing any moratorium, one before the municipality's governing body and one before the municipality's zoning commission, or, if there is no commission, two hearings at least four days apart before the governing body, and to make a final decision on the moratorium within 12 days of the first hearing. The bill provides for a temporary moratorium to take effect pending such determination. A municipality is authorized to institute a moratorium on residential property development only if it demonstrates that the moratorium is necessary to prevent a shortage of essential public facilities and that the moratorium would be limited to areas where shortage would otherwise occur. The bill establishes procedures for instituting the moratorium, specifies the authorized duration of the moratorium, and requires the city to allow a permit applicant to apply for a waiver from the moratorium under certain circumstances. The bill also clarifies that a moratorium may not be placed on new development for the purpose of awaiting completion of all or any part of the process necessary to update land use assumptions or a capital improvements plan.

**SENATE BILL 1315**  
**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Staples  
**HOUSE SPONSOR:** Christian

Senate Bill 1315 amends the Tax Code to expand the purposes for which revenue from the municipal sales and use tax may be used. For a municipality located in a county with a population of 65,000 or less, the bill authorizes revenue use to include the payment of expenses directly related to a sporting event in which a majority of the participants are tourists who substantially increase economic activity at hotels and motels within the municipality or its vicinity.

**SENATE JOINT RESOLUTION 32**  
**FOR ELECTION:** 11-6-01

**SENATE AUTHOR:** R. West  
**HOUSE SPONSOR:** Solis

Senate Joint Resolution 32 proposes a constitutional amendment to authorize municipalities to donate outdated or surplus equipment, supplies, or other materials used in fighting fires to underdeveloped countries.



## GOVERNMENT—COUNTY

### **HOUSE BILL 10**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Telford et al.

**SENATE SPONSOR:** Lindsay

House Bill 10 amends provisions of the Local Government Code and the Government Code relating to the preservation of state and local historic property. The bill modifies provisions for serving on a county historical commission, increases the number of times that the commission must meet to at least four times a year, and requires that the meetings be conducted in accordance with the state's open meetings laws. The bill clarifies that archeological sites and private archeological collections are included in a county historical commission's survey of the existence of historical sites in the county. It provides that a commission should maintain its inventory of historical property in the county using standards set by the Texas Historical Commission (THC) and should establish a system for the review and assessment of the condition of designated county properties.

House Bill 10 authorizes a county commissioners court to make agreements with government agencies or private organizations and to use the county's general revenue fund for programs or activities that promote historic and cultural sites in the county. It provides that the commission should establish a system for the periodic review, assessment, and maintenance of Official Texas Historical Markers in the county and to prepare a preservation plan for the county's historic and cultural resources. The bill requires the THC to administer a program to assist local governments, museums, and county historical commissions in acquiring historical artifacts discovered in Texas that are significant in Texas or American history. The bill changes the composition of the advisory board of the Texas Preservation Trust Fund Account.

House Bill 10 provides that the THC should establish a program to identify and preserve Texas underground railroad historical sites and abandoned cemeteries and that the legislature may appropriate money to the THC to implement the program. The bill authorizes the removal, relocation, or alteration of monuments or memorials on state property only by the legislature, the THC, the State Preservation Board, or as necessary to accommodate construction, repairs, or improvements to the monument or memorial or to the surrounding state property on which it is located.

### **HOUSE BILL 164**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Olivo et al.

**SENATE SPONSOR:** Armbrister

House Bill 164 amends the Local Government Code to authorize the commissioners court of a county any part of which is located within 57 miles of a major astronomical observatory at the McDonald Observatory, or within five miles of a major astronomical observatory at the George Observatory or the Stephen F. Austin State University Observatory, to adopt orders, upon request from observatory directors, to regulate outdoor lighting in any unincorporated territory of the county. The bill amends the definition of "major astronomical observatory" to mean a facility with one or more telescopes that have objective diameters that total 69 inches or more and that are permanently mounted in enclosed buildings.

**HOUSE BILL 166**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** F. Brown

**SENATE SPONSOR:** Ogden

House Bill 166 amends the Health and Safety Code to provide an exception from certain restrictions regarding the location and boundaries of a cemetery for a nonprofit corporation in a municipality with a population of at least 60,000 that is located in a county with a population of no more than 155,000. The bill allows a charitable nonprofit corporation to file an application with the municipality to establish or use a cemetery inside the municipality's boundaries, and it allows the municipality to authorize the cemetery if it finds that the cemetery's establishment or use will not affect public health, safety, and welfare. The bill requires the corporation to file the application with the municipality by December 1, 2001.

**HOUSE BILL 957**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Burnam et al.

**SENATE SPONSOR:** Moncrief

House Bill 957 amends the Health and Safety Code to allow a county or public health district to adopt a variable scale with a maximum limit of \$300 to determine the fee charged for a permit to operate a food service establishment. In adopting a rule or order for a variable scale, a county or district may consider the size, number of people employed, and gross sales of the food service establishment. The bill provides that the fee charged to a child care facility may not exceed \$150.

**HOUSE BILL 969**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Oliveira

**SENATE SPONSOR:** Lucio

House Bill 969 amends the Local Government Code to redefine "local government" as it relates to the maximum population that a municipality or county can have to be authorized to consider the location of a bidder's place of business in awarding contracts. The change in the population bracket, which is increased by 100,000, now authorizes a municipality of 200,000 or less, and a county of 400,000 or less, to award a contract based on the location of the bidder's place of business.

**HOUSE BILL 1053**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Coleman

**SENATE SPONSOR:** Gallegos

House Bill 1053 amends the Tax Code to authorize a municipality or county, alone or in combination with other municipalities, to create a commercial and industrial development zone in an area of pervasive poverty, unemployment, or economic stress that is adjacent to major transportation nodes and is located in a county with a population of 2.5 million or more. A municipality or county may contain up to three development zones. The purposes of a zone are to promote and encourage commercial development, workforce development, excellence in education, public and private partnerships, and the revitalization of neighborhoods. A development zone has the powers of a municipal management district and a county commissioners court. The bill authorizes the use of tax increment financing to fund a zone, but its governing board must evaluate specified non-tax alternatives. The board may promote tourism through advertising and marketing, and it may designate an area as a neighborhood redevelopment zone if the area is adjacent to the development zone and meets certain criteria.

**HOUSE BILL 1091****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** E. Reyna**SENATE SPONSOR:** R. West

House Bill 1091 amends the Local Government Code to provide that a member of the commissioners court of a county with a population of 1.8 million or more is not prohibited from being appointed to a civil service commission.

**HOUSE BILL 1299****EFFECTIVE:** 6-11-01**HOUSE AUTHOR:** Kuempel**SENATE SPONSOR:** Zaffirini

House Bill 1299 amends the Local Government Code to authorize a county commissioners court to set rules that require a county employee to enroll in the sick leave pool program to be eligible to withdraw time from it and as a condition of enrollment to transfer at least one day of accrued sick leave time or one day of accrued vacation time into the pool. The bill provides that an employee who ceases to be employed by the county may donate to the program not more than 10 days of accrued sick leave time or accrued vacation time.

**HOUSE BILL 1469****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Oliveira et al.**SENATE SPONSOR:** Lucio

House Bill 1469 amends the Transportation Code to authorize the commissioners court of certain counties to make improvements to county roads by installing streetlights and to assess against the property that abuts the portion of an improved road all or part of the cost of the improvement.

**HOUSE BILL 1588****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Callegari**SENATE SPONSOR:** Jackson

House Bill 1588 amends the Local Government Code to add courses in purchasing that are offered by state professional associations to the list of courses that a county purchasing agent may complete to fulfill continuing education requirements.

**HOUSE BILL 1619****EFFECTIVE:** 5-9-01**HOUSE AUTHOR:** J. Jones**SENATE SPONSOR:** Carona

House Bill 1619 amends the Local Government Code to provide that a person who is authorized by a county purchasing agent to use a county purchasing card to make a purchase for the county is considered an assistant of the county purchasing agent to the extent that the person complies with the rules and procedures prescribed by the purchasing agent for the use of county purchasing cards.

**HOUSE BILL 1788****EFFECTIVE:** 5-21-01**HOUSE AUTHOR:** Gallego**SENATE SPONSOR:** Madla

House Bill 1788 authorizes the board of directors of the Val Verde County Hospital District to sell, lease, or otherwise dispose of property, facilities, or equipment at a public sale, or to donate to another governmental entity or charitable organization any surplus personal property or equipment if the donation serves a public purpose. The bill allows any property, facilities, and equipment leased or acquired by the board to be mortgaged or pledged by the board as security for the payment of the purchase price and deletes the requirement that the obligation must be retired within five years.

**HOUSE BILL 1863**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Kuempel

**SENATE SPONSOR:** Wentworth

House Bill 1863 amends the Health and Safety Code to authorize the commissioners court of a county to set the dog registration fee in an amount greater than \$1 but not more than \$5.

**HOUSE BILL 1890**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** G. Lewis

**SENATE SPONSOR:** Harris

House Bill 1890 amends the Local Government Code to provide that the exclusive control of the jail commissary fund exercised by a county sheriff does not apply to the sheriff of a county with a population of one million or more that has two municipalities with a population of 300,000 or more. A sheriff of a county with this population criteria must receive approval by the county commissioners court before accepting new bids to renew contracts and before making a disbursement from commissary proceeds. House Bill 1890 requires the sheriff to provide to the commissioners court a copy of each commissary contract within 10 days after the date the contract is made, and it repeals a similar provision for the sheriff of a county containing two or more municipalities with a population of 250,000 or more.

**HOUSE BILL 2002**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Bivins

House Bill 2002 amends the Local Government Code to exempt from the competitive bidding process the purchase of management services and landscape maintenance services for a golf course that is owned by a county with a population of 20,000 or less that does not own more than one public golf course.

**HOUSE BILL 2092**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** B. Brown

**SENATE SPONSOR:** Cain

House Bill 2092 amends the Health and Safety Code to modify the list of what constitutes a public nuisance to include keeping, storing, or accumulating rubbish, including newspapers, abandoned vehicles, refrigerators, stoves, furniture, tires, and cans within 300 feet of a public street for 10 days or more in the unincorporated area of a county.

**HOUSE BILL 2185**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Goolsby

**SENATE SPONSOR:** Carona

House Bill 2185 amends the Local Government Code to authorize rather than require a county tax assessor-collector to collect a fee for processing certain payments by credit card.

**HOUSE BILL 2347**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Raymond

**SENATE SPONSOR:** Zaffirini

House Bill 2347 amends the Local Government Code to clarify that a security fee for the Webb County Courthouse may not exceed \$25 and includes the \$5 security fee authorized to be collected by commissioners courts in general.



**HOUSE BILL 2405****EFFECTIVE:** 6-15-01**HOUSE AUTHOR:** Gray et al.**SENATE SPONSOR:** Bernsen

House Bill 2405 amends the Natural Resources Code to authorize the commissioners court of a county that borders the Gulf of Mexico or its tidewater limits to regulate mass gatherings on any beach in the unincorporated area of the county by requiring a person to obtain a permit and pay the permit fee before holding a mass gathering. The bill defines “mass gathering” to mean a gathering that attracts or is expected to attract more than 200 individuals who will remain at the location for more than two continuous hours.

House Bill 2405 provides that a county is entitled to injunctive relief to prevent the violation or threatened violation of an order adopted under this subchapter, and it makes a violation of an order a Class B misdemeanor.

**HOUSE BILL 2587****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Counts**SENATE SPONSOR:** Haywood

House Bill 2587 amends the Local Government Code to expand the zoning authority of the Kent County Commissioners Court to include land in Kent County located within one mile of the high water marks for Lake Alan Henry.

**HOUSE BILL 2706****EFFECTIVE:** Vetoed**HOUSE AUTHOR:** A. Reyna**SENATE SPONSOR:** Madla

House Bill 2706 amends the Government Code to require governmental entities in counties with a population between 1 million and 1.5 million that appoint, employ, or elect peace officers or firefighters to establish and maintain a legislative leave time bank for each employee organization. The bill allows a peace officer or firefighter to donate no more than one hour each month from the person’s accumulated vacation, sick, or compensatory time to the legislative leave time bank provided that the person authorizes the donation in writing. The bill allows only a peace officer or firefighter who is a member of an employee organization to use time donated to the legislative leave bank of that organization.

**HOUSE BILL 2751****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** E. Jones**SENATE SPONSOR:** Van de Putte

House Bill 2751 amends the Local Government Code to provide that in certain counties the salary of the county auditor may be the same as the salary of the county budget officer. The bill provides that if the county hires a county budget officer at a salary lower than the salary of the previous county budget officer, the county auditor’s salary may not be reduced on that basis.

**HOUSE BILL 2756****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Ritter**SENATE SPONSOR:** Bernsen

House Bill 2756 amends the Tax Code to require a county or county-delegated entity before spending revenue derived from the county hotel occupancy tax to list each scheduled activity or event that is funded by the tax and that directly promotes tourism and hotel and convention activity. A county must maintain a record that identifies the receipt and expenditure of all revenue that derives from the tax. The bill does not prevent a county or county-delegated entity from subsequently adding a similar activity or event to the list, nor does it prevent designating the tax revenue to a reserve fund to support planned activities, future events, and facility improvements. The bill also provides that all expenditures for a sport and community venue project and related infrastructure are construed as a single scheduled activity or event.

**HOUSE BILL 2863**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Farabee

**SENATE SPONSOR:** Madla

House Bill 2863 amends the Local Government Code to increase from \$15,000 to \$25,000 the threshold contract amount at which a county and certain municipalities are required to engage in a competitive bidding procedure for certain purchases.

**HOUSE BILL 2869**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Ramsay et al.

**SENATE SPONSOR:** Madla

House Bill 2869 amends the Local Government Code to authorize a county to use the uniform chart of accounts developed by the Texas County Financial Data Advisory Committee and implemented by the comptroller in reporting financial data or other pertinent information to the state. The bill establishes the committee to study county financial reporting requirements and systems and make recommendations to the comptroller and the legislature on ways in which the collection and use of county financial data can be improved without resulting in additional costs to counties. The committee is required to develop and recommend a consolidated uniform financial reporting procedure that does not impose a greater reporting burden on counties than current practices and a voluntary uniform chart of accounts for counties. House Bill 2869 provides for appointment of the members and officers of the committee, quarterly meetings, and personnel and other resources to be provided by the comptroller, the Texas Association of Counties, and the Texas Conference of Counties for the operation of the committee. The bill requires the comptroller to adopt the uniform chart of accounts not later than September 1, 2002.

**HOUSE BILL 2870**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Ramsay

**SENATE SPONSOR:** Staples

House Bill 2870 amends the Local Government Code to authorize the commissioners court of a county to develop and administer a community and economic development program for making loans and grants of public money and providing personnel and services of the county. The bill also authorizes the court to enter into a tax abatement agreement with an owner or lessee of a property interest subject to ad valorem taxation.

**HOUSE BILL 2873**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Uher

**SENATE SPONSOR:** Armbrister

House Bill 2873 amends the Government Code to standardize the fees that a county clerk may charge for copies of public records in paper format and in a format other than paper.

**HOUSE BILL 2874**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Uher

**SENATE SPONSOR:** Madla

House Bill 2874 amends the Local Government Code to increase from 90 to 180 days the maximum amount of time that a county employee can withdraw from the county sick leave pool.

**HOUSE BILL 3055**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dukes  
**SENATE SPONSOR:** Barrientos

House Bill 3055 amends the Government Code to authorize a county to use the proceeds of bonds or certificates of obligation issued to pay for a county construction project to pay for an owner-controlled insurance program under which the county establishes and administers a consolidated insurance program for the project if the county's order authorizing the issuance of the bonds or other certificates of obligation authorizes the establishment of the program.

**HOUSE BILL 3068**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum  
**SENATE SPONSOR:** Bivins

House Bill 3068 amends the Local Government Code to increase from 10,000 to 10,200 or more the county population threshold that requires the district judges in such counties to appoint a county auditor. In counties with a population of less than 10,200, district judges may appoint a county auditor, subject to an order by the commissioners court and judicial review by the district judges.

**HOUSE BILL 3069**  
**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Chisum  
**SENATE SPONSOR:** Duncan

House Bill 3069 amends the Health and Safety Code to provide that the care of a cemetery more than 50 years old by a county with a population of 40,000 or less includes any activity necessary for the continued operation of the cemetery, including the opening and closing of graves.

**HOUSE BILL 3150**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Allen  
**SENATE SPONSOR:** Carona

House Bill 3150 amends the Government Code to authorize a county officer or employee who is engaged in county business and a county sheriff, deputy sheriff, or juvenile probation officer who is transporting a state prisoner under a felony warrant to participate in the General Services Commission's contract for travel services to obtain reduced travel agent fees, in addition to the reduced airline fares already received.

**HOUSE BILL 3162**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** F. Brown  
**SENATE SPONSOR:** Ogden

House Bill 3162 amends the Local Government Code to allow the governing body of a municipality to authorize the acceptance of payment of certain fees, fines, court costs, and other charges by credit card without requiring collection of a fee.

**HOUSE BILL 3172**  
**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Thompson et al.  
**SENATE SPONSOR:** Van de Putte

House Bill 3172 amends the Local Government Code to authorize a county to establish a public improvement district, unless within 30 days of a county's action to approve such a district a home-rule municipality objects to its establishment within the municipality's corporate limits or extraterritorial jurisdiction. The bill deletes the provision that requires an assessment plan to provide that at least 10 percent of the cost of an improvement is to be paid by special assessments against property in the improvement district. The bill requires delinquent installments of the assessment to incur interest, penalties, and attorney's fees in the same manner as delinquent ad valorem taxes.

**HOUSE BILL 3193**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Puente

**SENATE SPONSOR:** Madla

House Bill 3193 amends the Local Government Code to allow a municipality with a population of 1.1 million or more that elects the members of its governing body, other than the mayor, from fewer than 14 single-member districts to provide by ordinance for up to 14 districts to elect members to the municipality's governing body. The bill does not apply to a mayor who, under certain charter provisions, is elected in a municipality at large.

**HOUSE BILL 3315**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Ramsay

**SENATE SPONSOR:** Bernsen

House Bill 3315 amends the Local Government Code to provide that the regulation of outdoor burning by a county commissioners court does not apply to activities that are related to planting agricultural crops or are conducted by a prescribed burn manager who is certified and meets certain standards under state law.

**HOUSE BILL 3318**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Ramsay

**SENATE SPONSOR:** Madla

House Bill 3318 amends provisions of the Local Government Code relating to the continuing education requirements for a county treasurer. The bill requires a county treasurer within one year of taking office to complete an introductory course of instruction in the performance of the duties of county treasurer and in each 12-month period to complete at least 20 hours of continuing education. The introductory course and at least 10 hours of continuing education courses must be taken at an accredited public institution of higher education, and the remaining classroom hours, wherever taken, must be certified by an accredited institution of higher learning. The bill allows a county treasurer to carry forward not more than 10 continuing education hours that the county treasurer completes in excess of the required 20 hours.

**SENATE BILL 134**

**EFFECTIVE:** 5-19-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Gallego

Senate Bill 134 amends the Local Government Code to remove the county population requirement that authorizes the commissioners court in a county with a population of 20,000 or more to approve a request from a county employee for a payroll deduction from the employee's wages.

**SENATE BILL 286**

**EFFECTIVE:** 3-26-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Goolsby

Senate Bill 286 amends the Health and Safety Code to authorize a county judge to delegate to another county officer, by an order filed with the commissioners court of the county, the duty to hear applications for a permit and the authority to revoke a permit for mass gatherings. The county judge may revoke the delegation of authority at any time.

**SENATE BILL 352**

**EFFECTIVE:** 1-1-02

**SENATE AUTHOR:** Truan et al.

**HOUSE SPONSOR:** Gray et al.

Senate Bill 352 amends the Health and Safety Code to authorize a county to contract with a public or private utility company or another public or private entity to collect solid waste disposal fees assessed by the county. The bill sets out certain terms that may be included in the contract and authorizes a utility that bills and collects the fees to suspend the utility service if

provides, in addition to the suspension of solid waste disposal service by the entity providing that service, to a person who is delinquent in paying the disposal fee until the bill has been paid in full. The bill provides that the assessment of solid waste disposal service fees by a county and the suspension of utility services for nonpayment of those fees does not apply to a person who notifies the utility entity, public agency, or county in writing that the person is receiving solid waste disposal services from another entity.

**SENATE BILL 515****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Madla et al.**HOUSE SPONSOR:** Truitt

Senate Bill 515 amends the Health and Safety Code to authorize the establishment of a multidisciplinary and multiagency fatality review team to review cases of fatalities resulting from suicide, family violence, or abuse and to recommend methods to improve coordination of services and investigation between agencies in order to decrease the incidence of preventable adult deaths. The bill sets forth the membership, powers, duties, and review procedures of the team. It authorizes the review team to request information and records regarding certain adult deaths and provides that a member of the review team may be civilly liable for damages caused by disclosure of the information. The bill provides that a meeting of the review team is closed to the public and is not subject to the open meetings law.

The bill requires a person, including a health care provider, who has knowledge regarding an adult who died under certain circumstances to report the death to a county medical examiner or a justice of the peace. The bill authorizes a medical examiner or justice of the peace to hold an inquest to determine whether the death was caused by suicide, family violence, or abuse, and it requires the medical examiner or justice of the peace to notify the county or entity overseeing the review team of reports of unexpected fatalities and of deaths found to be caused by suicide, family violence, or abuse.

**SENATE BILL 542****EFFECTIVE:** 6-11-01**SENATE AUTHOR:** Nelson et al.**HOUSE SPONSOR:** Truitt

Senate Bill 542 amends the Local Government Code to provide that a special term of a county commissioners court may be held at a meeting place located in the county and outside the county seat if agreed to by the commissioners court and if the meeting place provides public access that can accommodate the number of people expected to attend the meeting.

**SENATE BILL 632****EFFECTIVE:** 5-22-01**SENATE AUTHOR:** Bernsen**HOUSE SPONSOR:** Gray et al.

Senate Bill 632 amends the Natural Resources Code to expand the authority of a commissioners court of a county that borders the Gulf of Mexico or its tidewater limits to regulate motor vehicle traffic on any beach within the county to include prohibiting motor vehicle traffic on any natural or man-made sand dune or other form of shoreline protection.

**SENATE BILL 634****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Bernsen**HOUSE SPONSOR:** Gray et al.

Senate Bill 634 amends the Natural Resources Code to authorize the commissioners court of a county that borders the Gulf of Mexico or its tidewater limits to prohibit the use and possession of all glass containers and products on a beach in the unincorporated area of the county.



**SENATE BILL 732**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Barrientos

**HOUSE SPONSOR:** Farabee

Senate Bill 732 amends the Local Government Code to require the county auditor or the county judge in a county that does not have a county auditor to certify to the commissioners court the receipt of revenue from a new source not anticipated before the adoption of the budget and not included in the budget for that fiscal year. The bill provides that on certification the court is authorized to adopt a special budget for the limited purpose of spending the additional revenue and sets out provisions relating to the preparation of the special budget.

**SENATE BILL 870**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Thompson

Senate Bill 870 amends the Local Government Code to expand the list of community and economic development programs that a county commissioners court may develop and administer to include promoting or advertising the county and its vicinity; conducting a solicitation program to attract conventions, visitors, and businesses; supporting comprehensive literacy programs; promoting the arts; or supporting a children's advocacy center that provides services to abused children.

**SENATE BILL 873**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** B. Brown

Senate Bill 873 amends the Local Government Code to authorize the commissioners courts in certain urban counties, after publishing an order in a newspaper to adopt rules governing plats and subdivisions of land in the unincorporated areas of those counties, to promote appropriate development and infrastructure planning in such areas. The bill allows those commissioners courts to require adequate rights-of-way on major thoroughfares, to adopt reasonable standards relating to lot frontages and set-backs, and to impose requirements relating to the connection of utilities. The bill also authorizes the commissioners courts to contract with a developer of a subdivision or land in an unincorporated area to construct certain public improvements related to a development and exempts a such contract from the requirements of a competitive sealed bidding procedure if the contract meets certain other requirements.

**SENATE BILL 1147**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Hamric

Senate Bill 1147 amends the Local Government Code to authorize a county to require the owner or the owners association of a gated multi-unit housing project that is not subject to certain municipal regulations to (1) provide a lockbox containing a key, card, or code to each vehicular gate and at least one pedestrian gate to provide access to emergency vehicles and law enforcement officers; (2) ensure that at least one gate in the housing project is free of obstacles and wide enough to allow emergency vehicles to enter; and (3) identify buildings with numbers or letters in a contrasting color placed so they can be seen by emergency agencies. The bill also authorizes a county to require a permit from the county fire marshal or other authority with fire-fighting jurisdiction to ensure compliance with these provisions, and it provides that a violation of or noncompliance with a county regulation is a Class C misdemeanor.



**SENATE BILL 1171**  
**EFFECTIVE:** 5-15-01

**SENATE AUTHOR:** Madla  
**HOUSE SPONSOR:** Menendez

Senate Bill 1171 amends the Local Government Code to provide that the commissioners court of a county may authorize a county or precinct officer to collect a fee from persons who pay for certain transactions by credit card, and it provides that the fee charged is equal to the amount of the credit card transaction fee that is charged to the county.

**SENATE BILL 1308**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Barrientos  
**HOUSE SPONSOR:** Kitchen

Senate Bill 1308 amends the Transportation Code and the Water Code to authorize the commissioners court of a county to set a reasonable fee for the issuance of permits for flood control and road and bridge activities authorized by statute for which a fee is not specifically prescribed.

**SENATE BILL 1781**  
**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Bivins  
**HOUSE SPONSOR:** Swinford

Senate Bill 1781 amends the Code of Criminal Procedure to authorize the Commissioners Court of Potter County to appoint an attorney to serve as a public defender to represent certain indigent persons in Potter County. The bill sets forth eligibility criteria and provides for the compensation and employment of the public defender and other necessary personnel.

**SENATE BILL 1789**  
**EFFECTIVE:** 5-18-01

**SENATE AUTHOR:** Bivins  
**HOUSE SPONSOR:** Smithee

Senate Bill 1789 amends the Code of Criminal Procedure to authorize the Commissioners Court of Randall County to appoint an attorney to serve as a public defender to represent certain indigent persons in Randall County. The bill sets forth eligibility criteria and provides for the compensation and employment of the public defender and of other necessary personnel.



## GOVERNMENT—GENERAL

### **HOUSE BILL 35**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon et al.

**SENATE SPONSOR:** Armbrister

House Bill 35 amends the Government Code to allow a meeting of a state governmental body or a governmental body extending into three or more counties to be held by videoconference call. However, a majority of the governmental body's quorum must be physically present at one meeting location. Public notice must specify that location and must specify the intent to have a majority of the quorum present there.

### **HOUSE BILL 197**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solomons et al.

**SENATE SPONSOR:** Shapiro

House Bill 197 amends the Local Government Code and the Transportation Code to increase from \$15,000 to \$25,000 the maximum amount that a municipality, county, crime control and prevention district, and certain other local governments may spend under a contract without being subject to competitive bidding requirements.

### **HOUSE BILL 370**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hinojosa

**SENATE SPONSOR:** Lucio

House Bill 370 amends the Local Government Code to authorize a commissioners court of a county that is adjacent to an international boundary to adopt a records archive fee of not more than \$5 for preservation and restoration services performed in connection with maintaining a county records archive. It requires a county clerk to prepare, for commissioners court approval, an annual written plan for funding the preservation and restoration of the records archive. The bill provides that funds from the account may be expended only as provided by the plan and prohibits the funds to be used in connection with computer software to geographically index public records.

House Bill 370 provides that any excess funds remaining after the completion of a county records archive preservation and restoration project may be expended for specific records management and preservation, including for automation purposes, and prohibits a commissioners court from ordering the collection of a fee after a project is complete. These provisions expire September 1, 2008.

### **HOUSE BILL 371**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Glaze

**SENATE SPONSOR:** Wentworth

House Bill 371 amends the Government Code to make the open meetings law and open records law applicable to a nonprofit corporation that is eligible to receive federal community services block grant funds and that is authorized by the state to serve a Texas geographic area.

### **HOUSE BILL 936**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis

**SENATE SPONSOR:** Van de Putte

House Bill 936 amends the Government Code and the Local Government Code to include local workforce development boards under the definitions of "governmental body," "agency," "local government," and "assistance organization" in order to clarify that the boards are subject to the state's open meetings and public information laws, the Interagency Cooperation Act, and provisions concerning state cooperation in local purchasing programs and surplus and salvage

property. The bill also clarifies and expands provisions requiring a member of a board to abstain from voting or participating in any board decisions that would create a conflict of interest or the appearance of such, and it authorizes boards to set standards that are more restrictive than those set forth in the law.

**HOUSE BILL 1254**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** G. E. West

**SENATE SPONSOR:** Bivins

House Bill 1254 amends the Local Government Code to extend the uniform group benefits program for political subdivisions to employees of affiliated service contractors. The bill defines “affiliated service contractor” as a tax-exempt organization that provides governmental or quasi-governmental services on behalf of a political subdivision and derives more than 50 percent of its gross revenues from grants or funding from the political subdivision. The bill prohibits a political subdivision from paying any part of the contributions coverage for employees of affiliated service contractors or their dependents.

**HOUSE BILL 1265**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Clark et al.

**SENATE SPONSOR:** Shapiro

House Bill 1265 amends the Local Government Code, Code of Criminal Procedure, and Government Code to clarify, update, and make technical corrections to certain laws affecting municipalities and counties and to conform those statutes with provisions of other laws.

**HOUSE BILL 1362**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goodman et al.

**SENATE SPONSOR:** Harris

House Bill 1362 adds a new subchapter to the Health and Safety Code to provide for the regulation of dangerous wild animals. The bill requires each county and municipality by December 1, 2001, to adopt any ordinance or order necessary to implement a certificate of registration program through an animal registration agency and defines “animal registration agency” as the city or county animal control office or county sheriff in an area that does not have an animal control office. Each county or municipality is required, by order or ordinance, to establish and charge reasonable fees, not to exceed \$50 per animal or \$500 per person, for issuance or renewal of a certificate and requires certain information to be included in the application.

House Bill 1362 prohibits a person, beginning June 1, 2002, from owning certain dangerous wild animals unless the person has been issued a certificate of registration from the local animal registration agency, and it provides for civil and criminal penalties. The bill requires the person to file a copy of the certificate of registration with the Texas Department of Health within 10 days of receipt of the certificate. The department is required by March 1, 2001, to adopt rules to establish a procedure for filing a certificate and to charge a reasonable fee to recover the cost associated with the filing.

The bill also provides that the provisions of this subchapter do not apply to certain entities, including a research facility; a county, municipality, or agency of the state or the United States; an organization that is an accredited member of the American Zoo and Aquarium Association; and other named persons.

**HOUSE BILL 1445****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** B. Turner**SENATE SPONSOR:** Wentworth

House Bill 1445 amends the Local Government Code to require that certain municipalities and counties enter into written agreements that identify which of the two entities is responsible for the regulation of subdivision plats and approval of related permits in the extraterritorial jurisdiction of a municipality and to set out deadlines for the finalization of such agreements. An agreement may grant the authority to regulate subdivision plats and approve permits to either the municipality or the county exclusively, allow the two entities to apportion the area and the respective regulatory authority between the two entities, or allow the two entities to enter into an interlocal agreement to create a single office under which various municipal and county regulatory functions regarding platting are consolidated. The bill retains current provisions relating to the regulation of subdivision plats to govern the interactions between a municipality and county in this regard until the two entities have reached their required agreement, with the added provision that in a conflict between municipal and county regulations the more stringent regulation prevails.

**HOUSE BILL 1837****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Denny**SENATE SPONSOR:** Armbrister

House Bill 1837 amends the Local Government Code to expand the definition of “sport shooting range” to include one that is operated by a private club or association. The bill expands the prohibition against a government official from seeking a civil or criminal penalty or a person from bringing a cause of action against a sport shooting range or its owner or operator to include instances where no applicable noise ordinance, order, or rule exists.

**HOUSE BILL 1981****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Farabee**SENATE SPONSOR:** Lindsay

House Bill 1981 amends the Local Government Code to provide that bids or requests for proposals that are subject to the competitive bidding process may be submitted to a county in hard copy format or through electronic transmission. The bill requires the county purchasing agent to adopt rules before receiving electronic bids to ensure the bids’ identification, security, and confidentiality. The bill deletes the requirement that all competitive bids or proposals be sealed.

House Bill 1981 authorizes a municipality to receive bids or proposals through electronic transmission if its governing body adopts rules to ensure the identification, security, and confidentiality of the bids and that the bids remain effectively unopened until the proper time. The bill provides that an electronic bid or proposal is not required to be sealed and that a competitive bidding provision that applies to a sealed bid or proposal applies to a bid or proposal received through electronic transmission.

**HOUSE BILL 2260****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Danburg**SENATE SPONSOR:** Zaffirini

House Bill 2260 amends the Local Government Code to require a municipality or a county to make a reasonable effort to accommodate an employee who is certified by a physician to be partially physically restricted by a pregnancy. The bill requires the office supervisor responsible for personnel decisions to assign the employee to a temporary work assignment if one is available in the same office.

**HOUSE BILL 2277**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Carter

**SENATE SPONSOR:** Fraser

House Bill 2277 amends the Education Code, Government Code, and Local Government Code to clarify certain procedures relating to contracts that an educational institution, state agency, or local government may enter into for the installation or implementation of energy conservation measures. The bill specifies that such measures may be financed by a state agency under a lease-purchase contract through the Master Equipment Lease Purchase Program administered by the Texas Public Finance Authority. The bill requires that a contract entered into by any of these entities for the installation or implementation of energy conservation equipment or improvements be let according to procedures established for professional services by the Professional Services Procurement Act in the Government Code. The bill also requires the state energy conservation office to establish guidelines and an approval process for contracts for energy conservation services awarded by a state agency.

**HOUSE BILL 2544**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Barrientos

House Bill 2544 amends the Local Government Code to clarify that any political subdivision that acquires or assembles land or real property interests and conveys the land or real property interests to an entity for the development of low-income or moderate-income housing must determine the terms and conditions of such transactions so as to carry out and maintain that public purpose.

**HOUSE BILL 2589**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hochberg

**SENATE SPONSOR:** Wentworth

House Bill 2589 amends the open records law to make confidential the e-mail addresses of members of the public who supply them in communicating electronically with a governmental body. It amends the Information Resources Management Act to require the Department of Information Resources to adopt a policy relating to state agency Internet sites and sets out requirements relating to the policy. The bill also requires the department to establish and administer a clearinghouse regarding state agency information security and to encourage agency grant pursuit for Internet site development and maintenance. The state strategic plan for information resources must include a best practices model to assist agencies in effective information methods and technologies.

**HOUSE BILL 2628**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Wolens

**SENATE SPONSOR:** Shapiro

House Bill 2628 amends the Cultural Education Facilities Finance Corporation Act to provide that a cultural educational facilities finance corporation has the same powers, authority, and rights with respect to cultural and health facilities as a health facilities development corporation and as a nonprofit corporation or authority with respect to educational and housing facilities. The bill provides that the authority of a cultural educational facilities finance corporation may be exercised inside or outside the limits of the city that created the corporation if the city is located in a county with a population of more than 400,000 or inside or outside the limits of the county that created the corporation if the county has a population of more than 400,000.



**HOUSE BILL 2760**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** B. Brown  
**SENATE SPONSOR:** Madla

House Bill 2760 amends the Government Code to provide that local governments that are parties to an interlocal contract may provide in the contract for the submission of disputes arising under the contract to the alternative dispute resolution procedures for governmental bodies.

**HOUSE BILL 2778**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Farabee  
**SENATE SPONSOR:** Madla

House Bill 2778 amends the Government Code to add to the membership of the unfunded mandates interagency work group an officer of a political subdivision appointed by the lieutenant governor and an employee or officer of a political subdivision appointed by the speaker of the house of representatives.

**HOUSE BILL 2810**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wolens  
**SENATE SPONSOR:** Cain

House Bill 2810 amends various laws to update population categories to reflect new census population data. To the extent that another law enacted by the 77th Legislature conflicts with House Bill 2810, the other law prevails.

**HOUSE BILL 2957**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** P. King  
**SENATE SPONSOR:** Sibley

House Bill 2957 amends the Public Funds Investment Act to specify that letters of credit issued by federal governmental entities are authorized investments for the purpose of securing the deposit of public funds.

**HOUSE BILL 3286**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** R. Lewis  
**SENATE SPONSOR:** J. E. Brown

House Bill 3286 amends the Government Code, Education Code, and Local Government Code to authorize state agencies, institutions of higher education, school districts, and local governments to enter into contracts for water conservation measures. The bill specifies the various types of applicable fixtures, appliances, equipment, and system modifications or replacements to which installation contracts apply. It gives the state energy conservation office various coordination, federal liaison, standard setting, and other powers and duties relating to water conservation and efficiency, water management planning, and water audits and services in state government. The Texas Water Development Board is required to provide training and expertise to the staff of the office and to evaluate and help develop proposed water conservation and reuse requirements. The bill adopts, for state agency water-saving devices and measures, the same budgetary incentives as apply currently to energy-saving devices and measures. It adopts for state agencies, school districts, and local governments a requirement already applicable to institutions of higher education that cost-savings projected by an offeror for a water or energy conservation contract be reviewed by an impartial licensed professional engineer.

**HOUSE BILL 3413**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon  
**SENATE SPONSOR:** Madla

House Bill 3413 amends the Local Government Code to provide that competitive bidding laws do not apply to the development of a mixed-finance housing project by a public housing authority as long as the project complies with federal procurement requirements.

**HOUSE BILL 3414**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon

**SENATE SPONSOR:** Madla

House Bill 3414 amends the Local Government Code to allow a municipal or county housing authority to form a partnership or another legal entity for the purpose of raising capital for a housing project to be owned by the partnership or other legal entity. The bill also authorizes a housing authority to acquire, construct, lease, or manage commercial space incidental to a mixed-finance housing project if the space occupies less than 20 percent of the total square footage, can be expected to be used by the project's residents, and is designed to minimize the noise, safety, and traffic impact of the commercial space on the residential space.

**HOUSE BILL 3591**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hunter

**SENATE SPONSOR:** Bivins

House Bill 3591 amends the Government Code to open consortium membership in the TexShare library resource-sharing program to a nonprofit organization that provides extensive library services and collections in the fields of clinical medicine and the history of medicine. Addition of such a library to the consortium is contingent on the Texas State Library and Archives Commission's ability to ensure that its inclusion does not reduce services to public libraries and libraries at institutions of higher education. The bill amends the Utilities Code to make such a library eligible also for grants under the telecommunications infrastructure fund (TIF). It requires an electing company on customer request to provide private network services to a public library or regional library system, and it revises the services requirement applicable to TIF-funded projects to cover projects that were eligible for TIF funding as of January 1, 2001.

**SENATE BILL 187**

**EFFECTIVE:** 5-26-01

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Solomons

Senate Bill 187 builds on a demonstration project established legislatively in 1999, by amending the Information Resources Management Act to create the TexasOnline Authority. The bill extends the preceding effort, and an associated task force, until a revised termination date of November 1, 2001. The authority then may convene and is charged to implement TexasOnline, consisting of a common infrastructure for the electronic exchange of documents, payments, licenses, and other electronic services and information among state agencies, local governments, the general public, and the regulated community. The bill establishes the duties of the authority, including interagency and intergovernmental assistance and coordination, and sets reporting requirements applicable to the authority and to licensing entities. It vests policy making and rule preparation with the authority while vesting management with a new division at the Department of Information Resources and rule adoption with that agency's governing board. The bill sets conditions under which a state agency may choose to use or not use the project for agency services. Implementation is funded by fees charged to licensing entities by the authority, and other state agencies and local governments may also charge fees, if approved by the authority, to cover their costs. Licensing entity costs are offset by temporary \$5 and \$10 increases in annual and biennial occupational license renewal fees. Those increases expire September 1, 2005. A state agency's strategic plan for information systems must describe any information resources technology projects proposed by the agency, including a statement of how the projects relate to and are to be coordinated with similar projects at other agencies.

**SENATE BILL 200****EFFECTIVE:** 6-13-01**SENATE AUTHOR:** Madla**HOUSE SPONSOR:** Junell

Senate Bill 200 amends the Local Government Code to require state agencies, in carrying out their planning and program development responsibilities, to coordinate with regional planning commissions to the greatest extent possible to ensure effective and orderly implementation of state programs at the regional level.

**SENATE BILL 201****EFFECTIVE:** 5-11-01**SENATE AUTHOR:** Carona**HOUSE SPONSOR:** J. Jones

Senate Bill 201 amends the Local Government Code to authorize a county or municipality to provide access to information or collect payments for taxes, fees, or other charges through the Internet and to charge a reasonable fee for providing those services. The bill authorizes a county or municipality to contract with a vendor to provide the Internet services and requires that the vendor promptly submit all payments that are collected through the Internet.

**SENATE BILL 221****EFFECTIVE:** 5-28-01**SENATE AUTHOR:** Staples**HOUSE SPONSOR:** McClendon et al.

Senate Bill 221 amends the Government Code to allow the General Services Commission (GSC) to use a reverse auction procedure on the Internet as a method of purchasing. It amends the Development Corporation Act of 1979 and Water Code to allow development corporations and water districts, including groundwater conservation districts, to use that procedure also. The bill amends the Local Government Code to allow local governments to participate in the GSC program, or to use Internet reverse auction procedures, subject to certain conditions, in place of any other method that applies to a purchase. It revises provisions relating to required competitive bidding or competitive proposals for municipal and county contracts over \$15,000 and \$25,000, respectively, to authorize reverse auctions as an alternative means of satisfying those competitiveness requirements. A change to the Education Code authorizes a school district to use a reverse auction to comply with statutory requirements for contracts of \$25,000 or more.

**SENATE BILL 243****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Harris**HOUSE SPONSOR:** Brimer

Senate Bill 243 amends Local Government Code provisions relating to political subdivisions' capital improvements and facility expansions plans and the calculation of impact fees charged new developments to fund or recoup the cost of the improvements or expansions to support those developments. The bill requires a capital improvements plan adopted by a political subdivision to include provisions for awarding either a credit for the portion of property tax and utility service revenues generated by new service units that is used for the payment of improvements, including debt service, or a credit equal to 50 percent of the total projected cost of implementing the capital improvements plan. It changes the method for determining the maximum impact fee per service unit by subtracting the amount of the credit from the costs of the improvements or expansions; requires consideration of the capital improvements plan at a public hearing at the same time as consideration of the land use assumptions rather than at a public hearing on the impact fee; amends public notice requirements relating to those hearings; and requires that land use assumptions and a capital improvements plan on which an impact fee is based be updated at least every five years, rather than every three years.

Senate Bill 243 requires a political subdivision to use qualified professionals to develop a capital improvements plan and makes a political subdivision that imposes an impact fee liable to the state for a civil penalty if it fails to submit to the attorney general a written certification verifying compliance with applicable provisions of state law. The bill requires a political subdivision that has water and wastewater capacity to collect impact fees when the building permit is issued, or, for land platted outside its boundaries, or if the political subdivision lacks authority to issue building permits in the area where the impact fee applies, when an application for an individual water meter connection to the water or wastewater system is filed.

**SENATE BILL 335**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** J. Jones

Senate Bill 335 amends Government Code provisions relating to interlocal cooperation contracts between local governments of this state and local governments of other states. The bill removes the restriction that a local government of another state be from a state that borders this state. The bill also requires a governmental entity that purchases or provides services under an interlocal contract on behalf of a state agency to comply with provisions that govern historically underutilized businesses.

**SENATE BILL 510**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister et al.

**HOUSE SPONSOR:** Walker

Senate Bill 510 amends state law related to procurement of contracts by certain governmental entities, authorities, and school districts for the construction, rehabilitation, alteration, or repair of a facility to give those entities greater flexibility in contracting for such services in the most cost-effective manner. The bill provides for a governmental entity to use the method that provides the best value among competitive bidding; competitive sealed proposals for construction services; a design-build contract; a contract to construct, rehabilitate, alter, or repair facilities using a construction manager; or a job order contract for the minor repair, rehabilitation, or alteration of a facility. The bill establishes criteria and guidelines for determining whether a contracting method offers the best value, establishes procedures and requirements for the selection of a contractor under each contracting method, and sets forth other procedures and requirements for entering into and executing contracts.

**SENATE BILL 519**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Gutierrez

Senate Bill 519 amends the Government Code to require each state agency that adjusts a matching funds requirement for an economically distressed county or census tract to submit to the governor, the legislature, and the Legislative Budget Board an annual report. The report must describe each adjustment made by the agency during the preceding state fiscal year, the program under which the adjustment was made, the name of each county or the location of each census tract that benefited from the adjustment, and the effects of each adjustment on the agency's programs.

**SENATE BILL 588**

**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Coleman

Senate Bill 588 amends the Cultural Education Facilities Finance Corporation Act to expand the purposes for which a cultural and community facility may be created. The bill provides that a corporation formed by a city or county under the act has the same rights and

powers as a corporation organized under the Texas Non-Profit Corporation Act, and it provides that a city or county may limit the corporation's purpose by prohibiting the financing of particular types of cultural facilities.

**SENATE BILL 656****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** R. West**HOUSE SPONSOR:** Coleman

Senate Bill 656 adds a provision to the Government Code requiring the designation of a state agency employee or officer as state demographer. The bill sets out eligibility requirements and imposes on the demographer the duty to disseminate demographic and socioeconomic data to the public, inform the legislature of the impact of demographic and socioeconomic changes on the demand for state services, evaluate data needs for monitoring such changes and assessing the effectiveness of state service delivery, and provide population projections or estimates on specified schedules to the state, counties, and municipalities. The agency that employs the state demographer is the coordinating agency for the State Data Center and certain U.S. Census Bureau programs.

**SENATE BILL 694****EFFECTIVE:** 5-26-01**SENATE AUTHOR:** Wentworth**HOUSE SPONSOR:** McCall

Senate Bill 694 amends the Government Code to provide that a credit card, debit card, charge card, or access device number collected, assembled, or maintained by or for a governmental body, as defined by the open records law, is confidential. The bill specifies the types of items that are considered access devices. The e-mail address of a member of the public that is provided in communicating electronically with a governmental body is also confidential but may be disclosed if the person affirmatively consents.

**SENATE BILL 695****EFFECTIVE:** 5-7-01**SENATE AUTHOR:** Wentworth**HOUSE SPONSOR:** Clark

Senate Bill 695 amends the Government Code to authorize a governmental body to consult by telephone conference call, videoconference call, or Internet communications with an attorney for the governmental body who is not an employee. The consultation may occur publicly in an open meeting or privately in a closed meeting, but a consultation conducted in an open meeting must be audible to the public at the meeting location specified in the meeting notice. The bill does not confer additional latitude for the governmental body to conduct meetings by any of the three means, beyond current law on the subject.

**SENATE BILL 827****EFFECTIVE:** 5-16-01**SENATE AUTHOR:** Duncan**HOUSE SPONSOR:** Hawley et al.

Senate Bill 827 amends the Government Code to authorize cities or counties participating in rural economic development programs established by the Texas Agricultural Finance Authority to sell anticipation notes to the authority for certain purposes. A note is exempt from laws requiring prior approval of the attorney general and examination and registration of public securities if the amount of the note is \$500,000 or less. Notes cannot be issued for the same purpose more than once in any 12-month period and must mature in less than 30 years.



**SENATE BILL 874**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Callegari et al.

Senate Bill 874 amends the Local Government Code to authorize a commissioners court or the governing body of a conservation or reclamation district located in a county with a population of 2.8 million or more to require prospective bidders to attend pre-bid conferences as a condition for accepting a bid.

**SENATE BILL 936**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Cook

Senate Bill 936 amends the Water Code to reflect changes to the federal National Flood Insurance Act, including changing all previous references to the United States Department of Housing and Urban Development to the Federal Emergency Management Agency, which now administers the act. The bill specifies that a political subdivision is authorized to adopt more comprehensive floodplain management rules as necessary to protect public health and safety, to participate in floodplain management and mitigation initiatives, and to collect reasonable fees to cover the cost of administering a floodplain management program. The bill provides that an offense under certain provisions of the Flood Control and Insurance Act is a Class C misdemeanor for each day of a continuing violation, and it extends to political subdivisions generally the authority to enforce those provisions by filing civil suits for injunctions and civil penalties for violations, which authority previously was limited to certain counties. The bill also eliminates a provision that prohibited state rules and regulations from imposing requirements stricter than those established by the federal agency administering the National Flood Insurance Act.

**SENATE BILL 961**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** G. Lewis

Senate Bill 961 amends the Human Resources Code to authorize a county or municipality to supplement, from its own funds, the salary of an employee of the Department of Protective and Regulatory Services whose duties include providing child protective services and adult protective services for the department.

**SENATE BILL 1016**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Junell

Senate Bill 1016 amends Local Government Code provisions relating to required reports and audits covering activities of regional planning commissions, also known as councils of government (COGs). Previous law provided that if the governor questioned the appropriateness of a COG expenditure, the governor was to report the matter to the state auditor for review. The bill deletes that provision and establishes instead a procedure requiring the auditor to review every COG audit and report, with a right of access to any working papers and supporting documentation that the auditor finds necessary as part of the review. If the auditor identifies significant issues involving COG administration of operation, findings and recommendations must be reported to the legislative audit committee, the governor, and the COG. The governor and legislative audit committee may direct the COG to prepare a corrective action plan or other response to the findings and recommendations. The legislative audit committee may direct the auditor to perform an additional audit or additional investigative work.



**SENATE BILL 1268****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Madla**HOUSE SPONSOR:** Wise

Senate Bill 1268 amends the Government Code to prohibit any requirement that a contractor or subcontractor for a public building or other construction contract obtain a surety bond from any specific insurance or surety company, agent, or broker. The prohibition applies to the General Services Commission, other state agencies in the executive branch, certain entities in the judicial branch, and university systems and institutions of higher education, and to other governmental entities authorized statutorily to enter into public work contracts, including counties, municipalities, and school districts. The bill requires the commission to establish a program to provide surety technical services for the benefit of small businesses and historically underutilized businesses.

**SENATE BILL 1287****EFFECTIVE:** 5-11-01**SENATE AUTHOR:** Carona**HOUSE SPONSOR:** E. Jones

Senate Bill 1287 amends the Local Government Code to allow certain housing finance corporations to issue bonds to defray any costs associated with the provision of housing and non-housing facilities that are functionally related to an affordable housing project. The bill also broadens the purpose of “residential development” as it applies to housing finance corporations to include the use of facilities for delivering certain tenant services.

**SENATE BILL 1458****EFFECTIVE:** 6-15-01**SENATE AUTHOR:** Duncan et al.**HOUSE SPONSOR:** McCall

Senate Bill 1458 amends the Government Code to establish at the Department of Information Resources (DIR) an Electronic Government Program Management Office and associated advisory committee with various powers relating to improving the access to and delivery of government services through information technology projects. The bill creates, through September 1, 2003, a TexasOnline grant program managed by the office to enable counties, municipalities, and school districts to provide electronic government services through funding of start-up costs, design and maintenance of websites, and other needs. It creates a Legislative Oversight Committee for Electronic Government Projects, which expires December 31, 2004, and establishes a September 1, 2005, sunset date for the TexasOnline division at the DIR, created by Senate Bill 187. Amendments to the Education Code authorize a school district or open-enrollment charter school to transfer donated data processing equipment to a student with no access, giving preference to educationally disadvantaged students. The bill contains related Government Code changes to facilitate the disposition to school districts and charter schools of surplus state agency data processing equipment.

Other amendments to the Government Code relate to computer security issues, electronic commerce, the authority of the DIR executive director, certain vendor issues, open records law exceptions, and contract claims against the state. Tax Code changes enhance the comptroller’s use of advanced database systems and electronic technology. Transportation Code amendments relate to state contracts for certain roadway removal work.

**SENATE BILL 1759****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Armbrister**HOUSE SPONSOR:** Capelo

Senate Bill 1759 amends the Government Code to allow public securities to be sold at public or private sales under terms determined by the governing body of the issuer to be in the issuer’s best interest and provides that a resolution, order, or ordinance relating to an election

on the issuance of a public security or the security's authorization is effective immediately upon its adoption or authorization at a meeting of the governing body and does not require a subsequent meeting. The bill allows an issuer to make certain deposits associated with advance refunding of bonds with a trust company or commercial bank that does not act as a depository for the issuer and that is named in the issuer's proceedings authorizing execution of an escrow agreement for the deposits. The bill also authorizes the governing body of an issuer to issue securities to finance payments on agreements involving interest rate locks, interest rate hedging agreements, or other credit agreements. The bill makes various other changes relating to public securities, including provisions concerning registrar records, the determination of certain amounts associated with refunding bonds, and the inclusion of certain hospital districts under the definition of "issuer" in provisions relating to the issuance of securities for certain public improvements.

Senate Bill 1759 also prohibits an independent school district from issuing certain securities unless it complies with Education Code provisions relating to bond elections and lowers the population threshold from more than 1.2 million to more than 100,000 for a municipality to be exempted from provisions requiring voter approval for the sale of an unencumbered natural gas system.

Finally, Senate Bill 1759 amends the Education Code to require the governing board of an institution of higher education to fix certain rentals, rates, charges, and fees in amounts necessary to pay costs associated with activities or services of the institution and to require the board, for billing and reporting purposes, to accumulate mandatory fees or charges as a separate facilities and services charge.

**SENATE BILL 1793**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Sibley  
**HOUSE SPONSOR:** Smithee

Senate Bill 1793 amends the Government Code to exempt a meeting between the commissioner of insurance or the commissioner's designee and the board of directors of a guaranty company from requirements of the state's open meetings law, allowing the commissioner to deliberate and determine appropriate actions regarding the solvency of a person regulated by the Texas Department of Insurance in a closed meeting with members of the guaranty association's board of directors.

## GOVERNMENT—SPECIAL DISTRICTS AND AUTHORITIES

### **HOUSE BILL 65**

**EFFECTIVE:** 9-1-01

House Bill 65 amends the Government Code to delete the provision that prohibits the judge of the 378th Judicial District from serving as a visiting judge in certain counties.

**HOUSE AUTHOR:** Pitts

**SENATE SPONSOR:** Cain

### **HOUSE BILL 83**

**EFFECTIVE:** 6-14-01

House Bill 83 authorizes the board of directors of the Big Bend Regional Hospital District to sell, lease, or otherwise dispose of property, facilities, or equipment at a public sale, or to donate to another governmental entity or charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration.

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

### **HOUSE BILL 119**

**EFFECTIVE:** 6-14-01

House Bill 119 amends state law to change the period for filing a petition for a place on the ballot for the board of directors of the Ector County Hospital District from not later than the 31st day before the date of the election to not later than 5 p.m. of the 45th day before the date of the election.

**HOUSE AUTHOR:** G. E. West

**SENATE SPONSOR:** Duncan

### **HOUSE BILL 170**

**EFFECTIVE:** 9-1-01

House Bill 170 authorizes the board of directors of the Nacogdoches County Hospital District to create a charitable organization to provide or arrange for hospital and health care services, develop resources for hospital and health care services, and provide ancillary support services for the district. The board of directors may also sponsor or create a nonprofit corporation to provide health care or other services the district is authorized to provide.

**HOUSE AUTHOR:** Christian

**SENATE SPONSOR:** Staples

### **HOUSE BILL 182**

**EFFECTIVE:** 8-27-01

House Bill 182 enables the board of the Sutton County Hospital District to conduct an election to increase the district's maximum tax rate from 35 cents to 75 cents on each \$100 of taxable property valuation.

**HOUSE AUTHOR:** B. Turner

**SENATE SPONSOR:** Madla

### **HOUSE BILL 298**

**EFFECTIVE:** 6-15-01

House Bill 298 moves the authority to appoint assistant administrators for the Ector County Hospital District from the board of directors to the administrator of the district. The bill provides that the assistant administrator serves at the will of the administrator and that the administrator and the attorney for the hospital district serve at the will of the board.

**HOUSE AUTHOR:** G. E. West

**SENATE SPONSOR:** Duncan

**HOUSE BILL 372**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

House Bill 372 specifies voter eligibility requirements for the Maverick County Water Control and Improvement District No. 1. To vote, a person must be an American citizen at least 18 years of age, must hold title to or title interest in irrigable farm or ranch land within the district, and must receive and use irrigation water delivered by the district through its canal system. The bill further specifies that a person who is ineligible to vote is not liable for district taxes imposed on or after January 1, 2002, but continues to be liable for the person's pro rata share of any previously incurred district debt.

**HOUSE BILL 501**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Carter

**SENATE SPONSOR:** Moncrief

House Bill 501 amends the Health and Safety Code to modify the composition of and requirements for representation on the board of managers of certain 9-1-1 emergency communications districts. The bill expands the board's membership, eases geographic restrictions on cities eligible to appoint members to the board, and allows additional cities to appoint their own representatives to the board. The bill also amends the budget approval process to allow the budget to become effective with the approval of a majority of the entities represented by the board.

**HOUSE BILL 521**

**EFFECTIVE:** 5-23-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

House Bill 521 amends state law to clarify that the Maverick County Hospital District may donate to another governmental entity or charitable organization any surplus personal property or equipment if the donation serves a public purpose and is accompanied by adequate consideration.

**HOUSE BILL 561**

**EFFECTIVE:** 5-23-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Duncan

House Bill 561 changes the name of the Glasscock County Underground Water Conservation District to the Glasscock Groundwater Conservation District and amends its jurisdiction to conform to that of groundwater conservation districts generally and to eliminate other powers, duties, functions, and privileges common to water control and improvement districts. The bill changes the board of directors from a five-member board to one ranging in size from 5 to 11 members, elected from numbered precincts. The board is authorized to determine its size and to draw the precincts. Directors serve staggered terms of four years. The bill validates district acts and proceedings.

**HOUSE BILL 675**

**EFFECTIVE:** 5-14-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Staples

House Bill 675 amends Water Code provisions relating to groundwater conservation districts and other water districts to establish specified training requirements for a district's investment officer. Corresponding amendments to the Public Funds Investment Act remove affected districts from the applicability of the act's investment training requirements. The Water Code provisions require a training session of at least six hours of instruction to occur by the first anniversary of the assumption of investment officer duties, followed by at least four hours of training every two years. The bill authorizes a district's board of directors to contract with

another person to act as investment officer, replacing certain previous provisions on use of outside investors, and requires those who provide investment training to report annually to the comptroller a list of districts whose investment officers they have trained.

**HOUSE BILL 702**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** R. Lewis

**SENATE SPONSOR:** Armbrister

House Bill 702 amends the Water Code to revise and modernize general laws relating to drainage districts, particularly with respect to bond issuance and the relative powers of district boards and county officials. The bill authorizes a board to issue negotiable notes payable from maintenance taxes to meet district financial obligations. They need not be approved by the Texas Natural Resource Conservation Commission, but the amount outstanding at any one time may not exceed \$3 million. A board may also issue negotiable notes payable from maintenance taxes or from other available funds to accomplish other lawful expenditures. For these, the bill sets a 20-year maximum term and provides that those issued for more than a year must be treated as debt and that annual debt service may not exceed 25 percent of the proceeds from the maximum authorized tax at the time of issuance. Other changes increase from \$100 to \$1,000 the maximum monetary fine for injuring a drainage canal or ditch, and amend provisions relating to election petition deposit amounts.

**HOUSE BILL 741**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Bailey

**SENATE SPONSOR:** Gallegos

House Bill 741 provides for the creation, administration, powers, duties, operation, and financing of the Aldine Community Improvement District. The district is authorized to impose an ad valorem tax and a sales and use tax and to issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**HOUSE BILL 742**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Staples

House Bill 742 amends the Water Code to validate an act or proceeding of a groundwater conservation district or general law water district if three years have passed since its effective date and there has been no litigation filed during that time to annul or invalidate the act or proceeding. The bill does not apply to an act or proceeding that was void or was a misdemeanor or felony, or to a rule that was preempted by a state or federal statute. It does not apply to a matter that has been held invalid by a final court judgment or that is in litigation at the time of the bill's effective date and is ultimately held invalid.

**HOUSE BILL 787**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

House Bill 787 creates the Brewster County Groundwater Conservation District, coextensive with the boundaries of that county, subject to voter approval at a confirmation election.

**HOUSE BILL 995**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Keel et al.

**SENATE SPONSOR:** Wentworth

House Bill 995 amends the Local Government Code to authorize a library district to undertake land improvements, and to authorize a library district to pledge its taxes as collateral for borrowing money to further the purposes for which it was created.

**HOUSE BILL 1038**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

House Bill 1038 creates the Coastal Bend Groundwater Conservation District, coextensive with the boundaries of Wharton County, subject to approval at a confirmation election. The bill requires the district to coordinate and cooperate with adjacent districts, local governments, and state agencies, and toward that purpose to adopt specified rules relating to water wells and waste prevention.

**HOUSE BILL 1081**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

House Bill 1081 creates the Colorado Valley Groundwater Conservation District, coterminous with Fayette County, subject to approval at a confirmation election. For purposes of regional continuity, the bill requires the district to coordinate in specified ways with adjacent districts.

**HOUSE BILL 1096**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Luna et al.

**SENATE SPONSOR:** Gallegos

House Bill 1096 amends the Local Government Code to establish the Fire Control, Prevention, and Emergency Medical Services District Act to allow the governing body of a municipality with a population of 25,000 to 550,000 or with a population of more than 1.9 million to propose the creation of a district and to impose a district sales and use tax in all or part of the municipality. The bill requires the proposed district and a district sales and use tax to be approved by a majority of qualified voters of the proposed district. The bill allows a district to finance all costs of a fire control, prevention, and emergency medical services district program in coordination with local agencies.

House Bill 1096 requires the governing body of the municipality to appoint a temporary board of directors for the proposed district and requires the board to develop and adopt a two-year fire control, prevention, and emergency medical services plan and a budget plan and to call and hold an election on the creation of the district, on the two plans, and on the proposed tax. The bill provides for the appointment of a board of directors and establishes powers and duties of the board. The bill provides for the continuation of the district through the periodic filing of a petition and a subsequent referendum election. The bill provides that if a district has not been created before the fifth anniversary of the date a district is proposed, the temporary board is dissolved and the district may not be created, and that if an existing district has not held a continuation referendum, the district is dissolved on the fifth anniversary of its last continuation or dissolution referendum election.

**HOUSE BILL 1110**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Hilbert

**SENATE SPONSOR:** Lindsay

House Bill 1110 authorizes the North Harris County Regional Water Authority to develop, implement, participate in, and enforce a groundwater reduction plan that is binding within the authority's boundaries. Those boundaries exclude a water district that is located partly outside the territory specified in the authority's 1999 enabling statute if the district does not own, lease, or receive water for nonemergency purposes from a water well located within that territory. However, a water district part of which lies outside the authority may petition for inclusion of its territory in the authority's territory, and the authority may contract to allow a person or district located outside the authority to be covered by the groundwater reduction plan. The plan may exceed the minimum requirements of the Harris-County Coastal Subsidence District,



but plan amendments are subject to applicable subsidence district requirements and procedures. The bill empowers the authority to identify sources of water other than groundwater to be provided by the authority, to specify how those sources of water will be provided, and to specify the dates and extent to which each person or district within the authority shall accept water from the authority. It allows the authority to exercise the power of eminent domain outside its boundaries for limited purposes and only under certain conditions. A water district within the authority’s boundaries retains its separate identity and jurisdiction but is subject to the authority’s powers and duties.

**HOUSE BILL 1136**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

House Bill 1136 creates the Post Oak Groundwater Conservation District, coterminous with Colorado County, subject to approval at a confirmation election. For purposes of regional cooperation, the bill requires the district to coordinate in specified ways with adjacent districts.

**HOUSE BILL 1258**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

House Bill 1258 ratifies creation of the Middle Pecos Groundwater Conservation District, coextensive with the boundaries of Pecos County, subject to approval in a confirmation election. The bill provides that certain regulatory exemptions and prohibitions, otherwise applicable to certain wells that supply municipalities, do not apply.

**HOUSE BILL 1274**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Seaman

**SENATE SPONSOR:** Armbrister

House Bill 1274 ratifies creation of the Texana Groundwater Conservation District, coextensive with the boundaries of Jackson County, subject to approval in a confirmation election.

**HOUSE BILL 1504**

**EFFECTIVE:** 5-24-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Bivins

House Bill 1504 amends the Water Code to establish what is required for a well permit application submitted to a groundwater conservation district to be considered administratively complete. It increases from 20 to 30 days the period a district has to act on an application before the applicant may seek judicial remedy by writ of mandamus, and starts the 30 days when an administratively complete application is submitted. The bill authorizes a district by rule to set a time when an application expires due to failure by the applicant to supply requested information.

**HOUSE BILL 1512**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Haywood

House Bill 1512 amends provisions governing the Stonewall County Hospital District relating to the membership of the board of directors, the powers and duties of the board, the imposition and collection of taxes within the district, the issuance of bonds, the borrowing of money, depository practices, and the payment of debt, and it provides for the dissolution of the district. The bill prohibits a county, municipality, or other governmental entity in which the district is located from levying taxes or issuing bonds or other obligations for hospital purposes or for providing medical care for the residents of the district.

**HOUSE BILL 1586**

**EFFECTIVE:** 5-21-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

House Bill 1586 authorizes the Culberson County Hospital District to sell or otherwise dispose of property, facilities, or equipment at a public sale and to donate to another governmental entity or charitable organization any surplus property or equipment if the donation serves a public purpose.

**HOUSE BILL 1663**

**EFFECTIVE:** 5-24-01

**HOUSE AUTHOR:** Alexander

**SENATE SPONSOR:** Staples

House Bill 1663 authorizes the East Cedar Creek Fresh Water Supply District, located in Henderson County, to produce and market agricultural products, other than livestock, on property the district owns or controls.

**HOUSE BILL 1784**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Cook et al.

**SENATE SPONSOR:** Ogden

House Bill 1784, the Carrizo-Wilcox Groundwater Management Act, creates the Post Oak Savannah Groundwater Conservation District in Milam and Burleson counties, and the Mid-East Texas Groundwater Conservation District in Freestone, Leon, and Madison counties, and ratifies the creation of the Brazos Valley Groundwater Conservation District in Robertson and Brazos counties, with the creation or ratification in each case being subject to voter approval at a confirmation election. All three districts are coextensive with their respective county boundaries. The act provides for the establishment of a Central Carrizo-Wilcox Coordinating Council, involving these three districts, the Lost Pines Groundwater Conservation District in Lee and Bastrop counties, and any other similar districts in the nine-county area, the council's establishment being contingent on unanimous vote by existing districts at a first annual regional coordination meeting. The act empowers the council, if established, to coordinate and maintain a management plan for the area, including an annual total groundwater withdrawal limit and equitable allocation for each district based on scientific data. If authorized by the districts, the council may also perform certain other research, survey, informational, and educational functions. The act requires the council to coordinate activities with the Bluebonnet Groundwater Conservation District or any other groundwater conservation district created in Grimes, Washington, Austin, Waller, or Walker County if the district opts for coordination.

**HOUSE BILL 1842**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Callegari et al.

**SENATE SPONSOR:** Lindsay

House Bill 1842 creates the West Harris County Regional Water Authority. It authorizes the authority to develop, prepare, revise, adopt, implement, enforce, manage, or participate in a groundwater reduction plan and to require that such a plan be the exclusive plan that is binding and mandatory for all or part of the authority. The bill authorizes cooperation with other governmental entities, including the option of an interlocal contract with the Harris-Galveston Coastal Subsidence District to carry out the authority's purposes and contractually specified governmental functions and services.

**HOUSE BILL 1909**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** Fraser

House Bill 1909 updates the jurisdiction of the Lipan-Kickapoo Water Conservation District to conform it to that of water districts and groundwater conservation districts generally, and it eliminates jurisdiction associated with water control and improvement districts. The bill lifts certain prohibitions against contracting to supply water and denying well drilling permits to landowners. It changes the board of directors from a seven-member board to one ranging in size from 5 to 11 members, with an equal number elected from each county and one member elected at large. The biennial election date moves from the third Saturday to the first Saturday in May. The bill increases director compensation from not more than \$25 to not more than \$100 per day and entitles a director to reimbursement of actual expenses. It validates and confirms all district actions, directors, and bonds and obligations.

**HOUSE BILL 1990**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** S. Turner

**SENATE SPONSOR:** Whitmire

House Bill 1990 provides for the creation, administration, powers, duties, operation, and financing of the Near Northwest Management District in Houston. The district is authorized to impose an ad valorem tax and issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**HOUSE BILL 2005**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Corte et al.

**SENATE SPONSOR:** Wentworth

House Bill 2005 creates the Trinity Glen Rose Groundwater Conservation District, in the part of Bexar County overlying the Trinity Aquifer, subject to voter approval at a confirmation election.

**HOUSE BILL 2032**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Bivins

House Bill 2032 amends the Water Code to delete the requirement for newspaper notice of a joint meeting of the boards of directors of two or more groundwater conservation districts in the same management area. Notice must still be given in accordance with the applicable requirements of the open meetings law.

**HOUSE BILL 2040**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Hawley

**SENATE SPONSOR:** Zaffirini

House Bill 2040 amends the Local Government Code to add provisions governing a defense base development authority created by a municipality with a population of less than 50,000. The provisions establish the composition and terms of office of the board of directors, create procedures for potential dissolution of the authority, and authorize the authority to own an electric, sewer service, or water supply utility and to sell those utility services to a lessee. The bill preserves existing board composition, dissolution, and utility provisions for a defense base development authority created by a municipality with a population of 50,000 or more. The bill also validates specified acts by defense base development authorities generally.

**HOUSE BILL 2045**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Williams

**SENATE SPONSOR:** Bernsen

House Bill 2045 amends Water Code provisions applicable to a general-law municipal utility district to allow a district that charges impact fees to use proceeds for cash payment of the costs of capital improvements or facility expansions identified in a required capital improvement plan. Previous law limited use of fees and fee interest to debt service on obligations issued to finance improvements or expansions.

**HOUSE BILL 2046**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hawley

**SENATE SPONSOR:** Armbrister

House Bill 2046 ratifies creation of the Refugio Groundwater Conservation District, coextensive with the boundaries of Refugio County, subject to voter approval at a confirmation election.

**HOUSE BILL 2295**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Woolley et al.

**SENATE SPONSOR:** Gallegos

House Bill 2295 amends state law to apply the existing provisions relating to municipal management districts to the Harris County Improvement District No. 1. The bill authorizes the district, subject to voter approval, to impose ad valorem taxes, assessments, or impact fees to provide improvements or services, but prohibits the district from imposing taxes on an electric utility or a power generation company, a gas utility, a telecommunications provider, or a cable system. The bill authorizes the district to create a nonprofit corporation with the powers of a local government corporation to assist in a project or service relating to public transportation and, subject to voter approval, to annex territory located inside the boundaries of a reinvestment zone. The miscellaneous powers of the district relate to working with conduits for fiber-optic cable and electronic or other types of transmission lines, charging fees for the use of conduits, and financing or maintaining conference centers and supporting facilities.

**HOUSE BILL 2362**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hope et al.

**SENATE SPONSOR:** Bernsen

House Bill 2362 creates the Lone Star Groundwater Conservation District, coextensive with the boundaries of Montgomery County, subject to voter approval in a confirmation election. The bill requires the district to coordinate with all adjacent groundwater districts in developing its management plan and to provide them with copies of the plan once completed.

**HOUSE BILL 2432**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

House Bill 2432 ratifies creation of the Lost Pines Groundwater Conservation District, coextensive with the boundaries of Bastrop and Lee counties. The bill makes the district a member of the Central Carrizo-Wilcox Coordinating Council and requires development of a district management plan to be submitted for inclusion in the council's management plan.

**HOUSE BILL 2477**

**EFFECTIVE:** 9-1-01

House Bill 2477 amends state law relating to the Garza County Health Care District, formerly known as the Garza Hospital District. The bill includes provisions relating to board membership and elections and the powers and duties of the board of directors, including the authority to impose property taxes, issue general obligation and revenue bonds, borrow money, purchase or lease property, sell or otherwise dispose of property, and enter into contracts. House Bill 2477 also provides for procedures relating to the dissolution of the district.

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Duncan

**HOUSE BILL 2488**

**EFFECTIVE:** 6-16-01

House Bill 2488 amends state law regarding the Donley County Hospital District to validate all proceedings, resolutions, orders, and other acts of the district relating to the issuance of notes and other obligations, and to authorize the district to lease or contract with the Texas Department of Human Services to lease all or part of its buildings and facilities.

**HOUSE AUTHOR:** Chisum

**SENATE SPONSOR:** Haywood

**HOUSE BILL 2491**

**EFFECTIVE:** 6-16-01

House Bill 2491 revises and validates the boundaries of Harris County Water Control and Improvement District No. 84 and validates actions by its board of directors, including all annexations and acts relating to annexations.

**SENATE AUTHOR:** Bosse

**HOUSE SPONSOR:** Whitmire

**HOUSE BILL 2529**

**EFFECTIVE:** 9-1-01

House Bill 2529 ratifies creation of the Lone Wolf Groundwater Conservation District in Mitchell County, subject to voter approval at a confirmation election. It validates past acts of the district, except for matters that are the subject of pending litigation.

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** Fraser

**HOUSE BILL 2571**

**EFFECTIVE:** 6-16-01

House Bill 2571 creates the Angelina County Water Control and Improvement District No. 4 in southern Angelina County, subject to voter approval at a confirmation election. District powers include exclusive local authority to regulate septic tanks, control or abate water pollution, and coordinate water, wastewater, and drainage services provision.

**HOUSE AUTHOR:** McReynolds

**SENATE SPONSOR:** Staples

**HOUSE BILL 2572**

**EFFECTIVE:** 6-16-01

House Bill 2572 creates the Pineywoods Groundwater Conservation District in Angelina and Nacogdoches counties, subject to voter approval at a confirmation election. The powers of a general-law water district do not apply to the district. Funding derives from water well permits, and taxation in the district is prohibited.

**HOUSE AUTHOR:** McReynolds et al.

**SENATE SPONSOR:** Staples

**HOUSE BILL 2643**

**EFFECTIVE:** 9-1-01

House Bill 2643 ratifies creation of the Crossroads Groundwater Conservation District, coextensive with the boundaries of Victoria County, subject to voter approval at a confirmation election.

**HOUSE AUTHOR:** Morrison

**SENATE SPONSOR:** Armbrister

**HOUSE BILL 2658**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Haywood

House Bill 2658 amends state law regarding the Knox County Hospital District to authorize the board of directors to enter into a loan agreement that will mature not later than five years from issuance to borrow money by pledging the revenues or property of the district that are not pledged to pay the bonded indebtedness of the district.

**HOUSE BILL 2690**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Staples

House Bill 2690 amends the Water Code to establish a maximum of \$10,000 per day per violation for civil penalties set by a groundwater conservation district for a breach of its rules.

**HOUSE BILL 2744**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Carter et al.

**SENATE SPONSOR:** Madla

House Bill 2744 amends provisions of the Health and Safety Code relating to emergency services and rural fire prevention districts and includes changes to improve a district's long-term financing ability, increase a district's flexibility to incur debt, and streamline a district's ability to merge or exchange territory. Included in the bill are provisions to authorize a district to hold an election to increase the tax rate to the maximum set by the Texas Constitution, to make mutually agreeable changes in boundaries with another district, and to secure a loan to purchase real property.

**HOUSE BILL 2746**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Carter et al.

**SENATE SPONSOR:** Madla

House Bill 2746 amends provisions of the Health and Safety Code relating to emergency services districts and fire prevention districts located in certain counties to conform provisions relating to overlapping territory in the districts.

**HOUSE BILL 2761**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** B. Brown

**SENATE SPONSOR:** Cain

House Bill 2761 converts the Kaufman County Municipal Utility District No. 1 to a levee improvement district and accordingly changes its name to Kaufman County Levee Improvement District No. 4.

**HOUSE BILL 2847**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt

**SENATE SPONSOR:** Sibley

House Bill 2847 grants powers to the Brazos River Authority relating to the development of Brazos River Basin groundwater and its provision to customers for domestic, municipal, irrigation, commercial, and industrial purposes. The bill, however, does not confer any power to regulate the groundwater of other land owners in the manner of a groundwater conservation district. The authority is subject to all laws and regulations relating to groundwater, including those of a groundwater conservation district and of the Central Carrizo-Wilcox Coordinating Council. The authority is not empowered to transport or assist in the transport of groundwater pumped in the basin outside of the Brazos River Basin.



**HOUSE BILL 2855**

**EFFECTIVE:** 9-1-01

House Bill 2855 ratifies creation of the Southeast Trinity Groundwater Conservation District in Comal County, subject to voter approval at a confirmation election.

**HOUSE AUTHOR:** Kuempel

**SENATE SPONSOR:** Wentworth

**HOUSE BILL 2875**

**EFFECTIVE:** 6-16-01

House Bill 2875 authorizes the board of managers of the Matagorda County Hospital District to lease district property, facilities, or equipment and to enter into loan agreements.

**HOUSE AUTHOR:** Uher

**SENATE SPONSOR:** Armbrister

**HOUSE BILL 2913**

**EFFECTIVE:** 6-16-01

House Bill 2913 establishes a maximum maintenance tax rate of 15 cents per \$100 valuation for the Brazoria County Conservation and Reclamation District Number Three. The bill increases the maximum per diem of a district commissioner from \$20 to \$100.

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** J. E. Brown

**HOUSE BILL 2959**

**EFFECTIVE:** 6-16-01

House Bill 2959 validates a maintenance tax authorized in 1961 by voters of the Brookshire-Katy Drainage District and requires a district election to approve other provisions of the bill. If approved, those provisions take effect on the 45th day after the election date.

The provisions subject to the election make findings as to the boundaries and validity of the district and clarify its powers and authority. They allow the exercise of eminent domain powers outside the district if the municipality or county where the condemned property is located consents. The provisions prohibit construction of drainage facilities or improvements on or to serve a land tract in the district unless plans and specifications have been approved by the district and in some cases by an affected municipality. Other provisions related to construction projects grant the district rulemaking powers, adopt surety bond and security safeguards, and exempt agricultural and other minor activities from the approval requirement. Provisions subject to the election also establish criminal and civil penalties relating to violations of the district's enabling law or rules.

**HOUSE AUTHOR:** Williams

**SPONSOR:** Ogden

**HOUSE BILL 3024**

**EFFECTIVE:** 9-1-01

House Bill 3024 amends the enabling law of the Panhandle Groundwater Conservation District (PGCD) to remove a prohibition against PGCD sale or distribution of water and to allow the PGCD to impose a reasonable fee on water transported outside its boundaries. The fee may not exceed an amount negotiated between the PGCD and the transporter, an amount equal to the PGCD's maximum tax rate per \$100 valuation for each 1,000 gallons, or an amount of \$0.025 per 1,000 gallons if the tax rate is less than \$0.025 per \$100 valuation. A conservation and reclamation district that provides water to five or more municipalities outside the PGCD and holds a permit granted before March 2001 is exempt from the transport fee, but the conservation and reclamation district must pay the PGCD an amount equal to 60 percent of the PGCD's annually set tax rate per \$100 valuation for each 1,000 gallons of water delivered to municipalities outside the PGCD that are members of the conservation and reclamation district as of the bill's effective date.

**HOUSE AUTHOR:** Chisum

**SENATE SPONSOR:** Bivins

**HOUSE BILL 3034**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Najera

**SENATE SPONSOR:** Shapleigh

House Bill 3034 requires the Lower Valley Water District to provide to each property owner who is not receiving district sewer services but is being charged a fee to encourage connection to those services a notice containing certain explanatory information about the fee written in both English and Spanish, together with a request for a response to the notice indicating whether the owner would prefer to avoid the fee by connecting to the services or whether the owner refuses the services. The district is required to send the notice at least once a year by certified mail, return receipt requested; to continue to send notices until the district obtains and files a signed response from each owner; to maintain records of the response; and to ensure the fee is not charged to a person unless it is clear that the person is required by district rules to pay the fee.

The bill also requires the district to suspend the fee not later than 30 days after the bill's effective date, and it prohibits the reimposition of the suspended fee on any person until the district has on file the person's signed refusal of district services.

**HOUSE BILL 3037**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Staples

House Bill 3037 amends the Water Code to clarify a groundwater conservation district's rulemaking authority to regulate water well spacing and production, expanding the purpose of such regulation to include the prevention of interference between wells and the prevention of water quality degradation and establishing guidelines for such regulation. Specifically, spacing regulation may include a requirement that all wells be set a certain distance from property lines or adjoining wells or a requirement that wells with a certain production capacity, pump size, or other construction or operation characteristic be set at specific distances from property lines or other wells. Regulation of water production may include setting production limits on wells; limiting production based on acreage or tract size, including consideration of a retail water utility's service area; limiting the water that may be produced from a defined number of acres assigned to an authorized well site; setting a production maximum on the basis of acre-feet-per-acre or gallons-per-minute per well site; or using any combination of those methods. Regulation may preserve, to the maximum extent practicable consistent with a district's comprehensive management plan, historic water use before the effective date of the district's groundwater production rules.

**HOUSE BILL 3095**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Haywood

House Bill 3095 converts the governing body of the Salt Fork Water Quality District, coextensive with Stonewall County, from an elected board of directors to one that is appointed by the county commissioners court. The terms of office of the elected directors expire on the effective date of House Bill 3095. Other provisions authorize the district to enter into an agreement with a state agency, political subdivision, or other governmental entity to carry out district purposes.

**HOUSE BILL 3096**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Duncan

House Bill 3096 makes legislative findings in support of construction of a dam and reservoir on the Double Mountain Fork of the Brazos River, northeast of Post, and authorizes the Texas Water Development Board to acquire up to 100 percent of the undivided interest in the project

in partnership with local or regional interests. The bill revises the authority of the White River Municipal Water District to include ownership and operation of a dam, and extends related land acquisition and other authority to include areas outside the district. It removes a prohibition on development or acquisition of underground sources of water.

**HOUSE BILL 3132**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** P. King

**SENATE SPONSOR:** Haywood

House Bill 3132 provides for the dissolution by election of the Gainesville Hospital District and the Muenster Hospital District and for the creation, administration, powers, duties, operation, and financing of the Cooke County Hospital District. All assets and obligations of the dissolved hospital districts are transferred to the Cooke County Hospital District.

**HOUSE BILL 3159**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** J. E. Brown

House Bill 3159 increases the salary for a commissioner of Brazoria Drainage District Number 4 from \$25 to \$30 per day and increases the per diem from \$7.50 to \$10.

**HOUSE BILL 3191**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Puente

**SENATE SPONSOR:** Van de Putte

House Bill 3191 amends the Health and Safety Code to require a petition for the creation of an emergency services district within a municipality or its extraterritorial jurisdiction to show the name of each municipality whose consent must be obtained. The bill authorizes the governing board of a municipality with a population of more than 1 million located in a county of less than 1.4 million to negotiate with the county commissioners court of that county the conditions under which the municipality will grant its consent of inclusion of its extraterritorial jurisdiction in an emergency services district. The negotiated conditions may limit the district's ability to incur debt, require that the district ensure its equipment is compatible with the municipality's equipment, and require the district to enter into mutual aid agreements.

**HOUSE BILL 3194**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Howard

**SENATE SPONSOR:** J. E. Brown

House Bill 3194 creates the Fort Bend County Levee Improvement District Number 16.

**HOUSE BILL 3195**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Howard

**SENATE SPONSOR:** J. E. Brown

House Bill 3195 creates the Fort Bend County Municipal Utility District Number 134.

**HOUSE BILL 3229**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Craddick

**SENATE SPONSOR:** Bivins

House Bill 3229 changes the filing deadline for a write-in candidate for director of the Midland County Hospital District.

**HOUSE BILL 3231**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Morrison

**SENATE SPONSOR:** Armbrister

House Bill 3231 creates the Pecan Valley Groundwater Conservation District, coextensive with the boundaries of DeWitt County, subject to voter approval at a confirmation election.

**HOUSE BILL 3243**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

House Bill 3243 creates the Kinney County Groundwater Conservation District, coextensive with the boundaries of that county, subject to voter approval at a confirmation election.

**HOUSE BILL 3285**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Farrar

**SENATE SPONSOR:** Lindsay

House Bill 3285 amends the Government Code to authorize certain countywide flood control districts and hospital districts to issue anticipation notes and to place limits on the amounts of such notes. The bill authorizes a flood control district operating as a conservation and reclamation district that issues anticipation notes for certain purposes to secure the notes with revenue or bond proceeds. The bill also establishes a maturity period of 15 years for anticipation notes issued by certain counties, countywide districts, and school districts; refunding bonds associated with anticipation notes issued by certain counties, municipalities, or countywide districts are subject to the same 40-year limitations on maturity as other refunding bonds.

House Bill 3285 also amends the Local Government Code to authorize a county that contracts for flood control and soil conservation plans and programs to include in the contract a provision that payments under the contract are payable from and secured by a pledge of county revenue or ad valorem taxes or a combination of revenue and taxes.

**HOUSE BILL 3323**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solomons et al.

**SENATE SPONSOR:** Nelson

House Bill 3323 provides for the creation, organization, administration, powers, duties, operation, and financing of a coordinated county transportation authority. It authorizes certain municipalities and the commissioners court of a county that is adjacent to a county with a population of more than one million to create an authority to provide public transportation and transportation-related services, if confirmed by voters at an election. The authority has the power of eminent domain and annexation and the authority to impose a sales and use tax, issue bonds, borrow money, and enter into contracts for construction, services, or property.

**HOUSE BILL 3357**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kuempel

**SENATE SPONSOR:** Armbrister

House Bill 3357 amends the Water Code to authorize a river authority to guarantee or provide credit support for public securities issued by a nonprofit corporation created by the river authority to act on its behalf if the guarantee or support benefits a public purpose of the authority and the public purpose is related to economic development and reducing unemployment or under employment.

**HOUSE BILL 3404**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** T. King

**SENATE SPONSOR:** Armbrister

The enabling statute for the Edwards Aquifer Authority provides that its fee rate per acre-feet of water for agricultural use may not exceed 20 percent of the fee rate for municipal use. House Bill 3404 defines “agricultural use” to mean the cultivation of the soil for crop production, a nursery grower’s cultivation of plants in containers or nonsoil media, or the planting of cover crops or the idling of land for crop or livestock rotation purposes or for governmental program participation. “Agricultural use” also includes floriculture, viticulture,

silviculture, horticulture, wildlife management, the raising or keeping of equine animals, and the raising, feeding, or keeping of animals for breeding purposes or for the production of commercial products. The bill also defines who qualifies as a nursery grower.

**HOUSE BILL 3543**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Hilderbran

**SENATE SPONSOR:** Wentworth

House Bill 3543 changes the name of the Headwaters Underground Water Conservation District to the Headwaters Groundwater Conservation District and makes technical changes to its statutory powers. The bill provides for election of one district director at large and one from each county commissioners precinct in Kerr County and modifies the election schedule. Other provisions make it discretionary rather than mandatory for the district to contract with Kerr County or a river authority for certain services.

**HOUSE BILL 3544**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Hilderbran

**SENATE SPONSOR:** Wentworth

House Bill 3544 ratifies creation of the Cow Creek Groundwater Conservation District, coextensive with the boundaries of Kendall County, subject to voter approval at a confirmation election. It also validates district acts and proceedings.

**HOUSE BILL 3587**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Walker

**SENATE SPONSOR:** Barrientos

Previously, Water Code requirements for groundwater conservation district-issued well-drilling or well-producing permits exempted wells for watering livestock or poultry, certain wells supplying the domestic needs of 10 or fewer households, wells incapable of producing more than 25,000 gallons a day, and wells supplying water for hydrocarbon production activities or other purposes and associated with wells permitted by the Railroad Commission of Texas (RRC), but wells for hydrocarbon production, if drilled after September 1, 1997, were subject to a district's spacing requirements.

House Bill 3587 amends the code to narrow the scope of such exemptions. The bill exempts a well incapable of 25,000 gallons only if it is located on a tract larger than 10 acres and the water is used for domestic purposes or the watering of livestock or poultry. A district may not restrict production from such a well. The bill exempts from permitting the drilling of a well to supply water solely for a drilling rig that is actively engaged in RRC-permitted operations, provided that certain well location criteria are met. The bill also exempts a well drilled to supply water for RRC-permitted mining purposes from permitting, production restrictions, and spacing requirements. A well's RRC exemption may disappear, however, if its contribution to a drilling rig or mining ceases or withdrawals exceed mining-required levels, and in the case of a mining well certain reporting requirements may ensue. Water from a permit-exempt well that is exported from the district remains subject to any applicable production or export fees imposed by the district. Finally, the bill provides that groundwater conservation district general law does not apply to production or injection wells drilled for oil, gas, sulphur, uranium, or brine, or for core tests, or for injection of gas, saltwater, or other fluids, under RRC permits.



**HOUSE BILL 3626**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hardcastle

**SENATE SPONSOR:** Haywood

House Bill 3626 ratifies creation of the Tri-County Groundwater Conservation District, coextensive with the boundaries of Foard, Hardeman, and Wilbarger counties, subject to voter approval at confirmation elections in the three counties. The district includes each county that votes to confirm the creation of the district.

**HOUSE BILL 3628**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Green

**SENATE SPONSOR:** Armbrister

House Bill 3628 validates creation of the Hays County Water Control and Improvement District No. 1, subject to voter approval at a confirmation election, and clarifies its powers.

**HOUSE BILL 3629**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Green

**SENATE SPONSOR:** Armbrister

House Bill 3629 validates creation of the Hays County Water Control and Improvement District No. 2, subject to voter approval at a confirmation election, and clarifies its powers.

**HOUSE BILL 3633**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hope

**SENATE SPONSOR:** Bernsen

House Bill 3633 amends state law relating to the East Montgomery County Improvement District. The bill amends the boundaries of the district, provides for the election of board officers by board members, authorizes the district to contract with off-duty peace officers to provide public safety and security services, and authorizes the district to spend bond proceeds for district purposes. The bill also requires voter approval for imposing a sales and use tax of a certain rate.

**HOUSE BILL 3634**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Farrar

**SENATE SPONSOR:** Gallegos

House Bill 3634 provides for the creation, administration, powers, duties, operation, and financing of the Greater Northside Management District in Houston. The district is authorized to impose an ad valorem tax and issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**HOUSE BILL 3635**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

House Bill 3635 creates the Wharton County Drainage District, coextensive with the boundaries of that county, subject to voter approval at a confirmation election.

**HOUSE BILL 3636**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Geren

**SENATE SPONSOR:** Harris

House Bill 3636 changes the name of the Tarrant County Water Control and Improvement District No. 1 to the Tarrant Regional Water District, a Water Control and Improvement District. The bill authorizes the district to contract and cooperate to import water supplies from out of state, and to provide for or participate in recreational facilities. It empowers the district to make and enforce reasonable rules, permits, orders, and ordinances necessary to accomplish its legal purposes and provides that an adversely affected individual may bring suit to set aside such actions. The bill creates an offense and establishes criminal and civil



penalties for violations of a rule, permit, order, or ordinance. The bill also affirms bond issuance provisions of the district’s enabling law, validates district actions relating to territorial annexation and boundary definition, and, with certain exceptions, applies to the district provisions of the Water Code relating to construction work contracts.

**HOUSE BILL 3639**

**HOUSE AUTHOR:** Danburg et al.

**EFFECTIVE:** 9-1-01

**SENATE SPONSOR:** J. E. Brown

House Bill 3639 amends the Local Government Code to expand the boundaries of the Upper Kirby Management District. The bill also authorizes the board by resolution to increase or decrease the number of directors to not more than nine and not fewer than five, and to provide for staggering the terms of directors serving in the new positions.

**HOUSE BILL 3640**

**HOUSE AUTHOR:** Uher

**EFFECTIVE:** 6-16-01

**SENATE SPONSOR:** Armbrister

House Bill 3640 creates the Coastal Plains Groundwater Conservation District, coextensive with the boundaries of Matagorda County, subject to voter approval at a confirmation election. The bill sets requirements relating to cooperation with adjacent districts.

**HOUSE BILL 3642**

**HOUSE AUTHOR:** Counts

**EFFECTIVE:** 6-17-01

**SENATE SPONSOR:** Haywood

House Bill 3642 creates the Lower Seymour Groundwater Conservation District, coextensive with the boundaries of Jones County, subject to voter approval at a confirmation election.

**HOUSE BILL 3647**

**HOUSE AUTHOR:** Glaze

**EFFECTIVE:** 6-15-01

**SENATE SPONSOR:** Cain

House Bill 3647 provides for the creation, administration, powers, duties, operation, and financing of the Smith County Economic Development District. The district is authorized to impose an ad valorem tax and issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**HOUSE BILL 3651**

**HOUSE AUTHOR:** Morrison

**EFFECTIVE:** 9-1-01

**SENATE SPONSOR:** Armbrister

House Bill 3651 creates the Goliad County Groundwater Conservation District, coextensive with the boundaries of that county, subject to voter approval at a confirmation election. The bill sets requirements relating to cooperation with adjacent districts.

**HOUSE BILL 3652**

**HOUSE AUTHOR:** Morrison

**EFFECTIVE:** 9-1-01

**SENATE SPONSOR:** Armbrister

House Bill 3652 creates the Lavaca County Groundwater Conservation District, coextensive with the boundaries of that county, subject to voter approval at a confirmation election. The bill sets requirements relating to cooperation with adjacent districts.

**HOUSE BILL 3653**

**HOUSE AUTHOR:** Ritter

**EFFECTIVE:** 6-17-01

**SENATE SPONSOR:** Bernsen

House Bill 3653 provides for the creation, administration, powers, duties, operation, and financing of the Jefferson County Waterway and Navigation District and the merger of the Jefferson County Navigation District with that district.

**HOUSE BILL 3655**

**EFFECTIVE:** 9-1-01

House Bill 3655 creates the Bluebonnet Groundwater Conservation District, coextensive with the boundaries of Grimes, Washington, Waller, Austin, and Walker counties, subject to voter approval at confirmation elections held simultaneously in the five counties. The district includes each county that votes to confirm the creation of the district. It may coordinate activities with the Harris-Galveston Coastal Subsidence District or other groundwater conservation districts to manage portions of the Gulf Coast Aquifer, and it may coordinate activities with the Central Carrizo-Wilcox Coordinating Council and appoint a nonvoting representative to that council.

**HOUSE AUTHOR:** Kolkhorst et al.

**SENATE SPONSOR:** Ogden

**HOUSE BILL 3659**

**EFFECTIVE:** 9-1-01

House Bill 3659 creates the Wes-Tex Groundwater Conservation District, coextensive with the boundaries of Nolan County, subject to voter approval at a confirmation election.

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Fraser

**HOUSE BILL 3661**

**EFFECTIVE:** 9-1-01

House Bill 3661 amends provisions relating to the powers, duties, and board of directors of the Reagan Hospital District of Reagan County, Texas, and establishes procedures for an election to dissolve the district.

**HOUSE AUTHOR:** Craddick

**SENATE SPONSOR:** Duncan

**HOUSE BILL 3665**

**EFFECTIVE:** 9-1-01

House Bill 3665 creates the Middle Trinity Groundwater Conservation District, coextensive with the boundaries of Bosque, Callahan, Comanche, Coryell, Eastland, Erath, Hamilton, and Somervell counties, subject to voter approval at confirmation elections in the eight counties. The district includes each county that votes to confirm the creation of the district.

**HOUSE AUTHOR:** Miller

**SENATE SPONSOR:** Sibley

**HOUSE BILL 3670**

**EFFECTIVE:** Vetoed

House Bill 3670 converts the composition of the board of directors of the Lubbock County Water Control and Improvement District No. 1 from five at-large members to one at-large member and one from each county commissioners precinct. The bill establishes staggered terms and residency requirements for the directors.

**HOUSE AUTHOR:** D. Jones

**SENATE SPONSOR:** Duncan

**HOUSE BILL 3674**

**EFFECTIVE:** 6-17-01

House Bill 3674 creates the Clear Fork Groundwater Conservation District, coextensive with the boundaries of Fisher County, subject to voter approval at a confirmation election.

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Haywood

**HOUSE BILL 3675**

**EFFECTIVE:** 9-1-01

House Bill 3675 creates the Brazoria County Groundwater Conservation District, coextensive with the boundaries of that county, subject to voter approval at a confirmation election.

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** J. E. Brown

**HOUSE BILL 3676**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Chisum

**SENATE SPONSOR:** Haywood

House Bill 3676 changes the manner of election for the Collingsworth County Underground Water Conservation District board of directors, replacing a system with one at-large director and four from county commissioner precincts with a system based on five single-member districts drawn by the board. Eligibility to serve as a director is based on property ownership in a district rather than residency. Annexations may be accommodated by redrawing the five districts, adding the annexed territory to one or more districts, or providing for a sixth district. The bill modifies the district's taxation powers and authorizes the calling of an election to approve a maintenance and operation tax or approve an ad valorem tax to secure district issuance of bonds.

**HOUSE BILL 3687**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Green

**SENATE SPONSOR:** Armbrister

House Bill 3687 authorizes the Nixon Hospital District of Gonzales and Wilson counties and the DeWitt Medical District to enter into a contract to allow the DeWitt Medical District to lease, manage, or operate a health care facility in the Nixon Hospital District.

**HOUSE BILL 3691**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Dunnam

**SENATE SPONSOR:** Sibley

House Bill 3691 provides for the creation, administration, powers, duties, operation, and financing of the West Medical District, a hospital district in McLennan County. The bill also authorizes the district to issue and refund bonds and to levy taxes.

**HOUSE BILL 3692**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Coleman

**SENATE SPONSOR:** R. Ellis

House Bill 3692 provides for the creation, administration, powers, duties, operation, and financing of the Greater Southeast Management District in Houston. The district is authorized to impose an ad valorem tax and issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**HOUSE BILL 3693**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Keffer

**SENATE SPONSOR:** Sibley

House Bill 3693 creates the Lake Granbury Water Improvement District in Hood County, subject to voter approval at a confirmation election. Its powers, in addition to those of a general-law water district, include authority conferred by the Regional Waste Disposal Act and certain powers of a municipal utility district.

**HOUSE BILL 3698**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Eiland

**SENATE SPONSOR:** Jackson

House Bill 3698 subjects the Clear Creek Drainage District of Galveston County to provisions of the law applying to a drainage district. Under previous law, the district had been governed by provisions applying to a fresh water supply district. The bill also includes provisions governing potential consolidation with another drainage district.

**SENATE BILL 270**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Swinford

Senate Bill 270 exempts water wells used by a nursery grower for irrigation of nursery products or florist items from pumpage fees charged by the North Harris County Regional Water Authority. A nursery grower, to be eligible for the fee exemption, must grow more than half of the nursery products or florist items that he or she sells or leases.

**SENATE BILL 274**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Van de Putte

**HOUSE SPONSOR:** E. Jones

Senate Bill 274 amends the Health and Safety Code to prohibit Bexar County Hospital District, Nueces County Hospital District, El Paso County Hospital District, or Harris County Hospital District from participating in a tax increment financing agreement that pays into a tax increment fund any of the district's tax increment produced from property located in a reinvestment zone and to prohibit taxes that are used to pay bonds to be paid into a tax increment fund. The bill prohibits a project plan or reinvestment zone financing plan from being amended to increase the percentage of the district's tax increment that is contributed to the fund, increase the length of time the district contributes to the fund, or allow the district to pay into the fund any of the tax derived from property added to the reinvestment zone on or after September 1, 2001.

**SENATE BILL 309**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Bosse

Senate Bill 309 amends various laws relating to the application of the sunset review process to certain state agencies and political subdivisions. The bill continues the Texas Department of Economic Development and On-Site Wastewater Treatment Research Council, both previously scheduled for abolishment in 2001, until 2003 and 2005, respectively. It repeals sunset expiration provisions applicable to the Governor's Committee on Immigration and Refugees, Texas National Research Laboratory Commission, Real Estate Research Center, and governing boards of the Texas School for the Deaf and the Texas School for the Blind and Visually Impaired, and repeals sunset review provisions applicable to the Dallas Area Rapid Transit Authority, Harris County Metropolitan Rapid Transit Authority, Corpus Christi Regional Transit Authority, and Capital Metropolitan Transportation Authority. The bill postpones the sunset dates of the State Board of Barber Examiners, Texas Cosmetology Commission, Texas Veterans Commission, and Veterans' Land Board from 2003 to 2005. It postpones the sunset dates of the Texas Real Estate Commission, Texas Structural Pest Control Board, and Texas Incentive and Productivity Commission from 2003 to 2007, and that of the Polygraph Examiners Board from 2003 to 2009. The sunset date of the State Board of Dental Examiners moves forward from 2005 to 2003, and that of the Risk Management Board moves forward from 2009 to 2007. The Texas Department of Human Services, previously with a sunset date of 2003, has its sunset date postponed until 2011 but becomes—as does the Texas Department of Health—the subject of a special-purpose review requiring a Sunset Advisory Commission report to the next legislature.

**SENATE BILL 404**

**EFFECTIVE:** 5-2-01

**SENATE AUTHOR:** Fraser

**HOUSE SPONSOR:** Hupp

Senate Bill 404 revises the method of election for the Clearwater Underground Water Conservation District, located in Bell County. The bill changes the board to one director elected at large and four elected from county commissioners precincts and moves the staggered election dates to the first Saturday in May of even-numbered years.

**SENATE BILL 417**

**EFFECTIVE:** 5-1-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** Bosse

Senate Bill 417 amends the Local Government Code to allow any municipality located in more than one county to call an election on a development project beneficial to the municipal district and requires the election to be held on one of four uniform election dates. The bill provides that district boundaries may conform automatically to any changes in the boundaries of the portion of the municipality included in the district.

**SENATE BILL 611**

**EFFECTIVE:** 5-3-01

**SENATE AUTHOR:** Haywood

**HOUSE SPONSOR:** Counts

Senate Bill 611 changes the name of the Haskell/Knox County Underground Water Conservation District to the Rolling Plains Groundwater Conservation District, and it expands the district's boundaries to include Baylor County. It updates and revises the district's powers and duties to conform to current Water Code law governing groundwater conservation districts generally and remove certain authority granted water control and improvement districts. The bill changes the authorized size of the district board of directors and establishes new provisions for the selection of directors and of the board chair.

**SENATE BILL 613**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Haywood

**HOUSE SPONSOR:** Chisum

Senate Bill 613 extends the terms of the board of directors of the Castro County Hospital District to a period of three years, except that the directors elected in 2000 and one of the directors elected in 2001 serve for two-year terms and their successor directors serve for three-year terms.

**SENATE BILL 637**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Hamric

Senate Bill 637 amends the Transportation Code to authorize the creation of a local government corporation by a navigation district and to require the corporation to comply with all state law related to the design and construction of projects, including the procurement of design and construction services, that applies to the navigation district that created the corporation. The bill prohibits a corporation formed by a navigation district from condemning a right-of-way through a municipality without the consent of the municipality's governing body.

**SENATE BILL 647**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Hilbert

Senate Bill 647 provides for the creation, administration, powers, duties, operation, and financing of the Old Town Spring Improvement District. The district is authorized to impose a sales tax and issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**SENATE BILL 670**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Uher

Senate Bill 670 validates and confirms all acts and governmental proceedings, officials, bonds, and obligations of navigation districts and port authorities.

**SENATE BILL 718**

**EFFECTIVE:** 5-11-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Isett

Senate Bill 718 amends the Local Government Code to change the composition of the nine-member board of the Lubbock Reese Redevelopment Authority. Under the bill, the board consists of seven members appointed by the governing body of the City of Lubbock, one member appointed by the governing body of Lubbock County, and one member appointed by the South Plains Association of Governments (SPAG). Previously, the board had two city appointees, two county appointees, one SPAG appointee, and four at-large members chosen by majority vote of the five appointees.

**SENATE BILL 726**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bivins

**HOUSE SPONSOR:** Chisum

Senate Bill 726 amends state law relating to the Stratford Hospital District to change the beginning and the ending dates of the district's fiscal year and the date of the election for the district's board of directors.

**SENATE BILL 739**

**EFFECTIVE:** 5-16-01

**SENATE AUTHOR:** Wentworth

**HOUSE SPONSOR:** Kuempel

Senate Bill 739 amends the Health and Safety Code to authorize the board of managers of a joint municipal and county hospital district, located in a county with a population of 75,000 or more, to issue and sell revenue bonds to finance the acquisition and installation of certain property and equipment necessary for the hospital to provide its services.

**SENATE BILL 835**

**EFFECTIVE:** 5-3-01

**SENATE AUTHOR:** Nelson

**HOUSE SPONSOR:** Denny

Senate Bill 835 amends the authority of the Upper Trinity Regional Water District to allow it to exercise the power of eminent domain to acquire easements for certain pipeline purposes. The bill adds new rulemaking powers under a contract with a county, municipality, or other water district relating to the quality, sanitary condition, and waste or unauthorized use of water, sanitary sewage, and storm water. It amends the petition requirements for creation of a subdistrict and authorizes the district board to establish certain rules for representation on the board of entities that recently have contracted with the district. The bill validates certain board actions.



**SENATE BILL 884**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Walker

Senate Bill 884 amends the Water Code to set specific voting requirements for an irrigation district election. A landowner with at least one acre of irrigable land in the district may vote if the land is subject to a district assessment for maintenance and operating expenses and the landowner is entitled to receive and use irrigation delivered by the district through the district's irrigation facilities. A landowner may designate a representative to vote on the landowner's behalf, provided the representative is properly registered with the district. A voter, whether the landowner or a registered representative, must meet certain eligibility requirements relating to age, citizenship, mental competence, absence of criminal disqualification, and inclusion on the district's list of qualified voters. The bill sets procedures and timetables for district preparation, filing, and posting of the list. It provides that if land ownership is vested in more than one individual or in a business entity, the vote must be cast by a registered representative. A parcel of land has only one landowner and one vote in a given election regardless of whether title is held by one or more individuals or a business entity. A person who is ineligible to vote in the district as of January 1 of a particular calendar year is not liable for any taxes imposed during that year on the ad valorem or benefit basis.

**SENATE BILL 911**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla et al.

**HOUSE SPONSOR:** Uresti

Senate Bill 911 amends the Local Government Code to enable a defense base development authority to be created to carry out a base efficiency project at a base that has not been closed or realigned. It defines such a project to mean a demonstration effort by a municipality and the U.S. Department of Defense to evaluate methods for more efficient operation of military operations and to improve mission effectiveness and reduce the cost of providing quality installation support at military facilities.

**SENATE BILL 926**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** Madden et al.

Senate Bill 926 abolishes the Collin County Water Authority.

**SENATE BILL 929**

**EFFECTIVE:** 8-31-02

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Ritter

Senate Bill 929 amends the Local Government Code to provide that a tax exemption for a multifamily residential development that is owned by a public facility corporation or other similar entity created by a housing authority and that does not have at least 20 percent of its units reserved for public housing units applies only if the housing authority holds a public hearing to approve the development and at least 50 percent of the units in the development are reserved for individuals and families earning less than 80 percent of the area median family income.

Senate Bill 929 allows a housing finance corporation, following a public hearing, to issue bonds to finance a multifamily residential development to be owned by the corporation if at least 50 percent of the units are reserved for individuals and families earning less than 80 percent of the area median family income. The bill also allows a housing finance corporation, following a public hearing by the governing body of the local government and with that

governing body's approval, to issue bonds to finance a multifamily residential development at least 20 percent of which is intended for occupancy by persons of low and moderate income whose adjusted gross incomes do not exceed certain specified levels.

**SENATE BILL 969**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bivins

**HOUSE SPONSOR:** Smithee

Senate Bill 969 amends state law relating to the Deaf Smith County Hospital District. It changes the terms of the board of directors from staggered two-year terms to staggered three-year terms, enumerates additional items on which the district may spend funds relating to the recruitment of medical personnel, and authorizes the district to sponsor and create a nonprofit corporation to provide health care or other services the district is permitted to provide.

**SENATE BILL 1036**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Hawley

Senate Bill 1036 changes the biennial election date for directors of the Bee Groundwater Conservation District from the first Saturday in October to one of the uniform election dates provided for in the Election Code, as chosen by the initial directors.

**SENATE BILL 1073**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** Keffer

Senate Bill 1073 amends state law relating to the Palo Pinto County Hospital District. The bill includes provisions relating to board membership and elections, the district administrator, the district tax assessor-collector, the authority to issue bonds and borrow money and enter into contracts, and the dissolution of the district.

**SENATE BILL 1158**

**EFFECTIVE:** 5-26-01

**SENATE AUTHOR:** Fraser

**HOUSE SPONSOR:** Junell

Senate Bill 1158 amends state law relating to the Mitchell County Hospital District. The bill includes provisions relating to board membership and elections; the administration and operation of the district; and the authority of the district to issue and sell bonds, to impose property taxes, to purchase, lease, transfer, or sell property, to enter into contracts, and to borrow money. The bill also provides for procedures relating to the dissolution of the district.

**SENATE BILL 1167**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Hamric

Senate Bill 1167 amends provisions of the Health and Safety Code relating to emergency services districts. The bill applies the write-in provisions of the Election Code to the election of emergency services commissioners. It authorizes an emergency services district to create the office of district fire marshal if a county in which the district is located does not have a county fire marshal, and it requires the district to appoint an individual to serve in the office. The bill sets forth the powers and duties of a district fire marshal and designates a district fire marshal as a peace officer. House Bill 1167 gives emergency services districts authority in the area of hazardous waste services, including the authority to assess fees.

**SENATE BILL 1207**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** Keffer

Senate Bill 1207 describes and validates the boundaries of the Acton Municipal Utility District, located in portions of Hood and Johnson counties, and validates past district annexations and board of director actions relating to an annexation.

**SENATE BILL 1226**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Elkins

Senate Bill 1226 provides for the creation, administration, powers, duties, operation, and financing of the Energy Corridor Management District. The district is authorized to impose an ad valorem tax and issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**SENATE BILL 1444**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Walker

Senate Bill 1444 amends the Water Code to make changes relating to the powers and duties of general-law water districts, water control and improvement districts (WCIDs), municipal utility districts (MUDs), fresh water supply districts, and levee improvement districts. The bill amends the Local Government Code to allow a municipality to sell a water or sewer system it owns to a water district without an election, and to allow a municipality to issue bonds to pay a contracting water district for water or wastewater services. An amendment to the Civil Practice and Remedies Code provides that the common law doctrine of vicarious liability because of participation in a joint enterprise imposes no liability on a water district. Other provisions validate certain water district proceedings and amend the enabling statute of the North Harris County Regional Water Authority.

Water Code changes authorize water district recreational facilities, funded by recreational and water and wastewater user fees but not by bonds supported by ad valorem taxes. The bill provides that a district or water supply corporation that operates a wastewater collection system may prohibit the installation of private on-site wastewater holding or treatment systems on unserved property, but in such a case must pay the costs of connecting the tract to the district's or corporation's system if the distance is 300 feet or more. The bill amends provisions relating to plans for fire-fighting services. Among various other changes, it increases the maximum for district director fees of office from \$100 to \$150 per day, limits aggregate construction contract change orders to no more than a 10 percent increase above the original contract price, and provides that the Private Real Property Rights Preservation Act does not apply to district taxes, fees, charges, and rentals. The bill expands the regulatory powers of WCIDs and MUDs.

**SENATE BILL 1539**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Isett

Senate Bill 1539 amends Local Government Code provisions relating to the Lubbock Reese Redevelopment Authority. Existing law allows the authority to delegate to a neighboring municipality or other utility providers the provision of utility services and the exercise of municipal utility district and general-law water district powers. The bill allows such delegation also to a municipally owned utility or a cooperative association. Delegation of the provision of electric services, under previous law, required a competitive sealed proposal procedure. The

bill repeals that requirement, but provides that a delegation relating to electric services may be given only to an eligible entity that agrees to upgrade the existing electrical system infrastructure. The authority by contract may convey to that entity certain property related to electrical power supply and distribution, if that conveyance is required as a condition of the upgrade. Previous law specified that the authority was to continue to receive service from its current provider of electricity until September 1, 2001. The bill eliminates that deadline and continues service with that provider until the authority delegates the provision of electric services.

**SENATE BILL 1629**  
**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Wentworth  
**HOUSE SPONSOR:** Puente

Senate Bill 1629 creates the Cibolo Canyon Conservation and Improvement District No. 1 in Bexar County, subject to voter approval at a confirmation election following approval by the City of San Antonio of a development agreement with the district's temporary board of directors. The bill confers certain powers and duties associated with general-law water districts, water control and improvement districts, municipal utility districts, county development districts, municipal management districts, municipal planning and development, and the conduct of specified improvement projects. The district may impose property taxes, sales and use taxes, hotel occupancy taxes, assessments, and impact fees. The City of San Antonio may annex the district's territory and assume its outstanding obligations, whereupon the district ceases to exist and the taxes, assessments, and impact fees cease to apply.

**SENATE BILL 1646**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen  
**HOUSE SPONSOR:** Zbranek

Senate Bill 1646 amends the enabling statute of the Coastal Water Authority to allow the authority to abandon, sell, release, or deconstruct a water canal, ditch, or lateral if certain conditions apply and no contrary contractual obligations exist. The bill changes the residency requirements for district directors to allow service by an individual who does not live inside district boundaries if the individual resides in a specified area of Liberty County. Other provisions authorize issuance of certain refunding bonds.

**SENATE BILL 1686**  
**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Jackson  
**HOUSE SPONSOR:** Eiland

Senate Bill 1686 provides for the creation, administration, powers, duties, operation, and financing of the West Galveston Island Conservation District. The district is authorized to impose an ad valorem tax and issue bonds to provide certain services that will promote the conservation and development of natural resources along the boundary of and within the district and that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**SENATE BILL 1758**  
**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Zaffirini  
**HOUSE SPONSOR:** Hawley

Senate Bill 1758 provides that if the City of Beeville annexes new territory, the board of directors of the Beeville Water Supply District may vote to add that territory to the district without following customary district annexation procedures.

**SENATE BILL 1764**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini  
**HOUSE SPONSOR:** Salinas

Senate Bill 1764 ratifies creation of the McMullen Groundwater Conservation District, coextensive with the boundaries of that county, subject to voter approval in a confirmation election.

**SENATE BILL 1772**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen  
**HOUSE SPONSOR:** Hope

Senate Bill 1772 amends state law relating to the East Montgomery County Improvement District. The bill amends the boundaries of the district, provides for the election of board officers by board members, authorizes the district to contract with off-duty peace officers to provide public safety and security services, authorizes the district to spend bond proceeds for district purposes, and requires voter approval for the district to impose a sales and use tax of a certain rate.

**SENATE BILL 1773**  
**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Bernsen  
**HOUSE SPONSOR:** Gray

Senate Bill 1773 provides for the creation, administration, powers, duties, operation, and financing of the Port Bolivar Improvement District. The district is authorized to impose a sales and use tax and issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**SENATE BILL 1775**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay  
**HOUSE SPONSOR:** Hilbert

Senate Bill 1775 creates the Harris County Municipal Utility District No. 386, subject to voter approval at a confirmation election.

**SENATE BILL 1776**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay  
**HOUSE SPONSOR:** Hilbert

Senate Bill 1776 creates the Harris County Municipal Utility District No. 387, subject to voter approval at a confirmation election.

**SENATE BILL 1777**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay  
**HOUSE SPONSOR:** Hilbert

Senate Bill 1777 creates the Harris County Municipal Utility District No. 388, subject to voter approval at a confirmation election.

**SENATE BILL 1782**  
**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Shapiro et al.  
**HOUSE SPONSOR:** Madden

Senate Bill 1782 provides for the creation, administration, powers, duties, operation, and financing of the Frisco Square Management District. The district is authorized to impose an ad valorem tax and issue bonds to provide certain improvements and services that will promote the economic health and vitality of the area as a community and business center and provide for the general welfare of the public.

**SENATE BILL 1784**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Hope

Senate Bill 1784 creates the East Montgomery County Municipal Utility District No. 3, subject to voter approval at a confirmation election.

**SENATE BILL 1796**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Edwards

Senate Bill 1796 grants the Baybrook Municipal Utility District No. 1 the authority of a road utility district and provides also that the district has certain powers of a metropolitan transit authority (MTA). The district may construct, acquire, improve, repair, maintain, and operate roads in the district and add related improvements, such as traffic control devices, streetlights, sidewalks and trails, and drainage. The MTA powers may be exercised without municipal consent or a municipal contract. The bill authorizes the district, subject to voter approval, to impose a maintenance tax not to exceed 25 cents per \$100 of assessed property value. On completion of an authorized project, and with the consent of the City of Houston, the district may convey the project to the city if the conveyance is free of all district indebtedness.

**SENATE BILL 1811**

**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** Miller

Senate Bill 1811 provides for the dissolution of the DeLeon Hospital District and the Comanche County Hospital District and the creation of the Comanche County Consolidated Hospital District.

**SENATE BILL 1821**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Staples

**HOUSE SPONSOR:** Alexander

Senate Bill 1821 creates the Neches and Trinity Valleys Groundwater Conservation District, subject to voter approval at a confirmation election. The district contains Cherokee and Henderson counties and that portion of Anderson County that lies outside the Anderson County Underground Water Conservation District.

**SENATE BILL 1823**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Green

Senate Bill 1823 approves the creation of the Hays County Development District No. 1 by the Hays County Commissioners Court. The bill provides for the administration, powers, duties, operation, financing, and dissolution of the district. It authorizes the district to impose an ad valorem tax to provide road improvements, water and wastewater and reclamation services, and other services to facilitate economic development and employment and to attract visitors and tourists to Hays County.



## GOVERNMENT—STATE

### **HOUSE BILL 7**

**EFFECTIVE:** See below

House Bill 7 amends the Government Code to create the Office of Rural Community Affairs to be governed by a nine-member executive committee. The bill establishes the powers and duties of the office, including a requirement to develop a rural policy for the state in consultation with local leaders representing all facets of rural community life, academic and industry experts, and state officials with interests in rural communities. The bill requires certain state agency heads to meet at least once per year, at the call of the executive committee, to discuss rural issues; authorizes the executive committee to appoint an advisory committee; and requires the office to submit a biennial report on its activities to the legislature. The bill also creates the Outstanding Rural Scholar Recognition and Loan Program for rural health care, the Health Careers Promotion and Education Program, the Medically Underserved Community-State Matching Incentive Program, the Texas Health Service Corps Program for Medically Underserved Areas, and the Rural Health Facility Capital Improvement Program.

House Bill 7 abolishes the Center for Rural Health Initiatives and transfers responsibility for the center's programs to the Office of Rural Community Affairs. The bill takes effect September 1, 2001, except for provisions relating to training for executive committee members, which take effect September 1, 2002.

**HOUSE AUTHOR:** Chisum et al.

**SENATE SPONSOR:** Sibley

### **HOUSE BILL 249**

**EFFECTIVE:** 6-14-01

House Bill 249 amends the Information Resources Management Act to authorize the information resources manager of a state agency subject to the act to prepare or have prepared a vulnerability report addressing the extent to which agency computer operations are vulnerable to unauthorized access or harm. A vulnerability report is confidential and not subject to disclosure under the open records law, except that a copy must be provided on request of the state auditor, the Department of Information Resources, or any information technology security oversight group specifically authorized by the legislature to receive it. Also, the agency must prepare a report summary that does not contain information compromising computer security. The summary is available publicly on request.

**HOUSE AUTHOR:** Pitts

**SENATE SPONSOR:** Shapiro

### **HOUSE BILL 310**

**EFFECTIVE:** See below

House Bill 310 amends the Natural Resources Code to authorize an expansion of Veterans' Land Board programs and powers to include the provision of one or more veterans cemeteries. The board may plan and design, operate, maintain, enlarge, or improve veterans cemeteries, and may spend not more than \$7 million annually for that purpose from available money in the veterans' land fund, veterans' housing assistance fund, and veterans' housing assistance fund II. However, those funds may not be used for cemetery land acquisition. The bill mandates the board, in conjunction with the Texas Veterans Commission chair and two representatives of the veterans community selected by the commission chair, to establish guidelines for determining the size and location of veterans cemeteries and determining eligibility for veterans cemetery burial. It requires the same group to select up to seven locations across the state for veterans cemeteries.

**HOUSE AUTHOR:** Flores et al.

**SENATE SPONSOR:** Truan

The bill takes effect only on voter approval of the constitutional amendment proposed by House Joint Resolution 82. If that amendment is not approved by the voters, the bill has no effect.

**HOUSE BILL 609**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hochberg

**SENATE SPONSOR:** Shapiro

House Bill 609 amends the Texas Internal Auditing Act to make the act applicable to any executive branch state agency that receives an appropriation. Previously, the act applied only to an executive branch agency with a staff of more than 300 employees or an annual operating budget or cash receipt and processing level of more than \$10 million. The bill clarifies internal auditing jurisdiction, placing it under an agency's governing board or, if there is no governing board, under the agency administrator. It adds the Sunset Advisory Commission to the list of required recipients of reports submitted by an internal auditor.

**HOUSE BILL 726**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** B. Turner

**SENATE SPONSOR:** Armbrister

House Bill 726 amends the Government Code to delete the provision requiring the governor's criminal justice division to establish procedures and policies that require that the costs of programs and projects funded to local general purpose units of government be assumed over a period of five years out of local revenues.

**HOUSE BILL 808**

**EFFECTIVE:** 7-1-01

**HOUSE AUTHOR:** Hartnett

**SENATE SPONSOR:** Cain

House Bill 808 amends the Government Code to modify the composition of the Commission on Uniform State Laws. The bill increases from six to nine the number of members appointed by the governor, adds the executive director of the Texas Legislative Council to the commission, and expands the criteria for a resident of the state to be eligible to serve on the commission to include a person who has at least 20 years of experience representing the state as an associate member of the national conference.

**HOUSE BILL 819**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Counts et al.

**SENATE SPONSOR:** Duncan

House Bill 819 transfers the Office of Rural Affairs from the Texas Department of Economic Development to the Texas Department of Agriculture.

**HOUSE BILL 834**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Flores

**SENATE SPONSOR:** Carona

House Bill 834 amends the Government Code to require that a state agency having surplus or salvage property inform the comptroller, in addition to the General Services Commission under existing law. The bill requires that the commission's notice to other agencies, political subdivisions, and assistance organizations regarding property availability direct them to the comptroller's website. Such notice pertains only to surplus property, not salvage property as before. Website advertisement of surplus property lasts 10 business days, compared to 30 calendar days under previous advertisement procedures. If no transfer to a governmental entity or assistance organization occurs during those 10 days, a sale to the public may occur, and for that purpose the bill allows direct sale, including sale via an Internet auction site, or alternatively sale via other auction or competitive bidding under existing law. The commission, or the agency if delegated sale powers, determines the preferable sale method based on commission

guidelines. Internet auctions must be posted for 10 days. Direct sale of surplus or salvage property at a fixed price is permissible if the commission or delegated agency determines that an Internet auction, other auction, or competitive bidding would not maximize the resale value. Purchaser's fee provisions clarify that fee collection does not apply to a property transfer to a state agency, political subdivision, or assistance organization.

**HOUSE BILL 1019****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Salinas et al.**SENATE SPONSOR:** Truan

House Bill 1019 designates the Tejano Music Hall of Fame Museum, located in Alice, as the official Texas Tejano Music Hall of Fame.

**HOUSE BILL 1056****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Gallego**SENATE SPONSOR:** Shapleigh

House Bill 1056 amends the Legislative Reorganization Act of 1961 to change the composition of the house general investigating committee from five house members to not fewer than five house members appointed by the speaker. A conforming change revises a quorum of the committee from three members to a majority. The bill provides that information held by the committee, which if held by a law enforcement agency or prosecutor would be unavailable for public disclosure under the open records exception for law enforcement and prosecutorial information, is confidential and likewise unavailable for public disclosure by the committee.

**HOUSE BILL 1059****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Pitts et al.**SENATE SPONSOR:** Cain

House Bill 1059 adds a Government Code chapter governing the legislature's adoption, by concurrent resolution of the senate and house of representatives, of state symbol and place designations. It does not affect designations made by statute or designations made by resolution before the bill's effective date. A resolution proposing either type of designation must be referred to and reported from committee in the same manner as a bill. For a state symbol the legislature must specify its cultural or historical significance, and for a place designation it must be presented with information as to that significance and with certain documentation showing local civic support for the designation. The bill prohibits designating a commercial product, or an individual, event, or place, as a state symbol. It prohibits assigning the same place designation to more than one event or location or assigning multiple place designations to the same county, municipality, or location, although there may be multiple place designations inside a single county. A place designation expires after 10 years, but redesignations may occur at any time. The bill requires the Texas State Library and Archives Commission to prepare and make publicly available a complete list of every state symbol and place designation, including those adopted under the new chapter.

**HOUSE BILL 1168**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wilson

**SENATE SPONSOR:** Harris

House Bill 1168 amends the Government Code to prohibit certain conflicts of interest among registered lobbyists who communicate with a member of the legislative or executive branch to influence legislation or administrative action. The bill prohibits a registrant from representing opposing parties on the same legislation or administrative action. It prohibits representing someone if that representation involves a substantially related matter in which the person's interests are adverse to the interests of another client, the registrant's employer or employing concern, or another client of the registrant's partner or associate. It prohibits representation that portends to be adversely limited by the registrant's, employer's, concern's, partner's, or associate's own interests or responsibilities to another client or a third person. An exception applies in the above cases if the registrant reasonably believes that each client's interests will not be materially affected, the registrant provides written notice to each affected or potentially affected client, and the registrant informs the Texas Ethics Commission of that notice. The bill establishes when a registrant must withdraw from one or more representations, applies to the employer or employing concern the same prohibitions that apply to the registrant, and authorizes the commission to receive complaints and to impose a penalty and rescind registration for violation of a prohibition. Other provisions make a knowing violation a Class B misdemeanor offense.

**HOUSE BILL 1203**

**EFFECTIVE:** 9-1-02

**HOUSE AUTHOR:** Brimer

**SENATE SPONSOR:** Fraser

House Bill 1203 amends the Labor Code to require the State Office of Risk Management to administer insurance services obtained by state agencies, to operate as a full-service risk manager and insurance manager for certain state agencies, and to purchase insurance coverage for certain other agencies, and it prohibits the latter agencies from purchasing property, casualty, or liability insurance coverage without the approval of the risk management board. The bill authorizes the board by rule to establish a formula that considers certain agency factors in allocating the costs of the program in an interagency contract. The bill requires members of the board to have demonstrated experience in the fields of insurance and insurance regulation, requires the executive director of the office to provide copies of all rules to the commissioner of insurance and to submit a report to the legislature relating to costs of and losses incurred under insurance coverages purchased for state agencies, and requires state agencies exempt from these provisions because of certain self-insurance coverages obtained before January 1, 1989, to identify insurance policies that they purchase, other than for life or health insurance, to the Legislative Budget Board. The bill also amends the Insurance Code to require an insurer that enters into a policy or other contract or agreement with a state agency for the purchase of property, casualty, or liability insurance coverage to report such a transaction and provide relevant information to the office not later than the 30th day before it is to occur.

House Bill 1203 also requires the office to administer the program for the purchase of surety bonds for state officers and employees. To limit the purchase of surety bonds by state agencies in favor of self-insurance by the state, the bill amends the Government Code to limit the circumstances under which an agency may purchase a surety bond and to prohibit a state officer or employee from being disqualified because a surety bond has not been obtained for the officer or employee.

Finally, House Bill 1203 amends the Labor Code to authorize employees of the Texas Department of Transportation to elect to use accrued sick leave and annual leave before receiving workers' compensation income benefits.

**HOUSE BILL 1430**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Danburg  
**SENATE SPONSOR:** Gallegos

House Bill 1430 amends the Government Code to provide that the rules of a state agency that is abolished under the Texas Sunset Act expire September 1 of the following year. It requires the secretary of state to remove an agency's rules from the Texas Administrative Code (TAC) if the agency is sunsetted or otherwise abolished or, if the legislature transfers the abolished agency's rules to another agency, to transfer the rules to an appropriate TAC location. The bill requires an agency to repeal a rule that has been declared invalid by a final court judgment.

**HOUSE BILL 1450**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Tillery  
**SENATE SPONSOR:** Shapiro

House Bill 1450 amends the Government Code to require the state fire marshal to investigate circumstances surrounding the death of a firefighter that occurs in connection with a fire-fighting incident, coordinate investigative efforts of local government officials, and release a report on completion of an investigation. The bill also requires the state fire marshal to deliver an annual report on the findings of each investigation to the commissioner of insurance not later than October 31 of each year.

**HOUSE BILL 1712**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey et al.  
**SENATE SPONSOR:** R. West

House Bill 1712 amends the Government Code to require the State Bar of Texas to create and maintain a profile of each attorney licensed by the state bar. The profile must contain information relating to the attorney's education, specialties, and practice location and any disciplinary sanctions against the attorney, as well as certain other information relating to the attorney's practice if the attorney provides it to the bar. The bill requires that the profile be updated and distributed annually, requires the bar to make the form for updating a profile available online, and authorizes the bar to collect a fee from its members to administer the profile program.

**HOUSE BILL 1768**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Grusendorf  
**SENATE SPONSOR:** Sibley

House Bill 1768 amends the Finance Code to update and clarify provisions relating to the Finance Commission of Texas and the Texas Department of Banking and to include or update certain sunset across-the-board provisions. The bill authorizes the banking commissioner to appoint more than one deputy banking commissioner as necessary for the efficient operation of the department and makes conforming amendments to the Texas Trust Company Act. The bill authorizes the banking commissioner to examine state banks once every 18 months, rather than annually, in certain circumstances based on a bank's assets and record of performance, and it provides that an examination report is confidential and subject to restrictions on its disclosure by the banking commissioner or an officer or employee of the department. The bill makes minor changes to the requirements for publishing notice of charter applications regarding acquisition of control for state banks and state trust companies, authorizes a state bank to



solicit transactions equivalent to loans at loan production offices, and prohibits a person who is the subject of a final removal or prohibition order issued by the banking commissioner from serving as a director, manager, or managing participant of a state bank or state trust company.

House Bill 1768 requires an order by the banking commissioner to close and liquidate a state trust company to be in writing and a copy of the order to be posted at the company's main entrance. Finally, the bill conforms provisions of the Texas Banking Act to recent federal financial modernization and interstate banking legislation.

**HOUSE BILL 1811**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kolkhorst et al.

**SENATE SPONSOR:** Duncan

House Bill 1811 amends the Government Code to require the Texas Department of Housing and Community Affairs to expend at least 95 percent of the federal housing funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act for the benefit of non-participating areas that do not qualify to receive the funds directly from the United States Department of Housing and Urban Development. The bill provides that the remaining funds must be used for the benefit of persons with disabilities who live in areas other than non-participating areas.

**HOUSE BILL 1840**

**EFFECTIVE:** 5-16-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** R. Ellis

House Bill 1840 amends the Property Code to authorize the comptroller to waive penalties and interest relating to the delivery of certain delinquent unclaimed property if the property was subject to delivery on or before November 1, 1997.

**HOUSE BILL 1872**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis

**SENATE SPONSOR:** Carona

House Bill 1872 amends the Administrative Procedure Act to make the preparation of a local employment impact statement, if necessary before rule proposal, the responsibility of the state agency contemplating the rule rather than the Texas Workforce Commission under previous law.

**HOUSE BILL 1922**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McCall et al.

**SENATE SPONSOR:** Duncan

House Bill 1922 adds a Government Code chapter, applicable to state governmental bodies in the executive and legislative branches, to establish that an individual has a right to know about information that a body collects on the individual unless the open records law allows a withholding. Each such body must establish a procedure by which an individual may have incorrect information corrected. Charges may be imposed for information requests under the new chapter, but not for the correction of information. Paper forms and Internet electronic forms that a state governmental body uses to collect information from an individual must include a notice of the qualified right to information, the right to receive and review it, and the right to correct it. Other non-code provisions set deadlines for compliance with the new chapter and provide for creation by the lieutenant governor and speaker of the house of representatives of a privacy task force to study issues related to the information practices of state government that affect personal privacy.



**HOUSE BILL 1924****EFFECTIVE:** 5-23-01**HOUSE AUTHOR:** Haggerty et al.**SENATE SPONSOR:** Shapleigh

House Bill 1924 amends the Government Code to authorize the Texas Historical Commission to assist the military in establishing and operating, at Fort Bliss in El Paso, a museum and study center devoted to the history of the United States air defense system. The grant of authority is dependent on assurances that the museum and study center will be open to the public.

**HOUSE BILL 2061****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Wilson et al.**SENATE SPONSOR:** Cain

House Bill 2061 amends the Government Code to require the Texas Historical Commission to collect information about each monument on state land other than the Capitol Complex grounds and, in cooperation with the chair of the history department at Prairie View A&M University, at The University of Texas at Austin, or any other Texas land grant university, to ensure the monuments' historical accuracy and the equitable representation in those monuments of all Texans and groups of Texans who have contributed to Texas heritage. The bill also establishes a 12-member historical representation advisory committee to guide the State Preservation Board on the addition of monuments to the Capitol Complex. The committee consists of an equal number of members appointed by the governor, lieutenant governor, and speaker of the house of representatives, with those officials being required to attempt to include representation of African American, Hispanic American, Native American, female, and rural Texans among their appointees. The committee is required to collect information about each proposed Capitol Complex monument, also in cooperation with the higher education authorities cited above, and ensure the proposed monument's historical accuracy and the equitable representation of all Texans in the addition of monuments to the Capitol Complex.

**HOUSE BILL 2144****EFFECTIVE:** 6-15-01**HOUSE AUTHOR:** Gray**SENATE SPONSOR:** Bernsen

House Bill 2144 amends the Government Code to delegate all purchasing functions related to coastal erosion studies and projects to the General Land Office. The bill requires the land office to consider the best value standards established in the code when making purchases, and it requires the General Services Commission to procure goods and services for the land office at the office's request.

**HOUSE BILL 2164****EFFECTIVE:** 6-15-01**HOUSE AUTHOR:** Goolsby**SENATE SPONSOR:** Cain

House Bill 2164 amends the Government Code to allow the State Preservation Board to sell the property known as Woodlawn at its fair market value after consulting with the Texas Historical Commission and with the approval of the Legislative Budget Board, provided the sale includes a deed restriction requiring the buyer to use the property in a manner that preserves the property's historical character. The bill requires the General Land Office to transact the sale on the board's behalf and requires the proceeds from the sale to be deposited in the Capitol renewal account and used solely for maintenance and preservation of Capitol Complex buildings, building contents, and grounds.

**HOUSE BILL 2190**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** R. Ellis

House Bill 2190 amends the Government Code to require the Bond Review Board to adopt debt issuance policies to guide issuers of state securities and to ensure that state debt is prudently managed. The bill requires the board to consult with state agencies that issue securities in developing the policies and sets forth general objectives that the policies must address.

**HOUSE BILL 2278**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Carter

**SENATE SPONSOR:** Fraser

House Bill 2278 amends the Government Code to consolidate the energy management center and the state energy conservation office into a single entity in the comptroller's office and transfer all powers and duties of the General Services Commission relating to energy conservation from the commission to the comptroller's office.

**HOUSE BILL 2439**

**EFFECTIVE:** 2-1-03

**HOUSE AUTHOR:** Goolsby

**SENATE SPONSOR:** Cain

House Bill 2439 amends the Government Code to establish the inaugural endowment fund as an account in the general fund to serve as a depository for any outstanding balance in the inaugural fund that exceeds \$100,000 plus the amount necessary to cover that fund's quadrennial obligations. The bill requires the surplus balance to be transferred to the endowment fund on the date the inaugural committee appointed for an inauguration is dissolved and allows expenditures from the fund for a limited number of purposes other than inauguration-related activities, at the discretion of an inaugural endowment fund committee.

The bill also creates the four-member inaugural endowment fund committee composed of the chair of the Texas Historical Commission, a gubernatorial appointee, and one appointee of each of the legislature's presiding officers, with appointees serving two-year terms expiring on the third Tuesday in January of odd-numbered years. The bill requires the committee to file a report with the secretary of state not later than October 1 of each year detailing expenditures made during the preceding state fiscal year.

**HOUSE BILL 2453**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Berman

**SENATE SPONSOR:** Shapleigh

House Bill 2453 amends the Natural Resources Code to increase the maximum aggregate amount of revenue bonds that may be issued by the Veterans' Land Board from \$250 million to \$1 billion.

**HOUSE BILL 2484**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Wilson

**SENATE SPONSOR:** Armbrister

House Bill 2484 amends the Texas Racing Act to specify which services or devices offered at racetracks are within the jurisdiction of the Texas Lottery Commission or the Texas Racing Commission. The bill requires the Texas Veterinary Medical Diagnostic Laboratory to conduct or consult on medication or drug testing on race animals, sets forth provisions related to the termination of a seasonal workforce and the collection of and submission to the racing commission of seasonal certificates and credentials, and authorizes a racetrack to offer a cross-species simulcast only if all parties involved agree to do so and the agreement is approved by the commission. The bill removes a provision authorizing the commission to refuse to issue

a racetrack license or to revoke or suspend a license if a person has not been a United States citizen residing in this state for a period of 10 consecutive years. The bill allows a horse breed registry to restrict the eligibility of its horses for certain awards or purse supplements when the horse runs in mixed racing and deletes the Texas Appaloosa Horse Club as the appropriate breed registry for Appaloosa horses. In addition, the bill shifts the responsibility for the state's share of a pari-mutuel pool from the track where the race occurs to the track where the wager is made. Finally, House Bill 2484 repeals provisions relating to tax collection, conflicts of interest, and interstate simulcasts.

**HOUSE BILL 2492**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Bosse  
**SENATE SPONSOR:** Harris

House Bill 2492 amends Government Code provisions relating to the state employee incentive program, to allow a state agency to transfer savings attributable to an employee or employee group suggestion from the first year of a fiscal biennium to the second. The bill eliminates program eligibility for elected or appointed officials. It clarifies the eligibility of an agency employee who is temporarily assigned to a group to develop process improvements. The bill raises from \$100 to \$500 the minimum savings or revenue increase for which an employee award or employee group bonus may be paid. A conforming change makes certificates of appreciation applicable below the \$500 amount.

**HOUSE BILL 2796**  
**EFFECTIVE:** 8-31-01

**HOUSE AUTHOR:** Goolsby  
**SENATE SPONSOR:** Cain

House Bill 2796 amends the Government Code to rename the Capitol Renewal Account as the Capital Renewal Trust Fund and to re-create it as a trust fund outside the treasury with the comptroller and administered by the State Preservation Board to maintain and preserve the Capitol and the General Land Office Building and their contents and grounds. The fund consists of money transferred to the fund at the direction of the legislature or transferred by the board, with some restrictions, from any account of the Capitol fund.

**HOUSE BILL 2809**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Wolens  
**SENATE SPONSOR:** Cain

House Bill 2809 amends the Code Construction Act concerning the treatment of nonsubstantive legislative codifications under the continuing statutory revision program. A court or other entity interpreting and applying a codified statute is to give it the same effect and meaning as before the codification and is to treat an omission or change for which there is no direct evidence of legislative intent to modify the statute as if the omission or change were a typographical or similar error. The bill provides that a law is not to be construed as containing a waiver of sovereign immunity unless the waiver is effected by clear and unambiguous language or the context indicates no other reasonable construction. It makes a legislative finding that the Texas Supreme Court in a specified 1999 case has ruled contrary to legislative intent, and it states that the absence of legislation in response to that ruling is not to be construed as legislative acceptance of the ruling.

**HOUSE BILL 2812**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wolens  
**SENATE SPONSOR:** Cain

House Bill 2812 contains nonsubstantive additions and corrections to existing codes, including codifications and conforming amendments to reflect changes enacted by the 76th Legislature in 1999.

**HOUSE BILL 2877**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Goolsby

**SENATE SPONSOR:** Cain

House Bill 2877 amends the Government Code to modify several provisions relating to the State Preservation Board's operation, powers, and duties. The bill deletes a requirement for the curator of the Capitol to approve exhibits placed in certain Capitol Complex buildings, deletes an obsolete provision regarding contracts awarded during the Capitol restoration project, and adds a requirement for the curator to develop a previously mandated collections policy with the assistance of a five-member review committee whose membership qualifications, tenure, and duties are defined by the board's executive director. The bill exempts parking fees paid through certain parking meters or in a visitor parking facility under the board's jurisdiction from certain taxes, exempts the board from the application of the Information Resources Management Act, and makes certain board activities relating to the Woodlawn property permissive rather than mandatory. The bill transfers rulemaking authority relating to traffic and parking in the Capitol Complex from the Department of Public Safety to the board, but it requires the department to administer and enforce the board's traffic and parking rules. The bill also allows the board to obtain criminal history record information relating to certain employees, volunteers, or interns or a person applying for a position in those capacities; allows the Bob Bullock Texas State History Museum to participate in a state employee charitable campaign; and allows state employees to authorize payroll deductions for contributions to the museum as a charitable contribution under such campaign.

**HOUSE BILL 2908**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hawley et al.

**SENATE SPONSOR:** Truan

In 1997 the Texas Legislature created the Texas Strategic Military Planning Commission as an advisory committee to the Office of Defense Affairs (ODA) in the Texas Department of Economic Development. House Bill 2908 amends the Government Code to transfer the commission from the department to the office of the governor as an advisory committee to that office. The bill continues the commission's ODA advisory role and requires the department to provide administrative support to the commission.

**HOUSE BILL 2914**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** Duncan

House Bill 2914 amends various laws relating to state government operations and fiscal management. Among other provisions, it clarifies when the legislature has waived or not waived state sovereign immunity, increases state employee longevity pay and amends related laws and those involving hazardous duty pay, and creates a task force to evaluate state employee compensation systems. The bill grants the comptroller powers relating to obtaining and holding intellectual property rights, revises laws relating to emergency communications and transfers related fee administration to the comptroller, and establishes new reporting duties for the comptroller relating to franchise tax credits and to tax exemption and tax incidence evaluation.

The bill consolidates state government energy conservation functions, previously at the General Services Commission, in the comptroller's office. It creates the Product Development and Small Business and Incubator Board to coordinate the administration and funding of

product development and small business incubator programs, creates the Trust Company Investment Advisory Board to advise the comptroller on assets of the Texas Treasury Safekeeping Trust Company, and revises laws governing state agency advisory committees generally.

The bill authorizes a Texas Natural Resource Conservation Commission reimbursement program for certain pipeline emissions, creates an associated emissions reductions incentives account, and makes related appropriations. It appropriates \$15 million to the Texas Forest Service for FY2003 for rural volunteer fire department assistance, \$2 million to the Texas State Technical College for FY2002-FY2003 for institutional enhancement, and certain fee amounts to Sam Houston State University for its Correctional Management Institute, in addition to certain other appropriations transfers and contingent fee provisions.

Bill provisions have various effective dates.

**HOUSE BILL 3064**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** R. Ellis

House Bill 3064 amends the Government Code to require the Texas Public Finance Authority to issue general obligation bonds in an amount not to exceed \$850 million for construction and repair projects administered by or on behalf of certain state agencies and the purchase of needed equipment by or on behalf of such agencies in accordance with legislative appropriations. This bond authority is contingent on voter approval of the constitutional amendment proposed by the 77th Legislature authorizing the bond issue, and House Bill 3064 takes effect on the date on which the constitutional amendment is approved and takes effect. If the amendment is not approved, House Bill 3064 has no effect.

**HOUSE BILL 3088**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** S. Turner

**SENATE SPONSOR:** R. Ellis

House Bill 3088 updates a “funds sweep” mechanism in the Government Code to provide that dedicated revenues on August 31, 2003, that are estimated to exceed the amount appropriated by the General Appropriations Act and other enactments of the 77th Legislature are available temporarily for spending for general governmental purposes and for appropriations certification by the comptroller. This provision takes effect September 1, 2001.

The bill provides generally that a fund or account created or re-created in the state treasury by an act of the 77th Legislature, or a dedication or rededication accomplished by an act of the 77th Legislature, is abolished on the later of August 27, 2001, or the effective date of such act. Exceptions include certain previously exempt dedications, funds, and accounts, as well as those from 2001 enactments involving court costs, license plate fees, bond funds and pledged funds, trust funds or dedicated revenue deposited to trust funds, and federal funds for which separate accounting is required by federal law. The bill also exempts from such abolishment funds or accounts created or re-created, or revenue dedicated or rededicated, by proposed constitutional amendments on the 2001 or 2002 ballot. It lists numerous other exemptions from specified enactments of the 77th Legislature, exempts the young farmer loan guarantee account and Pan American Games trust fund, amends the Utilities Code to apply like exemptions to the telecommunications infrastructure fund and system benefit fund, and amends the Labor Code to make the holding fund a dedicated account. These provisions take effect June 17, 2001.



**HOUSE BILL 3450**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego et al.

**SENATE SPONSOR:** Lucio

House Bill 3450 amends the Government Code to establish the Texas Department of Housing and Community Affairs (TDHCA) as the lead agency for addressing the problem of homelessness and coordinating interagency efforts to address any problem associated with homelessness in the state. The bill transfers provisions relating to the Texas Interagency Council for the Homeless to the statutes governing the TDHCA, reestablishes the council as an advisory committee to the TDHCA, and requires the governing board of the TDHCA to consider council recommendations in preparing its low income housing plan. The bill removes the representative of the workforce development division of the Texas Department of Commerce from membership on the council and requires each remaining council member to have both administrative responsibility for programs for the homeless or related services provided by the agency that the member represents and the authority to make decisions for and commit resources of that agency. The bill also requires the council to coordinate with certain organizations to provide homeless individuals information relating to employment and job training services and to ensure that local or statewide nonprofit organizations perform certain duties that the council is unable to perform. The bill requires each agency represented on the council to contribute resources and to report agency outcomes related to homelessness to the TDHCA. The bill repeals a provision of the Government Code making the council subject to the Texas Sunset Act.

**HOUSE BILL 3451**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Gallego et al.

**SENATE SPONSOR:** Lucio

House Bill 3451 amends the Government Code to continue the Texas State Affordable Housing Corporation until September 1, 2003. The bill requires the corporation to establish a teachers home loan program to provide low-interest home mortgage loans to eligible teachers whose income does not exceed 115 percent of area median family income, and it requires an annual allotment of \$25 million of the portion of the state ceiling dedicated for reservation by issuers of qualified mortgage bonds to the corporation for the purpose of issuing mortgage bonds in connection with the loan program. The bill requires the legislature to make recommendations to remedy any problems if the Sunset Advisory Commission finds that the teachers home loan program is not being managed to accomplish its goal, and if the legislature abolishes the corporation, the loan program will be transferred to another appropriate state agency. The bill requires the corporation to establish the loan program not later than September 1, 2003, and provides for the loan program to expire September 1, 2012.

House Bill 3451 allows the board of directors of the corporation to delegate authority to a member of the board or to an employee of the corporation to enter into a contract to issue bonds or other obligations for the corporation. The bill requires the corporation to supplement the technical and financial capacity of other appropriate nonprofit organizations to provide for housing needs of low income individuals and families.

**HOUSE BILL 3623**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Flores

**SENATE SPONSOR:** Shapleigh

House Bill 3623 amends the Natural Resources Code to require the asset management division of the General Land Office to identify real property owned or controlled by the state that is not being used or is being substantially underused and to provide a list and appraisal of identified properties to the Texas Department of Housing and Community Affairs. The bill requires the department to make recommendations to the division regarding the suitability of



those properties for affordable and accessible housing within 60 days of receiving the list and appraisal; requires the division's recommendations to the land commissioner regarding the use of property designated as suitable for such purpose to include a recommendation that title to the property be transferred to an appropriate political subdivision; and requires a final report prepared by the commissioner to incorporate the division's recommendations regarding title transfers. The bill requires the division to take possession and control of property and to transfer title to a political subdivision if the legislature authorizes the transfer and requires the division to adopt a policy regarding the method of transferring title.

**HOUSE JOINT RESOLUTION 75**  
**FOR ELECTION:** 11-6-01

**HOUSE AUTHOR:** Mowery et al.  
**SENATE SPONSOR:** Shapiro

House Joint Resolution 75 proposes a state constitutional amendment to eliminate various obsolete, archaic, redundant, and unnecessary constitutional provisions and to clarify, update, and reorganize provisions. The proposed amendment also repeals provisions relating to asylum lands and an associated permanent fund. Transitional language requires that land and other property in the fund be sold by the General Land Office and the proceeds placed in general revenue to be appropriated for education, and that money in the fund be transferred in equal shares to the Texas School for the Deaf and the Texas School for the Blind and Visually Impaired.

**HOUSE JOINT RESOLUTION 81**  
**FOR ELECTION:** 11-6-01

**HOUSE AUTHOR:** Counts  
**SENATE SPONSOR:** J. E. Brown

House Joint Resolution 81 proposes a constitutional amendment to authorize the Texas Water Development Board to issue additional general obligation bonds for one or more accounts in the Texas Water Development Fund II in an amount not to exceed \$2 billion, \$50 million of which must be used for the water infrastructure fund. The amendment provides that other constitutional limitations on the amount of bonds that the board is authorized to issue and on the percentage of state participation in any single project do not apply to these new bonds.

**HOUSE JOINT RESOLUTION 82**  
**FOR ELECTION:** 11-6-01

**HOUSE AUTHOR:** Counts et al.  
**SENATE SPONSOR:** Truan

House Joint Resolution 82 proposes a constitutional amendment to authorize the Veterans' Land Board to issue an additional \$500 million in general obligation bonds to provide home mortgage loans to Texas veterans. The proposed amendment also authorizes the board, if it determines that assets from the Veterans' Land Fund, Veterans' Housing Assistance Fund, or Veterans' Housing Assistance Fund II are not required for fund purposes, to use the assets to plan and design, operate, maintain, enlarge, or improve veterans cemeteries.

**HOUSE JOINT RESOLUTION 97**  
**FOR ELECTION:** 11-6-01

**HOUSE AUTHOR:** Junell et al.  
**SENATE SPONSOR:** R. Ellis

House Joint Resolution 97 proposes a constitutional amendment providing for legislative authorization for the Texas Public Finance Authority to provide for, issue, and sell general obligation bonds in an amount not to exceed \$850 million and to enter into related credit agreements. The proceeds of the bonds must be used to pay for construction and repair projects as authorized by the legislature and administered by or on behalf of certain state agencies or for the authorized purchase of needed equipment by or on behalf of those agencies.

**SENATE BILL 125**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** Carter

Senate Bill 125 amends the Government Code to change from March 1 to December 18 the deadline for the submission of the state low income housing annual report for the preceding year and the low income housing plan for the coming year by the Texas Department of Housing and Community Affairs to the governing board of the department.

**SENATE BILL 170**

**EFFECTIVE:** 6-4-01

**SENATE AUTHOR:** Wentworth et al.

**HOUSE SPONSOR:** Wolens

Senate Bill 170 amends the open meetings law in the Government Code to provide that attendance at a meeting of a legislative committee or legislative agency by a quorum of some other governmental body does not constitute a meeting of the other governmental body if the governmental body's members restrict their deliberations to publicly testifying, commenting, or responding to questions.

**SENATE BILL 257**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Goolsby

Senate Bill 257 amends the State Lottery Act to make the purchase of a lottery ticket by an individual younger than 18 years of age an offense punishable by a fine not to exceed \$250. It is a defense to prosecution if the individual is participating in an investigation regarding compliance with the section.

**SENATE BILL 303**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Gallego et al.

The State Commission on Judicial Conduct was subject to review under the Texas Sunset Act during the 2001 sunset cycle and will continue to be reviewed every 12 years. The commission is subject to review only, not abolishment. In response to that review, Senate Bill 303 amends provisions of the Government Code relating to the functions of the State Commission on Judicial Conduct and makes statutory modifications recommended by the sunset commission relating to confidentiality, training, and public awareness and participation in the complaint process and makes several other changes.

The bill includes among the types of conduct that are inconsistent with the proper performance of a judge's duties the failure of a judge to cooperate with the commission and the violation of any provision of a voluntary agreement to resign from office in lieu of disciplinary action by the commission. It sets forth new provisions relating to conflict of interest for employees of the commission, the removal of a commission member, requirements to hold office or to be employed by the commission, training for commission members, and the division of responsibility of the commission and the executive director and staff of the commission. The bill amends provisions relating to appointments to the commission; the compensation and expenses for certain retired justices; the publication of commission statements, sanctions, and orders; and immunity from liability extended to any person employed by a special counsel for the commission or any person appointed by the commission to assist in performing its duties.

Senate Bill 303 requires the commission to distribute to judges and the public plain-language material describing the commission's duties, acts of judicial misconduct, types of sanctions, and policies and procedures relating to complaint investigation and resolution. It authorizes the commission to disclose to certain entities, including a law enforcement agency, information on an investigation or proceeding to protect the public interest. The bill amends procedures for

complaints, investigations, and formal proceedings; the time that a formal proceeding or order for suspension is considered public information; and the confidentiality of papers, records, proceedings, and the identity of complainants. It requires the commission to notify the complainant of the disposition of a case, including an explanation of the reason a case was dismissed. Senate Bill 303 establishes new provisions relating to a complainant's appearance at informal proceedings, the reconsideration of a dismissed complaint, the disclosure to certain entities of information in an investigation or proceeding, the suspension of a judge during an appeal, the automatic removal of a judge if convicted or granted deferred adjudication, and the authority of the commission to obtain criminal history record information maintained by the Department of Public Safety.

**SENATE BILL 304****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Lucio**HOUSE SPONSOR:** Bosse

Senate Bill 304 amends the State Aircraft Pooling Act to continue the State Aircraft Pooling Board until September 1, 2013. It requires the board to post information relating to travel and other board services on an Internet site and, as part of biennial five-year strategic planning, to develop a long-range plan for its pool of aircraft. The bill specifies elements that the long-range plan must contain and issues that the board must consider in developing the plan. The board must include appropriate portions of the long-range plan in legislative appropriations requests.

**SENATE BILL 311****EFFECTIVE:** See below**SENATE AUTHOR:** Zaffirini**HOUSE SPONSOR:** Gallego

Senate Bill 311 amends the Government Code to replace the General Services Commission (GSC) with the Texas Building and Procurement Commission (TBPC) and transfer to the Department of Information Services GSC powers and duties relating to the provision of telecommunications services to state government. The bill requires the department to create a division to oversee the implementation of major information resources projects. It abolishes the Telecommunications Planning Group, which is replaced by the Telecommunications Planning and Advisory Council.

Bill provisions relating to the TBPC establish three contracting methods for state building construction and adopt procedures for selecting one of the three for a project. The bill creates a Contract Advisory Team to assist state agencies and requires the attorney general to develop and periodically update a contract management guide for state agency use. It requires the TBPC to develop a multiple award contract schedule based on contracts awarded competitively by the federal government and governmental entities in other states. The bill mandates use of a best value method for TBPC leasing of state office space, allows the use of private brokerage or real estate firms for such purposes, authorizes the delegation of lease contracting authority to agencies, and requires the TBPC to conduct a warehouse lease evaluation. Other provisions relate to online reservations and ticketing for state agency travel, the outsourcing of commercially available TBPC services, the management of surplus property, laws relating to historically underutilized businesses, and operation of the state cemetery.

Much of the bill takes effect September 1, 2001, but the replacement of the GSC by the TBPC takes effect at the latter's first meeting, and provisions relating to TBPC member training take effect January 31, 2003. Surplus property provisions take effect January 1, 2002. A requirement for state agency compliance with the attorney general's contracting guide takes effect January 1, 2003.

**SENATE BILL 382**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Gallegos  
**HOUSE SPONSOR:** Ehrhardt

Senate Bill 382 amends the Government Code to allow the Texas Commission on Fire Protection to extend from one year to a period not to exceed two years the time allowed for fire protection personnel receiving a temporary or probationary appointment to complete a basic course in fire protection. The bill requires a fire department to purchase, provide, and maintain for its fire protection personnel appropriate safety clothing, breathing apparatus, and safety systems that are suitable to each individual's tasks and to the conditions the individual will face or is likely to face and that comply with National Fire Protection Association standards. The bill also requires a fire department to develop and maintain incident management and personnel accountability systems as well as a standard operating procedure covering fire protection personnel at emergency incidents and to require all of the department's personnel to be trained in and use those systems and procedures. The bill requires the commission to authorize the Commission on Human Rights to review the administration of tests administered by a fire department to measure the ability of a person to perform essential job functions. The bill provides that a test may not discriminate on the basis of race, color, disability, religion, sex, national origin, or age.

**SENATE BILL 390**  
**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Wentworth  
**HOUSE SPONSOR:** Hilbert

Senate Bill 390 amends the Government Code to allow a closed meeting of the Texas Lottery Commission to negotiate a lottery operator's contract if the commission determines in writing that an open meeting would have a detrimental effect on its negotiating position.

**SENATE BILL 395**  
**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Duncan  
**HOUSE SPONSOR:** Thompson

Senate Bill 395 amends the Government Code to require the Texas Judicial Council to conduct a study to examine jury service in each county of the state. The bill requires the council to seek the assistance of each county and the National Center for State Courts and to report the results and recommendations to the legislature by January 1, 2003. The bill's provisions expire March 1, 2003.

**SENATE BILL 481**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan  
**HOUSE SPONSOR:** Kitchen

Senate Bill 481 amends the Information Resources Management Act to require the Department of Information Resources to advise and consult with nonlegislative state agencies to assess opportunities to allow reports required by an agency to be filed electronically. The department must identify the cost of implementing such a procedure and identify any barriers to electronic reporting. Among other discretionary powers, the department has the authority to survey state agencies as to their practices, needs, and opportunities for electronic report standardization. The bill also authorizes the department to develop and implement a plan to adopt electronic reporting in state government whenever it is effective and efficient to do so.

**SENATE BILL 482**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan  
**HOUSE SPONSOR:** Isett

Senate Bill 482 amends the Government Code to adopt provisions relating to componentization, meaning the process of separately calculating the depreciation of major building structural components, subsystems, and equipment. The bill, applicable to a state agency that receives federal funds to implement federal or joint state-federal programs, requires the agency to complete a componentization of any building it owns with a fair market value of \$1 million or more.

**SENATE BILL 484**  
**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Duncan  
**HOUSE SPONSOR:** Pitts

Senate Bill 484 provides for the registration of individuals who review and inspect certain buildings or facilities occupied by state agencies that are involved in extending direct services to persons with mobility impairments in order to assure compliance with accessibility standards. The bill makes individuals other than employees of the Texas Department of Licensing and Regulation and employees of entities under contract with the Texas Commission of Licensing and Regulation eligible for a certificate of registration. The bill outlines requirements and rulemaking authority of the commissioner of licensing and regulation relating to registrations and authorizes the commission to charge a fee for registration and to allow certain other fees.

Senate Bill 484 modifies provisions related to the submission of plans and specifications for a building or facility subject to these provisions. The bill prohibits a public official of a political subdivision who is authorized to issue building construction permits from accepting an application for a permit for a building or facility unless it has been registered with the department. The bill deletes the authority of the commission to contract with nonprofit organizations and private independent contractors to perform review and inspection functions and the commission's responsibility to review and inspect facilities not leased by the state or a political subdivision. The bill requires the commissioner of licensing and regulation to adopt rules relating to the certificate of registration not later than January 1, 2002.

**SENATE BILL 497**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh  
**HOUSE SPONSOR:** Counts

Senate Bill 497 amends the Information Resources Management Act to provide that each state agency in the executive or judicial branch with a generally accessible Internet site may post to it any nonconfidential information related to the agency's programs, activities, or functions.

**SENATE BILL 734**  
**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Duncan  
**HOUSE SPONSOR:** Woolley

Senate Bill 734 amends the Government Code to require the Legislative Budget Board to publish an annual report on the investment performance of each investment fund that contains a relatively large amount of state assets. The report must compare the risk-adjusted performance of the funds to one another and examine the performance of similar asset classes and comparable portfolios within asset classes. The bill requires administrators of the funds to provide the board with relevant information and requires the report to be in a format and use terminology that a person without technical investment expertise can understand.



**SENATE BILL 757**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** Eiland

Senate Bill 757 establishes a State of Texas Anniversary Remembrance Day Medal to be awarded a Texas resident who has displayed an exemplary commitment to specified service principles and has made outstanding contributions in pioneering the state's development, growth, and progress. The bill creates a State of Texas Anniversary Remembrance Day Medal Committee to receive recommendations from the public and to review them and issue approved awards. Not more than 10 medals may be awarded for achievement attained or service rendered before September 1, 2001.

**SENATE BILL 817**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Goolsby

Senate Bill 817 amends the Transportation Code to allow the governing bodies of the Texas Lottery Commission, the office of the attorney general, and the Texas Department of Insurance to exempt their motor vehicles, by rule, from provisions requiring an inscription of the agency or division's name to be printed on each side of the vehicles. The Texas Lottery Commission may only exempt vehicles used for surveillance purposes.

**SENATE BILL 939**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh et al.

**HOUSE SPONSOR:** Najera

Senate Bill 939 enacts a two-year temporary law requiring the Texas Strategic Military Planning Commission to conduct a study of how the state can attract new military missions and retain existing military installations. As part of the study, the bill requires the commission to review practices in other states to reduce military installation costs, determine whether they can be implemented in Texas, and estimate the military cost savings that would result from their implementation. A report on study results and any recommendations is due not later than December 1, 2002.

**SENATE BILL 1043**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan et al.

**HOUSE SPONSOR:** Hunter

Senate Bill 1043 establishes a committee to each year designate a poet laureate of Texas, a Texas state musician, and two Texas state artists, one who works in two-dimensional media and one who works in three-dimensional media. The committee consists of one gubernatorial appointee and three appointees each selected by the lieutenant governor and the speaker of the house of representatives, respectively. The Texas Commission on the Arts is responsible for soliciting nominations in each of the four categories and for submitting to the committee for each category a list of not more than 10 individuals who are worthy of designation. Under the bill, the commission may assemble a group of experts to review nominations and provide advice and recommendations.

**SENATE BILL 1096**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Cain et al.

**HOUSE SPONSOR:** Brimer

Senate Bill 1096 amends the Texas Racing Act to authorize the Texas Racing Commission to reimburse an association for certain costs related to conducting Breeders' Cup races. The bill requires an association designated to host the Breeders' Cup races to set aside for deposit



into the Breeders' Cup Developmental Account amounts that would otherwise be set aside for the state under provisions relating to pari-mutuel pools. The bill requires the commission to administer the account and make disbursements to the association subject to certain limits.

Senate Bill 1096 requires an association to submit to the commission in the year following the Breeders' Cup races a report showing certain expenses and payments and any other information requested by the commission, and it requires the commission to take any steps it considers appropriate to verify the report and to transfer any remaining balance in the Breeders' Cup Developmental Account to the credit of the general revenue fund. The bill grants the commission and the comptroller rulemaking authority relating to the administration of the account and the conduct of the Breeders' Cup races.

**SENATE BILL 1146**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh  
**HOUSE SPONSOR:** Chisum

Senate Bill 1146 amends the Government Code to require state agencies with jurisdiction over matters pertaining to environmental or natural resource issues to create, in coordination with the Department of Information Resources, a single link to certain agency information through the TexasOnline Internet portal.

**SENATE BILL 1159**  
**EFFECTIVE:** 5-18-01

**SENATE AUTHOR:** Truan  
**HOUSE SPONSOR:** Raymond

Senate Bill 1159 amends the Government Code to require the Texas Veterans Commission to adopt a joint memorandum of understanding with the Veterans' Land Board, the Texas Workforce Commission, and any other state agency that administers a program limited in applicability to veterans or their families, to coordinate the provision of services to state military veterans.

**SENATE BILL 1165**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Truan  
**HOUSE SPONSOR:** Noriega

Senate Bill 1165 amends Government Code provisions relating to the rank of the adjutant general. The bill changes the highest rank from major general to lieutenant general and specifies that the state rank is at the governor's discretion and federal recognition is at the rank authorized by the National Guard Bureau, not to exceed lieutenant general.

The bill also modifies, until September 1, 2005, the service requirement for appointment as adjutant general. Instead of a minimum of 10 years' service as a federally recognized commissioned officer with an active unit of the Texas National Guard, the bill requires a minimum of five years' service as a federally recognized commissioned officer with an active unit of the Texas National Guard and a minimum of 10 years' service as a federally recognized commissioned officer with an active unit of the National Guard of the United States.

**SENATE BILL 1230**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. Ellis  
**HOUSE SPONSOR:** Junell

Senate Bill 1230 amends Government Code provisions relating to state agencies' strategic and operating plans for information resources. For strategic plans, it continues review by the Department of Information Resources (DIR), but eliminates DIR format specification and power of approval, adds the Legislative Budget Board (LBB) as a plan recipient and reviewer, and authorizes the LBB to adopt plan preparation instructions. For operating plans, it provides for submission to and approval by the LBB rather than the DIR, calls for LBB submission

instructions and deadlines, authorizes LBB adoption of preparation instructions and evaluation procedures, and generally eliminates the role of the DIR except to designate that agency as a recipient of approved operating plan copies.

**SENATE BILL 1296**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Lucio et al.

**HOUSE SPONSOR:** Flores

Senate Bill 1296 amends the Government Code to require the Texas Public Finance Authority to issue general obligation bonds in an aggregate amount not to exceed \$175 million, with the office of the governor determining the amount to be issued at any one time, to provide financial assistance to counties for colonia access roadway projects. Distribution of the proceeds to the various counties is to be directed by the Texas Department of Transportation according to criteria developed by the Texas Transportation Commission and in cooperation with the office of the governor, the secretary of state, and the Texas A&M University Center for Housing and Urban Development. The commission is also required to establish grant applications procedures, determine the counties and projects to be funded and the level of funding, and develop financial reporting requirements for funding recipients. The bill also allows the authority to enter into credit agreements to facilitate the issuance of the bonds.

This bond authority is contingent on voter approval of the constitutional amendment proposed by the 77th Legislature authorizing the bond issue for colonia roadway projects, and Senate Bill 1296 takes effect on the date the constitutional amendment takes effect. If the amendment is not approved, Senate Bill 1296 has no effect.

**SENATE BILL 1396**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Fraser

**HOUSE SPONSOR:** McCall

Senate Bill 1396 amends the Government Code to eliminate an obsolete requirement that a state agency that has or fills a job vacancy in Travis County forward a related information form to the governor's equal employment opportunity office. That office now resides with the Texas Workforce Commission, which already is a mandated recipient of the form.

**SENATE BILL 1449**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Haywood

**HOUSE SPONSOR:** Gutierrez

Senate Bill 1449 amends the Natural Resources Code to eliminate the requirement that general obligation bonds issued by the Veterans' Land Board be signed by the governor and the executive secretary of the board and attested by the secretary of state. The bill instead requires that the bonds be signed and executed as the board provides in the resolution or order authorizing their issuance. The bill also allows the board to authorize officers or employees of the board to act on the board's behalf in conducting the sale of loans under the Veterans' Housing Assistance Program within the limits established by the board on the principal amount and the sales price of the loans to be sold.

**SENATE BILL 1547**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan et al.  
**HOUSE SPONSOR:** McCall

Senate Bill 1547 amends the Government Code to require the comptroller to establish an investment advisory board to advise the comptroller with regard to making investments. Members of the board are appointed by and serve at the will of the comptroller.

**SENATE BILL 1799**  
**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Bernsen  
**HOUSE SPONSOR:** Deshotel

Current law requires the Spindletop Centennial Celebration Commission to file its final report after December 21, 2001, and not later than March 31, 2002, and provides that the commission is abolished and its enabling act expires March 31, 2002. Senate Bill 1799 moves the two dates forward to May 1, 2001, and July 1, 2001, respectively.



## HEALTH

### **HOUSE BILL 80**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Sibley

House Bill 80 amends the Health and Safety Code to establish that a person acting in good faith in obtaining authorization to receive a donation under the Texas Anatomical Gift Act is liable only in the case of an act or omission of the person that is intentionally, wilfully, or wantonly negligent or is done with conscious indifference or reckless disregard.

### **HOUSE BILL 99**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Van de Putte

House Bill 99 amends the Occupations Code to require the Texas State Board of Pharmacy to adopt rules regarding the sale and delivery of drugs by use of electronic media, including the Internet. The bill also allows complaints directed to the board to be made through the Internet. The bill requires a pharmacy that maintains an Internet site and sells and distributes drugs through that site to link the site to the board's Internet site.

The bill takes effect September 1, 2001, except for the provision relating to the linking of Internet sites, which takes effect November 1, 2001.

### **HOUSE BILL 100**

**EFFECTIVE:** 5-23-01

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Van de Putte

House Bill 100 amends the Occupations Code to establish definitions for "licensing authority" and "Internet" as those terms relate to the regulation of a health care practitioner's activity on the Internet. The bill clarifies that a state licensing authority has the same regulatory powers over a practitioner's actions on the Internet as it does without the Internet.

### **HOUSE BILL 251**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Keffer et al.

**SENATE SPONSOR:** Carona

House Bill 251 amends the Health and Safety Code to direct the Texas Board of Health to establish a certification program for food managers. The bill authorizes the board or a county or public health district to require certain retail food establishments to employ a certified food manager, as well as exempt certain establishments where a food manager is not necessary to protect public health and safety.

### **HOUSE BILL 342**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon et al.

**SENATE SPONSOR:** Van de Putte

House Bill 342 amends the Health and Safety Code to require the Texas Department of Health to establish a pilot study to compare preventive disease management methods with traditional methods for treating children's asthma. The department is required to conduct the study in both urban and rural settings. The bill lists certain outcomes that the study may measure, and it authorizes the department to use prospective simulation-based analysis to project the outcomes.

The bill also requires the commissioner of public health to establish an asthma and allergy research advisory committee to research and analyze certain issues related to the impact of asthma and allergy on the state and to advise the Health and Human Services Commission in conducting the pilot program.

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### **HOUSE BILL 391**

**EFFECTIVE:** 9-1-01

House Bill 391 amends the Health and Safety Code to require the Texas Department of Health to establish minimum guidelines for the procurement, processing, distribution, or use of human milk by donor milk banks.

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Barrientos

### **HOUSE BILL 393**

**EFFECTIVE:** Vetoed

House Bill 393 establishes the Charitable Health Care Trust Act to require nonprofit health benefit plans or health care providers entering into certain agreements and transactions to establish the fair market value of the nonprofit provider's assets. The bill sets requirements for obtaining the appraisal, for the publication of notice, and for holding public meetings related to the transaction. The bill also authorizes the attorney general to bring an action for a temporary restraining order, an injunction, a civil penalty, or other relief in order to prevent a nonprofit provider from entering into an agreement.

**HOUSE AUTHOR:** Maxey et al.

**SENATE SPONSOR:** R. Ellis

### **HOUSE BILL 398**

**EFFECTIVE:** 6-15-01

House Bill 398 amends the Occupations Code to add a patient's billing records to certain provisions regulating the confidentiality of medical records. The bill also requires the State Board of Medical Examiners to establish rules under which the board may temporarily or permanently appoint a custodian of a physician's billing or medical records.

**HOUSE AUTHOR:** Smith

**SENATE SPONSOR:** Nelson

### **HOUSE BILL 456**

**EFFECTIVE:** 6-17-01

House Bill 456 amends the Government Code to establish that certain services provided under the voucher payment program for the delivery of state-funded and Medicaid-funded services to persons with disabilities may be provided by a person without a nursing license in certain circumstances if the services would have been performed by the person with disabilities, or that person's parent or guardian, except for the disability. The bill requires the Board of Nurse Examiners to appoint a task force to review and make recommendations on certain issues related to the provision of health maintenance tasks to persons with functional disabilities.

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Moncrief

### **HOUSE BILL 551**

**EFFECTIVE:** 5-18-01

House Bill 551 amends the Occupations Code to allow a cosmetologist to perform certain treatments on a person's mustache or beard.

**HOUSE AUTHOR:** Mowery

**SENATE SPONSOR:** Van de Putte

### **HOUSE BILL 663**

**EFFECTIVE:** 9-1-01

House Bill 663 amends Health and Safety Code provisions relating to the regulation of tanning facilities. The bill requires tanning facilities to give each customer written warning that people who burn easily and people with a history of skin cancer in their family or in their own medical history should avoid tanning devices. The facilities must add to required posted warnings a statement that customers may call a toll-free number to report alleged injuries to the Texas Department of Health. The bill also expands the required information kept on record by each facility for every customer to include the customer's skin type according to the Fitzpatrick

**HOUSE AUTHOR:** R. Lewis et al.

**SENATE SPONSOR:** Nelson



scale and family history of skin cancer. The operator of a tanning facility is required to maintain an incident log that reports injuries, problems with equipment, or complaints against the facility.

The bill prohibits a tanning facility from allowing a person younger than 13 years of age to use a tanning device without written permission from a physician. A person younger than 15 years of age must be accompanied by a parent or guardian who remains at the facility while the person uses the equipment.

The bill requires the Texas Department of Health to maintain a toll-free number that customers may call to report injury and to provide a copy of the Fitzpatrick scale to applicants for an original license or renewal. The bill also prohibits the operator of a tanning facility or another person from disclosing a customer record except in certain circumstances.

**HOUSE BILL 757**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Coleman

**SENATE SPONSOR:** Bernsen

House Bill 757 amends the Health and Safety Code to establish the Health Disparities Task Force to work with the Texas Department of Health in order to eliminate health and health access disparities among multicultural, disadvantaged, and regional populations and to reorganize department programs to eliminate those disparities. The bill requires the task force to work in consultation with the department, the Office of Minority Health and Cultural Competency, the women's health offices of the department, and other relevant divisions to investigate and report on health and health access disparities, develop short-term and long-term strategies to eliminate the disparities, and monitor the department's progress.

**HOUSE BILL 767**

**EFFECTIVE:** 5-21-01

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Nelson

House Bill 767 amends the Occupations Code to expand the continuing education requirements for licensed chemical dependency counselors to include during each two-year licensing period six hours of training on HIV, hepatitis C, and sexually transmitted diseases. The training component must address the special needs of persons with positive test results for any of those diseases, including prevention, early intervention, and treatment, and the psychosocial needs of those persons. The bill requires the Texas Commission on Alcohol and Drug Abuse to recognize, prepare, or administer a training component that satisfies this requirement. In developing the training, the commission is required to consult with the Texas Department of Health.

**HOUSE BILL 768**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Nelson

House Bill 768 amends the Health and Safety Code to expand the scope of the HIV/AIDS Interagency Coordinating Council to include hepatitis and to change its name to the Interagency Coordinating Council for HIV and Hepatitis. The bill adds representatives from the Texas Department on Aging and the Texas Workforce Commission to the council, and it adds requirements relating to attendance and public input at meetings. The bill also requires the council to submit its report to the legislature and the governor by September 1 of each even-numbered year rather than annually.

**HOUSE BILL 803**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** Duncan

House Bill 803 amends the Occupations Code, the Insurance Code, and the Texas Health Maintenance Organization Act to prohibit a preferred provider or health maintenance organization from refusing to contract with a nurse first assistant to be included in the provider's network, but also provides that neither the HMO nor the insurer may require a physician to use the services of a nurse first assistant. The bill also amends the Labor Code to prohibit the provider or insurance carrier from refusing to reimburse a nurse first assistant for a covered service that a physician asked the nurse first assistant to perform.

The bill amends the Human Resources Code to assure that recipients of medical assistance may select a nurse first assistant to perform health care services or procedures covered under the medical assistance program.

**HOUSE BILL 835**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Kitchen et al.

**SENATE SPONSOR:** Moncrief

House Bill 835 requires the Health and Human Services Commission to conduct a study on the feasibility of a buy-in option to allow families without access to health benefits coverage to purchase the coverage for all family members under the Children's Health Insurance Program. The bill requires the commission to address specific issues in the study and to consult with certain groups in relation to the private market for health benefits plan coverage. The commission is required to submit a report on the results of the study to the governor, lieutenant governor, and speaker of the house of representatives no later than November 1, 2002.

**HOUSE BILL 915**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gray et al.

**SENATE SPONSOR:** Moncrief

House Bill 915 amends the Health and Safety Code to establish the Interagency Council on Pharmaceuticals Bulk Purchasing to develop procedures that certain state agencies must follow in purchasing pharmaceuticals, unless the agency can purchase the pharmaceuticals for a lower price than through the council. The bill requires the council to investigate options for better purchasing power and make certain recommendations regarding drug utilization review, prior authorization, the use of restrictive formularies, the use of mail order programs, and copayment structures to member agencies. The bill also requires drug manufacturers to file certain price information and wholesale distributors to file price information on request.

**HOUSE BILL 964**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Dunnam

**SENATE SPONSOR:** Van de Putte

House Bill 964 amends the Occupations Code to add certain persons to the list of people who may consent to the release of a patient's confidential information.

**HOUSE BILL 998**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Hartnett

**SENATE SPONSOR:** Wentworth

Current law requires that funds from the sale of the "animal friendly" license plates go to the animal friendly account, which will make grants to certain eligible organizations. House Bill 998 deletes the provision that the account may only be used once the account is credited with \$500,000 in funds, and it adjusts the terms of the animal friendly advisory committee members.

**HOUSE BILL 1018**  
**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Hardcastle et al.  
**SENATE SPONSOR:** Haywood

House Bill 1018 amends the Occupations Code to require the Texas State Board of Medical Examiners to adopt rules for expediting any application for a license made by a person licensed to practice medicine in another state or country, if the applicant intends to practice or teach medicine in certain areas of particular need.

**HOUSE BILL 1072**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Farabee  
**SENATE SPONSOR:** Moncrief

Previous law provided for returning patients to treatment facilities by means of court orders. House Bill 1072 amends the Health and Safety Code to establish that a certificate issued by the facility administrator may also authorize a peace officer to take an absent patient into custody, detain the patient, and return the patient to a facility providing court-ordered mental health services.

**HOUSE BILL 1094**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gray et al.  
**SENATE SPONSOR:** Moncrief

House Bill 1094 amends the Government Code to require the Health and Human Services Commission to establish a state-funded prescription drug program to provide prescription benefits to certain Medicare beneficiaries. The commission is required to adopt rules that may include requirements for copayments. The bill also authorizes the provision of generic equivalent drugs and lists priorities for eligibility if insufficient funding is available for the complete program.

**HOUSE BILL 1099**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum  
**SENATE SPONSOR:** Carona

House Bill 1099 amends the Health and Safety Code to modify provisions relating to the regulation of radiation emitting sources such as x-ray machines and other electronic devices. The bill grants the Texas Board of Health the authority, by rule, to require an applicant for a license or renewal to demonstrate that the applicant is financially able to conduct a licensed activity involving radiation, including decontamination, reclamation, and disposal, before the Texas Department of Health issues or renews the license. The bill authorizes the department to charge an additional five percent of the current annual licensing fee to be deposited in the radiation and perpetual care fund, and it provides for the suspension and resumption of the department's collection of the fee based on the fund reaching or falling to certain levels. Funds deposited in the radiation and perpetual care fund are to be used for the prevention or mitigation of adverse effects of abandoned radiation sources or of a license holder's failure to meet requirements or obligations and to otherwise assure the protection of public health and the environment from the adverse effects of radiation. The bill also requires the board to establish by rule the routine inspection frequency for certified mammography systems.

**HOUSE BILL 1124**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** B. Turner et al.  
**SENATE SPONSOR:** Moncrief

House Bill 1124 amends the Health and Safety Code to require the executive committee for the Center for Rural Health Initiatives to establish a community healthcare awareness and mentoring program to identify high school students interested in serving as health care professionals in rural and underserved urban areas. The bill requires that the program identify

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health care professionals to mentor the students, introduce the students to professional health care careers through certain activities, encourage the students, and provide continuing community-based support for students attending training or educational programs to become health care professionals. The bill also requires the center to establish and maintain an updated medical resource library containing information on medical careers, and it requires the development of a grant program to support employment opportunities in rural and underserved urban areas in the state.

**HOUSE BILL 1183**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Capelo  
**SENATE SPONSOR:** Carona

House Bill 1183 amends the Occupations Code to add provisions relating to the licensing, practice, and oversight of surgical assistants. The bill requires that the Texas State Board of Medical Examiners establish qualifications and requirements for surgical assistants and license applicants. The bill also makes conforming changes for the inclusion of surgical assistants in the Insurance Code and Human Resources Code, including the requirement that recipients of medical assistance may select a surgical assistant to perform certain health care services or procedures.

**HOUSE BILL 1279**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Coleman et al.  
**SENATE SPONSOR:** Barrientos

House Bill 1279 amends the Texas Asbestos Health Protection Act to change the requirements for completion of a training course covering the removal of resilient floor covering material from no more than eight hours of training to no less than eight hours of training.

**HOUSE BILL 1316**  
**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Farabee  
**SENATE SPONSOR:** Moncrief

House Bill 1316 amends the Health and Safety Code to increase from \$50,000 to \$250,000 the amount of aggregate principal in a trust that is not considered to be property that is liable for the support of a client at a mental health community center or a patient at a state hospital.

**HOUSE BILL 1516**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Janek  
**SENATE SPONSOR:** Nelson

House Bill 1516 amends the Human Resources Code to require the Health and Human Services Commission to develop and implement a catastrophic case management system to be used in providing medical assistance to persons with catastrophic health problems. The bill requires that case managers be assigned to recipients whose health problems are likely to require the services of multiple, specialized health care providers and to result in major medical costs. The bill requires the commission to identify the services to be provided by a case manager and specifies that the services must include assessment of the recipient's needs and coordination of all available medical services and payment options. The bill requires the commission to report to the legislature on the implementation of the system no later than January 15 of each odd-numbered year.

**HOUSE BILL 1537**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Coleman et al.  
**SENATE SPONSOR:** Moncrief

House Bill 1537 amends the Government Code to require the Health and Human Services Commission to conduct a study regarding the feasibility of contracting with existing networks of health care providers to establish a migrant care network to provide health care services to

children of migrant or seasonal workers who are residents of Texas and intend to return to the state and who are recipients of medical assistance or enrollees in the child health plan program. The bill requires the commission to develop and implement a pilot program if the study indicates the migrant care network is feasible.

**HOUSE BILL 1591****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Kitchen**SENATE SPONSOR:** Madla

House Bill 1591 amends the Government Code to prohibit the determination of premium payment rates and other amounts paid to managed care organizations under the Medicaid managed care plan by basing the rates or amounts on encounter data, unless a certifier of encounter data finds the data to be complete, accurate, and reliable. The bill sets forth requirements for the appointment of a certifier, and it requires the Health and Human Services Commission to work with managed care organizations to encourage providers to report encounter data in a timely manner.

**HOUSE BILL 1651****EFFECTIVE:** 6-11-01**HOUSE AUTHOR:** Edwards**SENATE SPONSOR:** Bernsen

House Bill 1651 amends the Texas Professional Association Act to allow optometrists or therapeutic optometrists to form professional associations.

**HOUSE BILL 1887****EFFECTIVE:** 6-16-01**HOUSE AUTHOR:** Janek**SENATE SPONSOR:** Carona

House Bill 1887 amends the Health and Safety Code to establish that a person for whom a motion for court-ordered mental health services is filed and who requests voluntary admission to an inpatient mental health facility is presumed to have the capacity to consent to admission for voluntary mental health services. The bill also establishes that the patient has all rights of a patient receiving voluntary or involuntary inpatient mental health services and sets forth conditions under which a patient may participate in a research program in the facility.

**HOUSE BILL 1927****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Geren et al.**SENATE SPONSOR:** Harris

House Bill 1927 amends the Health and Safety Code to require the Texas Board of Health to adopt rules designating materials or parts for which a person must obtain a material safety data sheet before installing them in a public building. The bill prohibits the installation of materials or parts in a public building if the person does not obtain a required sheet or if the sheet indicates that the materials or parts contain more than one percent asbestos and there is an alternative to the material or part. The bill provides for certain legal actions against a contractor who violates or threatens to violate these provisions and makes a contractor in violation subject to civil and administrative penalties.

**HOUSE BILL 2004****EFFECTIVE:** 6-15-01**HOUSE AUTHOR:** Maxey**SENATE SPONSOR:** Carona

House Bill 2004 amends the Health and Safety Code to require a physician who prepares a continuing care plan that addresses a patient's mental health and physical needs to include in the plan, if appropriate, the need for sufficient medication to last until a discharged or furloughed patient can see a physician, and the person who is responsible for providing and paying for medication.



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**HOUSE BILL 2008**

**EFFECTIVE:** 9-1-01

House Bill 2008 amends the Health and Safety Code to expand the voluntary guidelines for indoor air quality to apply to government buildings, rather than applying only to public schools.

**HOUSE AUTHOR:** Naishtat et al.

**SENATE SPONSOR:** Moncrief

**HOUSE BILL 2178**

**EFFECTIVE:** 9-1-01

House Bill 2178 amends the Government Code to require the Health and Human Services Commission or other health and human services agencies that operate a portion of the state Medicaid program to expunge or provide for the expunction of certain records of children 13 years of age or younger who were diagnosed as chemically dependent by a treatment provider that has subsequently been convicted of submitting fraudulent claims for services under Medicaid.

**HOUSE AUTHOR:** Salinas

**SENATE SPONSOR:** Moncrief

**HOUSE BILL 2287**

**EFFECTIVE:** Vetoed

House Bill 2287 amends the Government Code to require the Health and Human Services Commission to provide a method by which a disproportionate share hospital may contract with physicians to provide medical services to indigent patients based on the hospital's indigent care eligibility criteria.

**HOUSE AUTHOR:** Edwards

**SENATE SPONSOR:** Moncrief

**HOUSE BILL 2383**

**EFFECTIVE:** 9-1-01

House Bill 2383 amends the Occupations Code to authorize the Texas Commission on Alcohol and Drug Abuse to obtain a criminal history record for an applicant to be a licensed chemical dependency counselor and for a counselor intern, prohibits the issuance of a license to an applicant with convictions for certain misdemeanors, and provides for the removal of a license, as well as requiring the suspension of a counselor's license if the license holder has been charged, indicted, placed on deferred adjudication, community supervision, or probation, or convicted of certain offenses. The bill establishes a process for the appeal of certain license denials, renewal refusals, and suspensions.

**HOUSE AUTHOR:** Allen

**SENATE SPONSOR:** Madla

**HOUSE BILL 2408**

**EFFECTIVE:** 6-15-01

House Bill 2408 establishes a study to be conducted by the Health Professions Council in order to examine the complaint procedure for certain health care regulatory entities, including the handling and compilation of complaint information, the adjudication and resolution of complaints, and the availability of complaint information to the public.

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Shapleigh

**HOUSE BILL 2419**

**EFFECTIVE:** 9-1-01

House Bill 2419 amends the Health and Safety Code to allow a nonprofit hospital or hospital system to credit unreimbursed costs from direct care provided to eligible county residents toward meeting the nonprofit hospital's or system's charity care and government-sponsored indigent health care requirements. The bill requires the hospitals to provide notice of charity care and eligibility policies to each person seeking service at the hospital and to annually publish the notice in certain newspapers.

**HOUSE AUTHOR:** Coleman

**SENATE SPONSOR:** Moncrief



The bill also requires the Texas Department of Health to annually publish a manual listing each nonprofit hospital in the state and a summary of the charity care policies and community benefits the nonprofit hospital provides.

**HOUSE BILL 2421**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hawley et al.  
**SENATE SPONSOR:** Madla

House Bill 2421 amends the Health and Safety Code to require the Center for Rural Health Initiatives in consultation with the Texas Higher Education Coordinating Board to select a Texas medical school to recruit students from rural communities and encourage them to return to rural communities to practice medicine. The school selected must also develop a screening process to identify rural students likely to pursue a career in medicine, develop a rural medicine curriculum, develop a mentoring program, provide information for financial aid, and establish a rural practice incentive program.

**HOUSE BILL 2423**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hawley et al.  
**SENATE SPONSOR:** Madla

House Bill 2423 amends the Health and Safety Code to require the Texas Center for Rural Health Initiatives to adopt rules establishing a procedure for designating a hospital as a rural hospital in order for the hospital to qualify for certain federal funds. At the hospital's request, the center must designate the hospital as a rural hospital if it meets the requirements for a rural hospital under the center's rules.

**HOUSE BILL 2437**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Y. Davis  
**SENATE SPONSOR:** Carona

House Bill 2437 requires the Texas Board of Health to prescribe annual continuing education requirements for code enforcement officers and trainees. The requirements must set the number of hours of continuing education required to renew a certificate of registration, establish an approved curriculum, and specify who may teach the curriculum.

**HOUSE BILL 2446**  
**EFFECTIVE:** See below

**HOUSE AUTHOR:** Glaze et al.  
**SENATE SPONSOR:** Madla

House Bill 2446 amends the Health and Safety Code to authorize emergency medical services providers and first responder organizations to acquire and possess epinephrine auto-injector devices in accordance with specified provisions. It also requires the Texas Department of Health and the advisory council of the Texas Board of Health to establish a pilot program to test the use of emergency medical dispatchers located in regional resource centers to provide pre-arrival instructions to persons awaiting the response of emergency medical personnel. The bill establishes guidelines for the administration of the program and requirements for the resource center selected. The bill sets forth requirements related to a governmental or nongovernmental organization that sponsors, or wishes to sponsor, an emergency medical services provider or organization in a rural or underserved area.

The bill also amends the Government Code to include emergency medical service volunteers under provisions authorizing financial assistance for survivors.

The bill takes effect September 1, 2001, except the section relating to administration of epinephrine takes effect January 1, 2002.

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**HOUSE BILL 2463**

**EFFECTIVE:** 6-4-01

**HOUSE AUTHOR:** Glaze et al.

**SENATE SPONSOR:** Shapleigh

House Bill 2463 amends the Health and Safety Code to specify that a person offering milk or milk products to be sold in this state must hold a permit issued by the Texas Board of Health. In addition, the bill prohibits the board from issuing a permit for a producer dairy in an area infected with or at a high risk for bovine tuberculosis.

**HOUSE BILL 2558**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Maxey et al.

**SENATE SPONSOR:** Shapleigh

House Bill 2558 amends the Occupations Code to prohibit the Texas State Board of Medical Examiners from lowering a fee from the amount established on or before August 31, 2001, rather than the amount established on or before September 1, 1993. The bill repeals the law that requires the board to set fees not to exceed \$20 for 2000 and 2001 and not to exceed \$10 for 2002 and 2003.

**HOUSE BILL 2574**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis et al.

**SENATE SPONSOR:** Gallegos

House Bill 2574 amends the Human Resources Code to establish the community health center revolving loan fund to be administered by a development corporation, on behalf of the Health and Human Services Commission, to increase community health centers' access to loan money.

**HOUSE BILL 2602**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Coleman

**SENATE SPONSOR:** Moncrief

House Bill 2602 amends the Indigent Health Care and Treatment Act to keep the minimum eligibility standards relating to net income set at a level equal to 21 percent of the federal poverty level, rather than at 25 percent as it was scheduled to be after December 31, 2001. It expands the authority of the Texas Department of Health relating to disagreements between counties and providers to cover disagreements concerning a patient's eligibility and authorizes, rather than requires, the department to adopt rules for maximum annual allocations to counties. The bill also amends the Government Code to allocate five percent of any amount in the tertiary care account each fiscal year to the indigent care program. Provisions of the bill relating to the Indigent Health Care and Treatment Act take effect September 1, 2001. The remainder of the bill takes effect June 15, 2001.

**HOUSE BILL 2614**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis et al.

**SENATE SPONSOR:** Lucio

House Bill 2614 requires the Texas Department of Health to develop and implement a dental care pilot program to provide dental services to certain indigent children living in border-region counties. The bill establishes criteria for determining the eligibility of program participants, which dental services may be provided to program participants, and other requirements related to the program.

**HOUSE BILL 2648****EFFECTIVE:** See below**HOUSE AUTHOR:** Capelo**SENATE SPONSOR:** Madla

House Bill 2648 amends the Health and Safety Code to authorize emergency medical service providers and first responder organizations to acquire, possess, maintain, and dispose of epinephrine auto-injector devices in accordance with rules and a delegated practice agreement that provides for medical supervision by a licensed physician. The bill authorizes certified emergency medical technicians or persons with higher training to carry, maintain, administer, and dispose of the devices. Authorized personnel must complete a training course in the use of these devices before they may administer an injection. Personnel who administer the epinephrine injection must immediately report the use to the supervising physician. The Texas Department of Health is required to adopt rules implementing the provisions of House Bill 1648.

The bill takes effect January 1, 2002, except the provisions relating to the adoption of rules take effect September 1, 2001.

**HOUSE BILL 2650****EFFECTIVE:** 6-15-01**HOUSE AUTHOR:** Capelo**SENATE SPONSOR:** Madla

House Bill 2650 amends the Occupations Code to require the Board of Nurse Examiners to recognize, prepare, or administer a hepatitis C training component for use in the continuing education required of registered nurses for license renewal. The bill specifies that the training component must provide information relating to the prevention, assessment, and treatment of hepatitis C. It requires a license holder, as part of the continuing education requirements, to participate in not less than two hours of education relating to hepatitis C. This provision expires June 1, 2004.

**HOUSE BILL 2700****EFFECTIVE:** 6-13-01**HOUSE AUTHOR:** Chavez et al.**SENATE SPONSOR:** Duncan

House Bill 2700 amends the Government Code to require the Health and Human Services Commission to establish a pilot program reimbursing participating health professionals for certain telemedicine medical services or telehealth services in areas of the state no more than 150 miles from the Texas-Mexico border. The bill establishes requirements for the development and operation of the program, including increased access to certain medical services and certain condition-specific applications of telemedicine or telehealth services. The bill also establishes an advisory committee to assist the commission in oversight of telemedicine and telehealth services.

The bill amends the Utilities Code to allow health facilities providing telemedicine medical services and participating in the pilot program to receive grants from the telecommunications infrastructure fund.

**HOUSE BILL 2729****EFFECTIVE:** 1-1-02**HOUSE AUTHOR:** Gray et al.**SENATE SPONSOR:** Moncrief

House Bill 2729 amends the Health and Safety Code to authorize a charitable drug donor to donate certain unused prescription drugs to a charitable medical clinic. The bill sets out guidelines the charitable medical clinic must follow in accepting, dispensing, and administering donated drugs. The bill also establishes limitations on the liability of charitable drug donors, charitable medical clinics, and their employees.

**HOUSE BILL 2767**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Delisi  
**SENATE SPONSOR:** Zaffirini

House Bill 2767 amends the Health and Safety Code to clarify provisions relating to a retailer's notice to employees regarding the sale of cigarettes and tobacco products. The bill removes the requirement that failure to display a required sign must be intentional for the failure to be a Class C misdemeanor. The bill also increases from 72 hours to 7 days the time limit for showing proof that employees signed forms relating to the required notice to the comptroller.

**HOUSE BILL 2807**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Kitchen et al.  
**SENATE SPONSOR:** Barrientos

House Bill 2807 amends the Human Resources Code to require the Health and Human Services Commission to establish a demonstration project to provide medical assistance to an adult individual who has an income level that is less than or equal to 200 percent of the federal poverty level, who is not otherwise eligible for medical assistance, and who is not covered by a health benefits plan offering adequate coverage.

**HOUSE BILL 2844**  
**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** G. Lewis  
**SENATE SPONSOR:** Moncrief

House Bill 2844 amends the Texas Asbestos Health Protection Act to authorize the Texas Board of Health to exempt a demolition or renovation project from certain rules if the United States Environmental Protection Agency exempts the project from federal regulations, or if the project will use methods for the abatement or removal of asbestos that satisfy the board's rules and the project does not violate federal law.

**HOUSE BILL 2950**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chavez et al.  
**SENATE SPONSOR:** Nelson

House Bill 2950 amends the Health and Safety Code to modify the definitions and provisions related to abusable glues and aerosol paints and include the glues and paints in a broader category of abusable volatile chemicals. The bill establishes additional warnings to be included on the label of a chemical, adds nitrous oxide to the definition of "abusable volatile chemical," and authorizes the board of health to adopt rules necessary to comply with labeling requirements under the Federal Hazardous Substances Act. The bill also establishes that it is a defense to prosecution that the person delivering the chemical is not the manufacturer of the chemical and the manufacturer failed to appropriately label the chemical. A previous chapter on volatile chemicals is repealed.

**HOUSE BILL 2989**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gutierrez et al.  
**SENATE SPONSOR:** Van de Putte

House Bill 2989 amends the Health and Safety Code to require the Texas-Mexico Border Health Coordination Office of The University of Texas—Pan American to administer an acanthosis nigricans screening program for individuals attending public or private schools in certain education service areas of the state. The bill establishes requirements related to the coordination of the screening program, exemptions for certain individuals, and the disposition of screening records. The bill requires that persons performing the screening send to an individual who may have acanthosis nigricans, as determined by the screening, a report that includes an explanation of the condition, a statement concerning the need for further evaluation, and instructions to help the individual receive evaluation and intervention by the school district.

**HOUSE BILL 3038****EFFECTIVE:** See below**HOUSE AUTHOR:** Isett**SENATE SPONSOR:** Nelson

House Bill 3038 amends the Health and Safety Code and Human Resources Code to require the Texas Department of Health to identify individuals otherwise eligible to enroll in the state child health plan or medical assistance program who are eligible to participate in a group health benefit plan and require the person to apply to enroll in the group health benefit plan if it is cost effective to do so. The bill sets forth the financial obligations of the department in assisting these group health benefit plan enrollees and certain other related requirements.

The bill makes conforming changes to the Insurance Code and requires the issuer of a group health benefit plan to allow an individual to enroll in the plan, without regard to any enrollment period restriction, on receipt of written notice from the department stating that the applicant is eligible either for medical assistance or the child health plan program. The bill also provides for procedures to terminate enrollment in a group health benefit plan under certain circumstances.

The bill amends the Labor Code to add that wages paid or incurred by the services of an employee who is a recipient of medical assistance, as well as a person providing and paying the cost of coverage under a medical savings account for an employee, are eligible for the tax refund of wages paid to the employee.

The bill requires the department to study options for increasing enrollment in a group health benefit plan and the feasibility of implementing an income-based sliding scale requiring payment of a portion of the plan premium from certain persons.

The amended sections of the Health and Safety Code, Human Resources Code, and Insurance Code take effect August 31, 2001, and the remaining sections of the bill take effect September 1, 2001.

**HOUSE BILL 3043****EFFECTIVE:** 8-27-01**HOUSE AUTHOR:** Luna**SENATE SPONSOR:** Truan

House Bill 3043 amends the Health and Safety Code to allow a hospital district to adopt reasonable procedures for minimizing the opportunity for fraud, for establishing and maintaining methods for detecting and identifying situations where fraud may exist, and for administrative hearings to be conducted on disqualifying persons in cases where fraud appears to exist. The rules must provide for due process, including procedures for appeals.

**HOUSE BILL 3153****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Capelo et al.**SENATE SPONSOR:** Gallegos

House Bill 3153 amends the Texas Professional Association Act to allow chiropractors to form a professional association.

**HOUSE BILL 3378****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Deshotel**SENATE SPONSOR:** Bernsen

House Bill 3378 amends the Health and Safety Code to remove the Amarillo State Center, the Beaumont State Center, and the Laredo State Center from the list of facilities included in the Texas Department of Mental Health and Mental Retardation.

**HOUSE BILL 3421**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Farabee  
**SENATE SPONSOR:** Madla

House Bill 3421 amends the Occupations Code to change the time a temporary physician assistant license is valid from 100 days to up to one year, as determined by the Texas State Board of Physician Assistant Examiners. The bill also requires the suspension of a license for the term of incarceration if the physician assistant is serving a prison term in a state or federal penitentiary.

The bill establishes a three-member disciplinary panel of members of the board to determine whether a person's license to practice as a physician assistant should be temporarily suspended. The bill requires the suspension of a license if continuing the practice constitutes a threat to the public welfare, and it includes provisions relating to the suspension of a license without notice or a hearing for certain complaints.

**HOUSE BILL 3465**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey  
**SENATE SPONSOR:** Shapleigh

House Bill 3465 amends the Occupations Code to delete specified maximum fees relating to the registration of opticians, and it replaces them with the requirement that the Texas Board of Health establish reasonable fees that are sufficient to cover administrative costs.

**HOUSE BILL 3507**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey et al.  
**SENATE SPONSOR:** Moncrief

House Bill 3507 amends the Human Resources Code to specify that a dental service or dental product may not be provided under the medical assistance program unless there is a dental necessity, and it requires the Health and Human Services Commission, or any state agency administering a portion of the Medicaid program, to ensure that a stainless steel crown is not used as a preventive measure. The bill also requires that, in setting reimbursement rates under medical assistance for dental services, the department reduce the hospitalization fee, eliminate the nutrition fee, provide reimbursement of a behavior management fee only in certain cases, and redistribute the amounts made available to certain commonly billed dental services.

The bill includes provisions relating to the regulation of teledentistry, including authorizing a licensed dentist to delegate a service, task, or procedure to a dental hygienist under the supervision and responsibility of the dentist in certain circumstances. It provides for a pilot program using teledentistry to provide dental services to students in one public school district in the state, with the results of the program used to determine the efficacy of teledentistry in increasing dental services and improved oral health.

The bill amends the Occupations Code to establish provisions relating to the licensing of dental hygienists who have completed an alternative dental hygiene training program and requirements that the alternative program must meet.

The bill authorizes a licensed dentist to delegate certain acts to dental assistants and dental hygienists and establishes a temporary license for certain employees of nonprofit corporations that accept Medicaid.

The bill amends the Education Code to remove the limitations that repayment assistance for dental education is available only for education from institutions "in this state" and only for each of not more than five years.



**HOUSE BILL 3572****EFFECTIVE:** 9-1-01

House Bill 3572 requires the Health and Human Services Commission to establish a program to award grant money for the establishment of an umbilical cord blood bank. The bill requires the commissioner of health and human services to establish eligibility criteria for awarding the grant and establishes certain responsibilities of the grant recipient.

**HOUSE AUTHOR:** George et al.**SENATE SPONSOR:** Lindsay**HOUSE BILL 3600****EFFECTIVE:** 6-15-01

House Bill 3600 amends the Occupations Code to establish that information relating to the identity of and reports made by a physician performing or supervising compliance monitoring for the Texas State Board of Medical Examiners is confidential.

**HOUSE AUTHOR:** Capelo**SENATE SPONSOR:** Cain**SENATE BILL 11****EFFECTIVE:** See below

Senate Bill 11 amends the Health and Safety Code and Insurance Code to establish privacy guidelines for certain health information and prohibits uses of protected health information for marketing or health research purposes without the consent or authorization of the subject of the information; it also allows individuals the right to access and amend their medical records. The bill prohibits a person from reidentifying or attempting to reidentify an individual as the subject of protected health records. The bill establishes certain enforcement actions for violations, including authorizing actions for injunctive relief to restrain violations.

The bill takes effect September 1, 2001, except the changes to the Insurance Code take effect January 1, 2002.

**SENATE AUTHOR:** Nelson et al.**HOUSE SPONSOR:** Maxey et al.**SENATE BILL 12****EFFECTIVE:** 9-1-01

Senate Bill 12 amends the Labor Code, the Insurance Code, and other statutes relating to prohibited uses of genetic information to define “family health history” and “genetic characteristic” and to expand the definitions of “genetic information” and “genetic test” in order to prohibit certain discriminatory activities based on those factors by employers, occupational licensing authorities, and insurers.

**SENATE AUTHOR:** Nelson et al.**HOUSE SPONSOR:** McCall**SENATE BILL 22****EFFECTIVE:** 6-15-01

Current law allows minors who are age 16 or 17 to check themselves out of an alcohol or drug treatment facility without parental consent or notice, regardless of whether the minor’s parent or guardian placed the minor in the facility. Senate Bill 22 amends the Health and Safety Code to prohibit minors under age 18 from refusing medication, therapy, or treatment in an alcohol or drug treatment facility, and it sets out new provisions concerning the discharge or release of minors who are age 16 or 17.

**SENATE AUTHOR:** Shapiro et al.**HOUSE SPONSOR:** Smith et al.**SENATE BILL 43****EFFECTIVE:** 1-1-02

Senate Bill 43 amends the Health and Safety Code and Human Resources Code to simplify enrollment and reenrollment in the medical assistance program. The bill requires that the Health and Human Services Commission, or the agency operating part of the medical assistance

**SENATE AUTHOR:** Zaffirini et al.**HOUSE SPONSOR:** Gray et al.

## Health

program, adopt an application form and procedures that are the same as those for the state child health plan, to ensure the use of a single consolidated application for a child under age 19 to seek medical assistance or request coverage under the state child health plan. The bill requires documentation and verification procedures used to certify and recertify eligibility in the medical assistance program to be the same as procedures under the state child health plan, and they may not be more stringent than the current procedures. The bill provides that an application for medical assistance may be conducted by mail, rather than by personal appearance at an office, and also provides that a child under age 19 who is eligible for medical assistance must remain eligible with no additional review until the earlier of the first anniversary on which the child's eligibility was determined or the child's 19th birthday.

The bill requires the development of procedures to forward an applicant's information to the state child health plan if the applicant is eligible for coverage under that plan and was denied coverage under the medical assistance program. It requires the parent or caretaker of a child who will be denied continued medical assistance because of failure to keep an appointment to be contacted and informed of the need to recertify eligibility and the availability of coverage under the state child health plan. It requires parents or guardians to attend a health care orientation within a specified time after originally establishing eligibility in the medical assistance program. It also includes a requirement for the development of procedures to ensure compliance with Texas Health Steps and places limitations on a recipient from disenrolling in a managed care plan for a 12-month period.

### **SENATE BILL 51**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Maxey et al.

Senate Bill 51 amends the Human Resources Code to extend medical assistance to independent foster care adolescents who are not otherwise eligible for medical assistance and who are not covered by a health benefits plan offering adequate benefits. The bill establishes allowable asset or resource levels for the adolescents and provides for 12 months of continuous eligibility for medical assistance after certification and each recertification.

### **SENATE BILL 65**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** B. Turner et al.

Senate Bill 65 amends the Occupations Code to establish the definition of "telepharmacy system" as a system that monitors the dispensing of drugs and provides related drug use review and patient counseling services by an electronic method. The automated system must be under the continuous supervision of a pharmacist by electronic means. The bill specifies that automated pharmacy systems may only be located at health care facilities regulated by the state or the federal government and requires the State Pharmacy Board to adopt rules regarding the use of automated pharmacy systems, including the types of facilities where automated systems may be located, recordkeeping requirements, and security requirements. The bill prohibits locating a telepharmacy system in communities in which certain other pharmacies are located.

The bill also amends the Utilities Code to extend the provision allowing the Telecommunications Infrastructure Fund Board to award a grant to a project or proposal under the telecommunications infrastructure fund to include telepharmacy systems.

**SENATE BILL 98****EFFECTIVE:** 5-11-01**SENATE AUTHOR:** Nelson**HOUSE SPONSOR:** Maxey et al.

Senate Bill 98 amends the Occupations Code to establish guidelines for automated pharmacy systems. The bill authorizes certain pharmacies to provide pharmacy services through an automated pharmacy system at another location and provides that the pharmacist in charge of the facility is responsible for filling and loading the storage containers for medication stored in bulk at the facility. The automated system must be under the continuous supervision of a pharmacist, and this supervision may be accomplished by electronic means. The bill specifies that automated pharmacy systems may only be located at health care facilities regulated by the state and requires the State Pharmacy Board to adopt rules regarding the use of automated pharmacy systems, including the types of facilities where automated systems may be located, recordkeeping requirements, and security requirements.

**SENATE BILL 126****EFFECTIVE:** 5-28-01**SENATE AUTHOR:** Madla**HOUSE SPONSOR:** B. Turner et al.

Senate Bill 126 amends the Health and Safety Code to create the Rural Communities Health Care Investment Program under which the executive committee of the Center for Rural Health Initiatives (CRHI) is required to establish programs to assist communities in recruiting health professionals, other than physicians, by providing loan reimbursements and stipends to health professionals who serve or agree to serve in those communities.

The bill sets forth certain eligibility requirements for health professionals participating in the program, requires a signed contract, and provides penalties for failure to provide the contracted services. It also sets limits on the use of telecommunication and telemedicine by health professionals participating in the program.

In implementing and operating the investment program, the CRHI is required to seek state and federal money available for economic development in rural areas, appoint an advisory panel, and adopt administrative rules. The bill establishes criteria for communities to be defined as medically underserved and allows the CRHI executive committee to designate other areas of the state as medically underserved communities. The bill also establishes a permanent endowment fund for the investment program, provides guidelines for the CRHI's administration and use of the fund, and imposes reporting requirements.

Senate Bill 126 amends the Education Code to require the Texas Higher Education Coordinating Board, in cooperation with the CRHI and the advisory panel, to seek funds from any available source to support programs providing loan reimbursement or stipends for persons who practice or agree to practice in underserved communities.

**SENATE BILL 144****EFFECTIVE:** Vetoed**SENATE AUTHOR:** Carona**HOUSE SPONSOR:** Gray

Senate Bill 144 amends the Occupations Code to establish that an applicant who was originally licensed to practice chiropractic in another state or country before August 1, 1979, is not ineligible for a provisional license because the licensing requirements were not equivalent to Texas requirements if the applicant has at least 20 years' experience in the practice of chiropractic.

**SENATE BILL 145**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Gray

Previous law provided for only one facility license to be issued to an owner of a chiropractic facility, without regard to the number of facilities owned by the owner. Senate Bill 145 amends the Occupations Code to provide for the issuance of one facility license for each facility owned.

**SENATE BILL 152**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Goolsby

Senate Bill 152 amends the Occupations Code to specify that a person appealing a suspension or revocation of a chiropractic license, or an administrative penalty by the Texas Board of Chiropractic Examiners, may appeal only to a Travis County district court, rather than a court in the county where the person resides.

**SENATE BILL 171**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Coleman

Senate Bill 171 amends the Occupations Code to allow a person to renew a chiropractor's license that has been expired for more than one year, but no more than three years, if there is good cause for the failure to renew the license and if the person pays certain required fees.

**SENATE BILL 184**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini  
**HOUSE SPONSOR:** Naishtat

Senate Bill 184 amends the Human Resources Code to require the Texas Department of Human Services to allow certain applicants or recipients of food stamps to certify and recertify eligibility by telephone rather than through personal appearance. The bill requires that certification or recertification by telephone be restricted to persons who have no earned income and are elderly or disabled, or are subject to a hardship. The bill defines the circumstances for a hardship, including an inability to appear in person due to a work or training schedule, transportation difficulties, or difficulties as a result of residency in a rural area.

The bill allows the department to require a personal appearance for eligibility certification or recertification if the department determines it is necessary. The bill also requires persons to provide verification of their entitlement to the personal appearance exemption, and it requires the department to initiate a fraud referral to the department's office of inspector general if the person does not provide the verification and the department determines the verification is necessary to protect the integrity of the food stamp program.

**SENATE BILL 261**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen  
**HOUSE SPONSOR:** Ritter

Senate Bill 261 amends the Health and Safety Code to require the owner or operator of a pet store that sells reptiles to post a sign warning of reptile associated salmonellosis and ensure that a written warning is provided to each person purchasing a reptile. The bill authorizes the Texas Department of Health to assess an administrative penalty for violations.

**SENATE BILL 279****EFFECTIVE:** Vetoed**SENATE AUTHOR:** Nelson**HOUSE SPONSOR:** Gray

Senate Bill 279 amends the Health and Safety Code to provide that the Texas Department of Health may, for certain facilities regulated by the department that are in repeated noncompliance, schedule probation instead of suspending or revoking a facility's license if the noncompliance does not endanger public health and safety. The bill authorizes the department to revoke or suspend a facility's license if the facility does not correct the items that were in noncompliance or does not comply with applicable requirements during the probation period.

The bill authorizes the department to issue an emergency order to suspend a license if the department believes the conduct of a license holder creates a danger to the public health and safety. It also repeals sections concerning confidentiality and release of information relating to inspections of hospitals and investigations of private mental health facilities.

**SENATE BILL 280****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Nelson**HOUSE SPONSOR:** Janek

Senate Bill 280 amends the definition of "vaccines for children program" to specify that the program includes the program allowing each health care provider participating in the federal vaccines for children program to select vaccines from a list of certain recommended vaccines and to use combination vaccines. The bill also requires the Texas Department of Health to develop a request for information to obtain information from private entities to determine whether those entities could more effectively store and distribute vaccinations used in the vaccines for children program, and it provides for the use of funds saved from more efficient and effective storage and distribution of vaccinations.

**SENATE BILL 282****EFFECTIVE:** 5-22-01**SENATE AUTHOR:** Nelson**HOUSE SPONSOR:** Janek

Senate Bill 282 requires the Texas Department of Health to develop and distribute educational materials promoting the vaccines for children program to health care providers who are not enrolled but are otherwise eligible to participate in that program.

**SENATE BILL 283****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Nelson et al.**HOUSE SPONSOR:** Coleman

Senate Bill 283 amends the Government Code to add that managed care organizations under contract with the Health and Human Services Commission must implement special disease management programs to address chronic health conditions, including asthma and diabetes. The bill requires the commission to evaluate certain issues in its study of the benefits and costs of applying disease management principles in the delivery of Medicaid managed care services to recipients with chronic health conditions and authorizes the commission to conduct the study in conjunction with an academic center.

**SENATE BILL 285****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Nelson et al.**HOUSE SPONSOR:** Delisi

Senate Bill 285 amends provisions of the Health and Safety Code relating to the cancer registry. The bill allows the Texas Department of Health access to information that would identify cases of cancer, establish characteristics or treatment of cancer, or determine the medical status of a patient from a health care facility or health care practitioner. The bill



provides that the information obtained is confidential and is not subject to subpoena or release to the public, unless the information is for statistical purposes and is used in a manner that prevents identification of the individual or each individual consents to being identified.

**SENATE BILL 301**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Bosse et al.

Senate Bill 301 amends the Human Resources Code to repeal the provision that places the Office for the Prevention of Developmental Disabilities before the Sunset Advisory Commission for review. The office was administratively attached to the Texas Department of Mental Health and Mental Retardation in 1999 and is subject to review in conjunction with that agency.

**SENATE BILL 332**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Gray

Senate Bill 332 amends the Occupations Code to specify that a physician may supply a patient, free of charge, with a drug provided by a drug manufacturer for an indigent drug program if the physician believes the drug would be beneficial to the patient.

**SENATE BILL 333**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Capelo

Senate Bill 333 establishes that the state child health plan or a health benefit provider providing coverage to a child enrolled in the state child health plan is the secondary plan when coordinating benefits with group or individual private health benefits and that any benefits paid under the state child health plan are paid after the private coverage has been exhausted.

**SENATE BILL 338**

**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Madla et al.

**HOUSE SPONSOR:** Eiland

Senate Bill 338 amends the Health and Safety Code to require the Texas Department of Health to develop a state plan for prevention and treatment of hepatitis C, including strategies for prevention and treatment of hepatitis C in specific demographic groups that are disproportionately affected by hepatitis C.

The bill also requires two hours of continuing education for licensed vocational nurses relating to the prevention, assessment, and treatment of hepatitis C in order to renew a license between June 1, 2002, and June 1, 2004.

**SENATE BILL 424**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Coleman

Senate Bill 424 requires the Texas Department of Health to study the health of the state's residents and develop a strategic health plan. The study must examine certain issues impacting the health of residents, factors related to increased trade with Mexico, health care delivery and access to care, and the organizational infrastructure of the health care system.

**SENATE BILL 439**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla et al.

**HOUSE SPONSOR:** Uresti et al.

Senate Bill 439 amends the Health and Safety Code to specify that the matching funds required for eligibility for a grant of state funds from the Texas Commission on Alcohol and Drug Abuse must be either cash or in-kind contributions.



**SENATE BILL 509**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.  
**HOUSE SPONSOR:** Coleman et al.

Senate Bill 509 amends the Texas Asbestos Health Protection Act to prohibit a municipality from issuing a permit for the renovation or demolition of a building unless the applicant provides evidence of an asbestos survey or provides certification from a licensed engineer or architect who determines that the affected parts of the building do not contain asbestos.

**SENATE BILL 516**  
**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Madla  
**HOUSE SPONSOR:** Hawley et al.

Senate Bill 516 amends the Health and Safety Code to require the Center for Rural Health Initiatives to create a program to provide affordable relief services to rural physicians practicing in certain fields to facilitate the ability of those physicians to take time away from their practice. It includes provisions to expedite the application for a physician's license for applicants who agree to provide relief services through the program and establishes the priorities the center must use in assigning physicians to rural areas based on certain criteria.

**SENATE BILL 531**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Nelson  
**HOUSE SPONSOR:** Janek

Senate Bill 531 requires the Texas Department of Health, in consultation with the General Services Commission, to study the purchase and placement of automated external defibrillators in buildings owned or leased by the state. The bill sets forth areas of consideration in the study, including an estimation of the improved survival rate when defibrillators are available in state buildings, in which state buildings the defibrillator should be located, and the cost of purchasing, placing, and maintaining the defibrillators.

**SENATE BILL 532**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Nelson et al.  
**HOUSE SPONSOR:** Maxey et al.

Senate Bill 532 amends the Human Resources Code to extend medical assistance to persons in need of treatment for breast or cervical cancer who are eligible for that assistance under the Breast and Cervical Cancer Prevention and Treatment Act of 2000.

**SENATE BILL 533**  
**EFFECTIVE:** See below

**SENATE AUTHOR:** Nelson  
**HOUSE SPONSOR:** Janek

Senate Bill 533 amends the Occupations Code to modify certain licensing requirements of dentists and dental hygienists. It authorizes the State Board of Dental Examiners to contract with more than one regional testing service for licensing examinations, requires the examination to cover certain dental hygiene and other issues, and modifies provisions concerning the required cardiopulmonary resuscitation (CPR) course. In addition, the bill modifies provisions related to the issuance of a license to out-of-state applicants and modifies enforcement provisions by allowing the board to suspend a licensee's anesthesia permit when out of compliance.

The bill takes effect September 1, 2001, except the CPR requirements take effect January 1, 2002.

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**SENATE BILL 539**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Gray

Senate Bill 539 amends the Occupations Code to require the State Board of Dental Examiners to establish the minimum standards for the enteral administration of anesthesia by a dentist. The bill requires dentists administering enteral anesthesia to obtain a permit from the board and authorizes the board to conduct inspections to monitor and enforce compliance.

**SENATE BILL 558**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Madla et al.

**HOUSE SPONSOR:** Coleman

Senate Bill 558 amends the Health and Safety Code to establish the Drug Demand Reduction Advisory Committee to act as a single source of information about issues related to reducing drug demand, including available prevention programs and services, and to develop a statewide strategy to reduce drug demand and coordinate the implementation of the strategy.

**SENATE BILL 581**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Counts

Senate Bill 581 amends the Health and Safety Code to provide that the prosecuting attorney's fee assessed in a mental health services hearing includes costs incurred for the preparation of documents related to the proceeding.

**SENATE BILL 616**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Van de Putte

**HOUSE SPONSOR:** Capelo

Senate Bill 616 amends the Government Code to require the Health and Human Services Commission to develop a Medicaid disease management program for children's asthma, providing continuous care case management and asthma education for Medicaid recipients in counties selected on the basis of their high rates of children's asthma and emergency room treatment. The commission and the Texas Department of Health are required to implement the program by November 1, 2001.

The bill also establishes an asthma and allergy research advisory committee to study certain issues related to asthma and allergies in the state.

**SENATE BILL 643**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Gray

Senate Bill 643 amends provisions of the Occupations Code, Labor Code, and Insurance Code relating to acupuncturists. The bill requires the Texas State Board of Medical Examiners to determine whether an acupuncturist may treat patients for alcoholism or chronic pain without a referral from a doctor, dentist, or chiropractor. The bill also adds an acupuncturist to the medical advisory committee of the Texas Workers' Compensation Commission, and it adds acupuncturists to the definition of "provider" in the Texas Health Maintenance Organization Act.

**SENATE BILL 651**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Y. Davis

Senate Bill 651 amends the Occupations Code to modify the requirements for examinations to obtain a chiropractor's license.

**SENATE BILL 660**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Gutierrez

Senate Bill 660 amends the Occupations Code to transfer from the Texas Board of Health and the Texas Department of Health to the State Board of Barber Examiners rulemaking authority regarding the practice and teaching of barbering. The bill provides that a person who holds a license, certificate, or permit to perform barbering from another state or country may apply for a reciprocal license, certificate, or permit in this state if the person meets certain requirements. The bill adds the requirement that an applicant practice barbering for 12 months before the issuance of a barbershop permit, and it increases the number of hours of instruction in manicuring required in order to receive a manicurist license from 300 to 600 to be completed in a course of not less than 16 weeks rather than 8.

The bill also establishes a Barber School Tuition Protection Account, provides that the board is to collect a fee from each barber school if the account balance is less than \$25,000 on January 1 of any year, and establishes guidelines for the administration of the account. The bill deletes provisions and repeals laws regarding wig instructions, specialists, schools and speciality shops, journeyman barber permits, and surety bonds.

**SENATE BILL 684**  
**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Madla  
**HOUSE SPONSOR:** Uresti

Senate Bill 684 amends the Texas Mental Health Code to add licensed professional counselors and licensed marriage and family therapists to the definition of “non-physician mental health professional,” and it changes the existing definition to include licensed social workers rather than certified social workers.

**SENATE BILL 692**  
**EFFECTIVE:** 5-18-01

**SENATE AUTHOR:** Lindsay  
**HOUSE SPONSOR:** Uresti

Senate Bill 692 amends the Occupations Code to allow the Texas Board of Occupational Therapy Examiners to authorize license holder peer organizations to evaluate and approve continuing education courses.

**SENATE BILL 751**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh et al.  
**HOUSE SPONSOR:** Chavez

Senate Bill 751 amends the Health and Safety Code to require the Health and Human Services Commission to require health and human services agencies to use certified promotoras to the extent possible in health outreach and education programs for recipients of medical assistance.

**SENATE BILL 766**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla  
**HOUSE SPONSOR:** Uresti

Senate Bill 766 amends the Health and Safety Code to provide that it is a Class B misdemeanor to interfere with a livestock inspector. The bill authorizes the commissioner of public health to request the attorney general, or the district or county attorney, to institute a civil suit if a person has been or is currently in violation of the rules of the Texas Meat and Poultry Inspection Act. The bill allows the mark of inspection to be withheld, or inspection services to be withdrawn or suspended, if there is an imminent threat to public health or safety or if a person at a processing establishment impedes an inspection.

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The bill also provides that low-volume livestock processing establishments that are exempt from federal inspection must develop a sanitary operation procedures plan. If contaminated livestock can be traced to a low-volume establishment, a civil suit may be brought to suspend the plant's operation until it is sanitized and operating safely.

### **SENATE BILL 768**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Hopson

Senate Bill 768 amends provisions of the Occupations Code and the Health and Safety Code relating to the regulation of the practice of pharmacy and the dispensing of drugs to comply with certain federal requirements. The bill increases the continuing education requirements for pharmacists from 24 to 30 hours and strengthens prohibitions related to dispensing controlled substances. The bill extends to the Texas State Board of Pharmacy the authority to impose penalties on pharmacists for certain actions and requires the board to adopt certain rules to provide a dispensing directive to instruct pharmacists on the manner in which to dispense a drug according to the contents of the prescription. The bill also authorizes a Class A or Class C pharmacy to maintain controlled substances and dangerous drugs in an emergency medication kit for use in nursing homes and intermediate care facilities for the mentally retarded.

The bill takes effect September 1, 2001, except for the conforming changes made by repealing certain provisions of the Occupations Code, which take effect June 1, 2002.

### **SENATE BILL 789**

**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** Maxey et al.

Senate Bill 789 adds provisions relating to telemedicine medical services. The bill amends the Government Code to require each health and human services agency that administers part of the Medicaid program to provide Medicaid reimbursement for a telemedicine medical service provided by a physician. It amends the Health and Safety Code to require state child health plan providers to permit benefits to be provided through telemedicine medical services. The bill requires the Health and Human Services Commission to consult with the Texas Department of Health to establish certain procedures, including procedures to identify clinical evidence supporting delivery of health care services using a telecommunications system and procedures to establish pilot programs in designated areas under which the commission may reimburse a health professional for providing telehealth services.

The bill amends the Human Resources Code to require the commission to establish a pilot program under which certain recipients of medical assistance receive home health care services through telemonitoring systems, with one program in a rural area, an urban area, a medically underserved area, and an area that adjoins the Texas-Mexico border.

The bill amends the Health and Safety Code to require the Texas Board of Mental Health and Mental Retardation and the Texas Department of Mental Health and Mental Retardation to develop and implement a pilot program using telecommunications systems to divert persons with mental illness from the criminal justice system when treatment services are available, to provide access to appropriate mental health services to persons who have entered the criminal justice system, and to increase awareness among law enforcement officers of mental health issues that may bring persons with mental illness into the criminal justice system.

The bill adds provisions concerning teledentistry and directs the commissioner of health and human services to appoint a program administrator for a pilot program that uses teledentistry and other methods of delivering dental services to provide dental services to students in one public school district.

The bill also makes conforming changes to the Insurance Code and the Occupations Code. The bill amends the Utilities Code to make conforming changes and allow the Telecommunications Infrastructure Fund Board to make grants to certain health care facilities based on the amount of charity care provided and services provided to Medicaid and state child health plan recipients.

**SENATE BILL 791**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Nelson

**HOUSE SPONSOR:** Gray

Senate Bill 791 amends the Occupations Code to grant certain licensing entities authority to issue an emergency suspension of a license, assess administrative penalties, and include civil and criminal penalties in sanctions for license holders who are out of compliance.

**SENATE BILL 831**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Coleman

Senate Bill 831 amends the Human Resources Code to establish a medical assistance buy-in pilot program for certain employed individuals with a medically improved disability. The bill requires the Health and Human Services Commission to develop and implement the program and determine the three pilot sites, with one in an urban area, one in a rural area, and one in the Texas-Mexico border region. The bill authorizes the commission to establish income, assets, and resource limitations for eligibility, and it requires a person participating in the program to pay premiums and other cost-sharing charges.

The bill requires the commission to evaluate the effectiveness of the demonstration project by December 1, 2002. If the results of the evaluation indicate the program is effective, the commission is required to request continuation or expansion of the program in its budget request for the next fiscal biennium.

**SENATE BILL 832**

**EFFECTIVE:** 5-21-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Delisi et al.

Senate Bill 832 amends the Government Code to require the Health and Human Services Commission to prepare a biennial Medicaid financial report covering each state agency that administers any part of the Medicaid program and a quarterly report of Medicaid expenditures.

**SENATE BILL 877**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Van de Putte et al.

**HOUSE SPONSOR:** Uresti

Senate Bill 877 amends the Government Code to require the commissioner of health and human services to establish a women, infants, and children (WIC) program advisory committee to advise the commissioner and the Texas Department of Health on policy, rules, and technology changes concerning the WIC program.

**SENATE BILL 893**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief  
**HOUSE SPONSOR:** Gray et al.

Senate Bill 893 amends the Health and Safety Code to require the Health Care Information Council to develop criteria for evaluating drug purchasing cooperatives that purchase drugs on behalf of consumers. The council is required to create an evaluation form for consumers to evaluate the cooperative and to distribute the form to the Texas Department of Health, local health departments, the Texas Department of Insurance, and the office of consumer protection division of the office of the attorney general. The information from the evaluation will be compiled by the council and made available to the public.

**SENATE BILL 945**  
**EFFECTIVE:** 5-11-01

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** E. Jones

Senate Bill 945 amends the Government Code to add certain brochures related to the federal special supplemental food program for women, infants, and children to the list of publications that are exempt from certain restrictions related to the type of paper and layout permitted for state agency publications.

**SENATE BILL 1006**  
**EFFECTIVE:** 6-11-01

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Uresti

Senate Bill 1006 amends Health and Safety Code provisions relating to control measures to prevent the spread of communicable diseases to provide that testing for accidental exposure to hepatitis B and C is required only for certain emergency personnel. The bill assigns the cost of the test to the person exposed or the organization that employs the person or for which the person volunteers.

**SENATE BILL 1024**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Gutierrez

Senate Bill 1024 amends the Occupations Code to modify the rules of the Texas State Board of Podiatric Medical Examiners concerning the investigation of complaints filed with the board. The bill clarifies that the rules providing for the use of an investigator include the use of a private investigator, and it establishes immunity for suit and certain liabilities for investigators providing services to the board.

**SENATE BILL 1045**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief  
**HOUSE SPONSOR:** Capelo

Senate Bill 1045 amends the Health and Safety Code to establish and modify provisions relating to the hazardous substances law. The bill adds that an item not properly packaged is a misbranded hazardous substance, and it adds substances that are extremely flammable or combustible to the characteristics defined as a hazardous substance, as well as standards to determine the flammability and combustibility of substances.

The bill requires toys or games intended for use by children to be labeled in keeping with the Texas Department of Health's rules, which must be in accordance with the federal Hazardous Substances Act. The bill also requires art materials to be reviewed by a toxicologist and labeled according to board rules.

The bill adds to the registration requirements and provides that a hazardous substance is subject to seizure and disposition if the person who manufactures, imports, repacks, or distributes the substance does not register with the department and pay required fees.



The bill authorizes the commissioner to institute a civil suit if it appears that a person has violated, is violating, or is threatening to violate laws relating to hazardous substances. The bill also authorizes the commissioner to order that a hazardous substance be recalled from commerce, and it sets forth provisions related to enforcing a recall order.

**SENATE BILL 1046****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Moncrief**HOUSE SPONSOR:** Capelo

Senate Bill 1046 amends the Health and Safety Code to add operating as a food wholesaler without a license to acts that are unlawful. The bill adds that, in certain circumstances, the commissioner of public health may issue an emergency order in relation to the distribution of a food, drug, device, or cosmetic, if there is a threat to life or safety. The bill also makes clarifying changes to current law relating to persons who are not required to hold a license.

**SENATE BILL 1050****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Van de Putte**HOUSE SPONSOR:** Longoria

Senate Bill 1050 amends the Health and Safety Code to increase the administrative penalty for violation of the Texas Youth Camp Safety and Health Act from a maximum of \$100 a day to a maximum of \$2,000 a day. It also specifies that health and safety standards for youth camps may include records of criminal convictions of camp personnel.

**SENATE BILL 1051****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Shapleigh et al.**HOUSE SPONSOR:** Chavez et al.

Senate Bill 1051 amends the Health and Safety Code to add community health workers to current law relating to the training and regulation of promotoras. The bill requires the Texas Department of Health to consider and implement the recommendations of the Promotora Program Development Committee in establishing the training program. The bill also makes the training and education program voluntary for promotoras and community health workers who do not receive compensation and mandatory for those receiving compensation. The bill authorizes the Texas Board of Health to exempt a promotora or community health worker from mandatory training if the person has served for three or more years or has 1,000 or more hours of community service.

**SENATE BILL 1053****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Shapleigh et al.**HOUSE SPONSOR:** Chavez et al.

Senate Bill 1053 amends the Government Code to require the commissioner of health and human services to establish an advisory committee to develop a strategic plan to eliminate disparities in Medicaid and the child health plan program (CHIP) capitation rates, fee-for-service expenditures, and professional service expenditures in the Texas-Mexico border region. The bill requires the committee to report on the analysis and comparison of rates and expenditures and to make recommendations to the commissioner to address the problems documented in the report. The bill requires that on the advice of the committee, the Health and Human Services Commission must address certain issues such as eliminating the disparities in rates and expenditures, providing bonuses to physicians providing Medicaid or CHIP services, and establishing the method to calculate the related data.

The bill requires the commission to contract with a public university to measure changes in the number of Medicaid and CHIP providers to determine the effect in the change in rates and expenditures and whether funding was sufficient to produce measurable effects.

**SENATE BILL 1065**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Solis

Senate Bill 1065 amends the Health and Safety Code to change the name of the South Texas Hospital to the South Texas Health Care System. The bill repeals provisions relating to the Medical Services Trust Fund and the Respiratory Disease Pilot Program of the hospital.

**SENATE BILL 1080**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Capelo et al.

Senate Bill 1080 amends the Health and Safety Code to provide that a person licensed as a salvage broker or operator under the Texas Food, Drug, Device, and Cosmetic Salvage Act who is operating in the scope of that license is not required to hold a license as a wholesale drug distributor, food wholesaler, or device distributor. The bill clarifies that distressed food, drugs, devices, or cosmetics may be handled in accordance with current law relating to the salvage of those items for the purpose of reconditioning. The bill also prohibits the commissioner of public health from detaining or embargoing an article in the possession of a licensed salvage operator or broker held for reconditioning, except in cases where the merchandise cannot be reconditioned.

**SENATE BILL 1085**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Capelo

Senate Bill 1085 amends the Health and Safety Code to provide for the continuation of the advisory committee on inpatient mental health services.

**SENATE BILL 1156**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Coleman et al.

Senate Bill 1156 amends current law and establishes additional provisions relating to the state Medicaid program. The bill authorizes the Health and Human Services Commission to transfer the administration of any portion of the state Medicaid program from a health and human services agency to the commission in order to reorganize the program. The bill establishes a Medicaid Legislative Oversight Committee to review and approve or reject any transfer the commission proposes. The bill establishes additional methods of improving budget certainty and cost savings of the program as well as additional budget reporting guidelines.

The bill establishes that Medicaid eligibility and enrollment policies are designed to minimize the time an applicant or recipient must wait to receive benefits, sets steps to simplify the Texas Health Steps Program, and requires certain outreach efforts to promote enrollment in the Medicaid program. The bill also establishes certain pilot programs and demonstration studies in order to provide services to certain Medicaid participants.

**SENATE BILL 1166**

**EFFECTIVE:** 5-11-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Capelo et al.

Senate Bill 1166 amends the Occupations Code to authorize a physician to delegate to advanced practice nurses (APNs) or physician assistants (PAs) practicing at an alternate site the tasks of administering, providing, carrying out, or signing a prescription drug order. The bill establishes provisions related to the alternate sites and allows the Texas State Board of Medical Examiners to waive or modify the site or supervision requirements for a physician to delegate responsibilities to APNs or PAs. The bill also requires the board to appoint an advisory committee to review recommendations and applications for waivers.

**SENATE BILL 1212**  
**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Zaffirini  
**HOUSE SPONSOR:** J. Jones

Senate Bill 1212 amends the Occupations Code to require the Texas Commission on Alcohol and Drug Abuse to adopt rules establishing the criteria under which an applicant for a license to be a chemical dependency counselor, who fails the initial exam, may take subsequent examinations.

**SENATE BILL 1264**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Haywood  
**HOUSE SPONSOR:** Farabee et al.

Senate Bill 1264 amends the Occupations Code to provide that a physician assistant is the agent of the supervising physician for any medical service delegated by the physician that is within the physician assistant's scope of practice, and that is delineated by protocols, practice guidelines, or practice directives established by the supervising physician.

**SENATE BILL 1299**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio et al.  
**HOUSE SPONSOR:** Coleman et al.

Senate Bill 1299 amends the Government Code to require the commissioner of health and human services to appoint a task force to examine and evaluate rate-setting methodologies for the Medicaid program and the child health plan program. The bill requires the task force to examine certain issues, including the number of health care providers participating in the programs, the potential effects of developing incentive programs such as rate increases to recruit and retain providers in underserved areas, and a comparison of Texas' expenditures in the programs with those of certain other states.

**SENATE BILL 1300**  
**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Cain  
**HOUSE SPONSOR:** Capelo

Senate Bill 1300 amends the Occupations Code to provide that a person who practices medicine after the expiration of a 30-day grace period without renewing the annual registration permit is practicing medicine without a license.

**SENATE BILL 1386**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Farabee

Senate Bill 1386 amends the Health and Safety Code to improve coordination between the state and local mental health authorities and criminal justice entities in order to ensure the provision of the most appropriate treatments and settings for individuals in need of mental health services, including the placement of incarcerated individuals with serious mental illness or retardation in mental health facilities rather than in local jails.

**SENATE BILL 1411**  
**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Moncrief  
**HOUSE SPONSOR:** Maxey et al.

Senate Bill 1411 amends the Human Resources Code to specify that a dental service or dental product may not be provided under the medical assistance program unless there is a dental necessity, and it requires the Health and Human Services Commission, or any state agency administering a portion of the Medicaid program, to ensure that a stainless steel crown is not used as a preventive measure. The bill also requires that, in setting reimbursement rates for dental services under the medical assistance program, the department reduce the

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hospitalization fee, eliminate the nutrition fee, provide reimbursement of a behavior management fee only in certain cases, and redistribute the amounts made available to certain commonly billed dental services.

**SENATE BILL 1456**  
**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Lucio et al.  
**HOUSE SPONSOR:** Capelo et al.

Senate Bill 1456 requires the commissioner of public health, in consultation with the Texas Diabetes Council, to establish a pediatric diabetes research advisory committee, and it sets forth the requirements for the composition of the committee. The bill requires the committee to develop a plan to research pediatric diabetes and associated medical conditions in Texas, assess possible research sites, analyze the disease's impact on the state, and make recommendations to the legislature and the governor concerning research programs and funding alternatives for them. The committee is abolished January 1, 2003.

**SENATE BILL 1536**  
**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Madla et al.  
**HOUSE SPONSOR:** Chavez et al.

Senate Bill 1536 amends the Government Code to authorize the Health and Human Services Commission to establish one or more pilot projects to demonstrate the applications of technology in providing certain types of medical services under the medical assistance program. The bill requires the commission to establish certain policies permitting reimbursement under the state Medicaid and children's health insurance programs for services through telemedicine and telehealth services to children with special needs. The bill also requires the commission to establish pilot programs to provide reimbursable telemedicine and telehealth services in areas within 150 miles of the Texas-Mexico border. The commissioner of health and human services is required to establish an advisory committee to assist the commission in evaluating policies for telemedicine and telehealth services and pilot programs, ensuring the efficient development of technology, and monitoring and coordinating related programs and activities.

The bill amends the Health and Safety Code to require the Texas Department of Health to develop and implement certain policies providing for reimbursement of a provider for telemedicine medical services under the program. The bill also requires a health plan provider to permit benefits to be provided through telemedicine medical services in accordance with the rules adopted by the commission. The bill also amends the Utilities Code to establish definitions of "telemedicine" and "telehealth services" and extends the telecommunication infrastructure fund to include telemedicine and telehealth services.

The bill repeals a provision that provided for Medicaid reimbursement only for a telemedical consultation provided by a physician who practices in a rural health facility, medical school, or teaching hospital.

**SENATE BILL 1588**  
**EFFECTIVE:** 6-11-01

**SENATE AUTHOR:** Moncrief  
**HOUSE SPONSOR:** G. Lewis

Senate Bill 1588 amends the Health and Safety Code to specify that the 24-hour-maximum period in which a person accepted for a preliminary examination for emergency detention because of mental illness may be detained includes any time the patient spends waiting in the facility for medical care before the preliminary examination, and excludes any time the person is actually receiving necessary medical care in the facility.

**SENATE BILL 1763**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.  
**HOUSE SPONSOR:** Gray

Senate Bill 1763 amends the Government Code to require each pharmaceutical company doing business in the state and offering a patient assistance program to inform the Health and Human Services Commission about the program, including eligibility requirements, drugs covered, and information related to applying for the program.

The bill requires the commission to establish a toll-free number for the public to obtain information about obtaining particular drugs, participation eligibility, and assistance in applying for the patient assistance program.

**SENATE BILL 1767**  
**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Tillery

Senate Bill 1767 amends the Health and Safety Code to specify that a judge may designate a magistrate appointed by the judge of another court to issue a protective custody order if the magistrate has the qualifications for a magistrate of the court in which the application is pending.





## HUMAN SERVICES/MENTAL HEALTH AND MENTAL RETARDATION

### HOUSE BILL 102

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Maxey et al.

**SENATE SPONSOR:** Moncrief

House Bill 102 amends the Human Resources Code to require the Texas Department of Human Services to adopt rules providing criteria for an exemption from the requirements of the electronic imaging program for elderly or disabled applicants or recipients of either food stamp or financial assistance benefits if the department determines that compliance would cause an undue burden to the person.

### HOUSE BILL 154

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson et al.

**SENATE SPONSOR:** Gallegos

House Bill 154 amends the Human Resources Code to increase the personal needs allowance for certain residents of nursing homes, personal care facilities, intermediate care facilities for the mentally retarded, or other similar long-term care facilities to not less than \$60 a month and requires the development of an early warning system to detect fraud in the handling of the personal needs allowance and other funds of residents of long-term care facilities.

The bill also requires the Health and Human Services Commission to use liability insurance costs to determine the rates paid for nursing home services only for those homes that purchase liability insurance acceptable to the commission.

### HOUSE BILL 477

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Zaffirini

House Bill 477 amends the Human Resources Code to require the Texas Department of Human Services (DHS) and the Texas Workforce Commission (TWC) to jointly develop and adopt a memorandum of understanding, subject to the approval of the Health and Human Services Commission, to establish an interagency plan for coordinating case management services for recipients of financial assistance with barriers to employment. The bill also contains provisions for DHS and TWC to implement the plan.

### HOUSE BILL 482

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Zaffirini

Current law prohibits nursing homes from discriminating or retaliating against an employee, a volunteer, or a resident who makes a complaint, reports a violation, or takes part in an investigation related to an institution, requires nursing homes to post notice of this protection, and entitles such a person to bring suit. House Bill 482 amends the Health and Safety Code to add family members and guardians of residents under these provisions. The bill modifies similar provisions that apply to intermediate care facilities for the mentally retarded to protect the same categories of persons.

### HOUSE BILL 483

**EFFECTIVE:** 5-23-01

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Moncrief

House Bill 483 amends the Local Government Code and Probate Code to replace antiquated terms referring to incapacitated persons.

**HOUSE BILL 966**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Zaffirini

House Bill 966 requires the Health and Human Services Commission to study ways in which health and human services agencies may quantify the amount of legislatively appropriated money that is spent to care for a person who is receiving institutional care in certain institutions and redirect all or part of that amount to community-based programs that will provide services to the person if the person leaves the institution to live in the community. The commission is required to report its conclusions and recommendations by September 1, 2002.

**HOUSE BILL 1001**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Naishtat et al.

**SENATE SPONSOR:** Zaffirini

House Bill 1001 requires the Health and Human Services Commission and the Texas Department of Human Services to evaluate the methodology used for determining Medicaid reimbursement rates for nursing facilities, and to evaluate the Texas Index for Level of Effort Classification system used to quantify the intensity of the care needs of individuals in nursing facilities and to assign daily reimbursement rates for that care.

**HOUSE BILL 1004**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Zaffirini

House Bill 1004 amends the Labor Code to require the Texas Workforce Commission by rule to determine the work or employment activities in which a person must participate to comply with the work requirements of the financial assistance and service programs.

**HOUSE BILL 1005**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat et al.

**SENATE SPONSOR:** Zaffirini

House Bill 1005 amends the Human Resources Code to require the Health and Human Services Commission (HHSC), the Department of Human Services (DHS), and the Texas Workforce Commission (TWC), with the participation of local workforce development boards, to jointly develop and implement a state program of temporary assistance and related support services for two-parent families or persons residing in minimum service counties. The bill prohibits the use of federal money provided for the financial assistance and service programs to be used for the temporary assistance program, and it provides that a recipient of temporary assistance is eligible for medical assistance in the same manner as a person in the financial assistance program.

The bill requires the TWC, local workforce development boards, and the appropriate standing committees of the house and senate to study methods to improve the delivery of workforce services to persons residing in minimum service counties and develop related recommendations. The bill requires HHSC, DHS, and TWC to monitor implementation and operation of the program and report to the governor, the legislature, and the Legislative Budget Board on the status of the program no later than September 1 of each year.

**HOUSE BILL 1006**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Naishtat

**SENATE SPONSOR:** Zaffirini

House Bill 1006 amends the Human Resources Code to set forth certain exemptions from work requirements for persons receiving assistance through the financial assistance and service programs and to require the Department of Human Services, the Texas Workforce Commission,

and local workforce development boards to develop a plan to provide employment outreach services to those exempted. The bill also establishes criteria for persons excepted for good cause from work or employment activities.

**HOUSE BILL 1086**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis et al.

**SENATE SPONSOR:** Duncan

House Bill 1086 amends the Agriculture Code to authorize the Texas Department of Agriculture to develop a grant program targeting nonprofit organizations, to support their collection and distribution of surplus agricultural products to food banks and certain other charities. To qualify, an organization must have five years of experience coordinating a statewide network of food banks and charities serving every county and must operate a program to coordinate the collection and transportation of surplus agricultural products to a food bank network. The bill establishes requirements for a grant proposal and requires that a grant recipient report to the department on the results of its funded project.

**HOUSE BILL 1154**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Raymond

**SENATE SPONSOR:** Zaffirini

House Bill 1154 amends the Government Code to allow the Health and Human Services Commission to award grants to community-based organizations to develop comprehensive, community-based support and service delivery systems for long-term care services. The bill establishes criteria for awarding and administering the grants, including the requirement that priority be given to programs that use the Internet and other information technology to provide referral services to clients, information for local and long-term care services, and needs assessment, as well as requiring community-based organizations to partially match any grant money awarded.

**HOUSE BILL 1161**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Eiland

**SENATE SPONSOR:** Moncrief

House Bill 1161 amends the Human Resources Code to allow the Texas Commission for the Blind to contract with a professional management service to administer the operations of the Business Enterprises Program trust fund. The bill establishes guidelines for the administration of the fund, specifies that the commission may select a custodian of the trust fund's securities with the approval of the comptroller, and sets requirements for the reinvestment or deposit of money realized from the fund's securities.

**HOUSE BILL 1175**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Raymond et al.

**SENATE SPONSOR:** Zaffirini

House Bill 1175 amends the Human Resources Code to require the Texas Department of Human Services, the Texas Workforce Commission, the office of the attorney general, and each local workforce development board to provide at least four hours of family violence training to certain persons affiliated with those agencies. The bill sets out certain requirements for the development and content of the training program.

The bill also provides that one of those agencies may not impose a sanction or penalty on certain individuals who receive financial assistance and services and who fail to comply with certain requirements until the agency can determine the reason for noncompliance. If family

violence contributed to the individual's failure to comply with the agency's requirements, the agency must identify the types of services necessary to assist that individual in safely and successfully entering the workforce.

**HOUSE BILL 1178**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wohlgemuth et al.  
**SENATE SPONSOR:** Zaffirini

House Bill 1178 amends the Human Resources Code to eliminate duplicate provisions and clarify conflicting provisions of the child care licensing law. The bill also abolishes the State Advisory Committee on Child-Care Programs.

**HOUSE BILL 1179**  
**EFFECTIVE:** 5-14-01

**HOUSE AUTHOR:** Wohlgemuth et al.  
**SENATE SPONSOR:** Zaffirini

House Bill 1179 amends the Human Resources Code to redesignate Section 48.0381 as Section 48.103 and to update two references elsewhere to conform the language to current usage in the code.

**HOUSE BILL 1187**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Olivo et al.  
**SENATE SPONSOR:** Zaffirini

House Bill 1187 amends the Human Resources Code to require the Texas Workforce Commission to establish a Parents as Scholars pilot program under which recipients of financial assistance participating in the program may fulfill work or employment requirements by pursuing certain educational activities. The bill sets forth eligibility criteria for the program and requires the participants to fulfill certain requirements, including the preparation and application for admission to an institution of higher education, and provides that recipients are eligible for child-care services, medical assistance, and food stamps in the same manner as recipients of financial assistance. The bill also requires the commission to submit to the legislature by January 15, 2007, a report evaluating the program's effectiveness and making recommendations to terminate, continue, or expand the program.

**HOUSE BILL 1307**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Villarreal  
**SENATE SPONSOR:** Moncrief

House Bill 1307 amends the Labor Code to establish a child-care resource and referral network in this state. The bill requires the Texas Workforce Commission to use funds from the Child Care and Development Block Grant Act of 1990 to contract with a network to provide resource and referral services not later than January 1, 2002. The bill requires the network to conduct a needs assessment for child-care services and to make recommendations to the commission to address those needs; to maintain and disseminate related resource information; and to provide referral services to persons seeking child-care and early childhood education services, employers seeking child-care assistance, and parents and other consumers seeking information about parenting education and early childhood development. The bill also requires the network to advertise its services, to collect and update certain data regarding the supply of and demand for child care and early childhood education, to report the data to the commission each quarter, and to make the information available statewide.

**HOUSE BILL 1309**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Villarreal  
**SENATE SPONSOR:** Shapleigh

House Bill 1309 amends the Labor Code to require recipients of certain professional child-care training scholarships to work for at least 18 additional months in a child-care facility that accepts federal Child Care Development Fund subsidies and that is located within the attendance zone of a low-performing public school or in an economically disadvantaged community.

**HOUSE BILL 1348**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Villarreal  
**SENATE SPONSOR:** Shapleigh

House Bill 1348 amends the Labor Code to authorize the Texas Workforce Commission to make grants available on a one-time basis to local workforce development boards to enable the boards to design and implement child-care demonstration projects. The projects must expand child-care services in underserved rural areas; create or expand existing pilot programs for recruiting and retaining child-care providers and for assisting certain low-income, at-risk parents who may benefit from career counseling and employment location services; or develop initiatives to foster school readiness. The bill requires a board, to be eligible for a grant, to conduct the demonstration project in a manner that allows other boards to replicate it in whole or in part and to use the grant to develop direct child-care programs that may be funded by the board or by other local sources at the conclusion of the project.

**HOUSE BILL 1418**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Jones et al.  
**SENATE SPONSOR:** Carona

House Bill 1418 amends the Health and Safety Code to require convalescent homes, nursing homes, and related institutions to prepare a written employment policy regarding criminal history record checks of employees and applicants for employment in addition to the current provision for drug testing of certain employees. The bill sets forth guidelines for the drug testing policy and requires the Texas Board of Human Services to adopt a model drug testing policy for use by institutions. The bill also changes current law to prohibit a facility from employing any person convicted of certain offenses, not just persons in direct contact with a resident.

**HOUSE BILL 1420**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Jones  
**SENATE SPONSOR:** Armbrister

House Bill 1420 amends the Government Code to establish that the definition of “practice of law” does not include certain technical advice, consultation, and document preparation assistance relating to a medical power of attorney or other advance directive or the designation of guardian before need arises provided by an employee or volunteer of an area agency on aging affiliated with the Texas Department on Aging. The bill requires the department to develop a certification procedure for ensuring that an employee or volunteer providing those services possesses the necessary qualifications.

**HOUSE BILL 1478**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Moncrief

House Bill 1478 amends the Human Resources Code to change the name of the work group on long-term care and health programs to the Children's Policy Council and to add the Texas Department of Mental Health and Mental Retardation and the Department of Protective and Regulatory Services to the list of agencies that the council assists in developing, implementing, and administering family support policies and related long-term care and health programs for children. The bill expands the duties of the council, alters its composition, and requires that the majority of the members be relatives of consumers of long-term care and health programs for children.

**HOUSE BILL 1691**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey et al.

**SENATE SPONSOR:** Madla

House Bill 1691 amends the Human Resources Code to modify existing provisions related to the membership and administration of the Texas Council on Purchasing from People with Disabilities. The bill requires state agencies to report certain information to the General Services Commission and the council relating to products or services available from a central nonprofit agency or community rehabilitation program, but purchased from another business, and requires the council to adopt certain related rules. The bill establishes guidelines for contracting with a central nonprofit agency and the council's access to certain information from the central nonprofit agency.

**HOUSE BILL 1758**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** S. Turner et al.

**SENATE SPONSOR:** Moncrief

House Bill 1758 amends the Government Code to require the Health and Human Services Commission, the Texas Youth Commission, and the Texas Juvenile Probation Commission to periodically review, document, and compare the accessibility and funding of facilities, services, and treatment provided to females under 18 years of age with that provided to males under 18 years of age. The review must include the nature, extent, and effectiveness of certain services offered for females and the equity of certain services offered to persons with respect to gender. The bill requires each health and human services agency to submit a report identifying any differences in the expenditure and allocation of money and services for males in comparison to females in this age group, and to submit a plan to address any reported lack of services for females. The provisions of House Bill 1758 expire September 1, 2005.

**HOUSE BILL 1921**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Gallegos

House Bill 1921 amends the Family Code to require the Department of Protective and Regulatory Services to extend adoption assistance to the adoptive parents after a child's 18th birthday under certain conditions.



**HOUSE BILL 2103**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dutton et al.  
**SENATE SPONSOR:** Shapleigh

House Bill 2103 amends the Human Resources Code to require the Texas Department of Human Services to develop and implement a process by which the grandparent of a child receiving financial assistance may serve as a protective payee. The bill specifies that the program is limited to situations in which the department determines that the child's parent is not using the assistance for the child's needs and requires the department to establish circumstances under which a grandparent may be removed as a protective payee.

**HOUSE BILL 2258**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey  
**SENATE SPONSOR:** Moncrief

House Bill 2258 amends the Health and Safety Code to require that each nursing home resident who is considering making a transition to a community-based care setting be identified to determine the presence of a mental illness or mental retardation. The department is required to provide the information to the Texas Department of Mental Health and Mental Retardation (MHMR), and MHMR is required to use the information to determine the need for, and funding levels of, certain services and to provide certain services or referrals to identified residents after the transition.

**HOUSE BILL 2265**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Villarreal  
**SENATE SPONSOR:** Shapleigh

House Bill 2265 amends the Labor Code to require the Texas Workforce Commission to fund child-care subsidies for children from households having income of not more than 66 percent of the state median income.

**HOUSE BILL 2345**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat  
**SENATE SPONSOR:** Fraser

House Bill 2345 amends the Utilities Code to modify provisions relating to eligibility for the Specialized Telecommunications Assistance Program. The bill clarifies that to be eligible for the program a person must have a disability that impairs the person's ability to effectively access the telephone network. The bill removes the requirement that a program applicant pay a \$35 fee. The bill shortens from seven to five years the length of time between when an applicant exchanges a voucher for a specialized communication device and when the individual is eligible to receive another voucher. The bill authorizes the Texas Commission for the Deaf and Hard of Hearing to allow a person who lives in a congregate setting to be eligible for a voucher although another person in the setting has also received a voucher. The bill authorizes the commission to promote the program by certain means and requires telecommunications utilities that publish and distribute residential or business telephone directories to list contact information for the program in the directories.

**HOUSE BILL 2543**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Naishtat et al.  
**SENATE SPONSOR:** Duncan

House Bill 2543 amends the Human Resources Code to require the Department of Protective and Regulatory Services to develop and implement a pilot program awarding grants to or contracts with certain community-based organizations to provide child-care intervention services. The bill establishes requirements for organizations receiving grants or contracting for the child-care intervention services.

**HOUSE BILL 2673**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Villarreal et al.

**SENATE SPONSOR:** Shapleigh

Federal law requires states that receive child care and development block grant funds to set aside at least four percent of the funds for activities designed to provide comprehensive consumer education to parents, increase parental choice, and improve the quality and availability of child-care resources and referral services. House Bill 2673 amends the Labor Code to require the Texas Workforce Commission to collect state and local information relating to the effectiveness of the use of four percent quality dollars by local workforce development boards. The bill requires the commission to produce a report highlighting promising practices in expanding quality early education and to report to the legislature and other interested persons on local programs and services that show promise.

**HOUSE BILL 2763**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Solis et al.

**SENATE SPONSOR:** Jackson

House Bill 2763 amends the Government Code to require a local workforce development board, to the extent permitted by federal law, to use money and in-kind services provided by a local school district or local education agency for child-care services to obtain federal matching funds for those services.

**HOUSE BILL 2769**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis et al.

**SENATE SPONSOR:** Jackson

House Bill 2769 amends the Government Code to provide that, in addition to other programs approved by a local workforce development board or permitted by another law, a child who is otherwise eligible for child-care services funded by a board is eligible to receive the services while the child is enrolled in a federal Head Start program or in after-school care provided at a school.

**HOUSE BILL 3365**

**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Zaffirini

House Bill 3365 amends the Occupations Code to require the Texas State Board of Social Worker Examiners to adopt rules to permit a social worker to provide medical case management services under the medical assistance program.

**HOUSE BILL 3556**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Barrientos

House Bill 3556 amends the Health and Safety Code to require that modified accessibility and life safety code standards for certain assisted living facilities provide for two-story buildings. The bill requires that two-story buildings meet all life safety code requirements regarding protecting vertical openings as specified in the 1988 edition of the National Fire Protection Association.

**HOUSE BILL 3578**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Villarreal

**SENATE SPONSOR:** Shapleigh

House Bill 3578 amends the Government Code to require the Texas Workforce Commission to ensure that federal child care development funds that are dedicated to quality improvement activities and used to improve quality and availability of child care are used only for quality child-care programs, and it lists the characteristics that qualify a program as a quality child-care program.

**SENATE BILL 34**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Naishtat

Senate Bill 34 amends the Human Resources Code to require the Health and Human Services Commission to provide an annual dental exam, prophylaxis, and diagnostic dental x-rays to nursing facility residents receiving medical assistance. The commission is required to develop a fee schedule for the services and conduct a study regarding the need for and cost of expanding the dental services.

**SENATE BILL 36**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Raymond et al.

Senate Bill 36 amends the Government Code to require the commissioner of health and human services to provide joint training for caseworkers employed by certain health and human services agencies or local mental health or mental retardation authorities whose clients are children. The training program must be designed to increase a caseworker's knowledge of services available to children through health and human services agencies or local mental health or mental retardation authorities, including Medicaid long-term care programs and services.

**SENATE BILL 37**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 37 amends the Health and Safety Code to establish a temporary change of ownership license for new owners of existing nursing facilities. The bill provides the criteria for the Texas Department of Human Services to use in issuing a temporary license, prohibits the department from placing a hold on vendor payments to those facilities operating with a temporary license, and sets forth provisions regarding the issuance of a standard license to facilities with a temporary license.

**SENATE BILL 38**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 38 amends the Human Resources Code and Health and Safety Code to authorize a compliance review of architectural plans for the construction or modification of an adult day-care facility, convalescent or nursing home, or intermediate care facility for the mentally retarded before work on the facility begins. The bill requires the Texas Department of Human Services to adopt procedures for submitting plans for review. It also establishes time limits and notification requirements for a review, places restrictions on the department's changing architectural requirements, and allows the department to charge a fee for the review.

**SENATE BILL 45**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Naishtat

Senate Bill 45 amends the Human Resources Code to require the Texas Department of Human Services, the Texas Workforce Commission, and the Health and Human Services Commission to adopt rules prescribing the circumstances that constitute a hardship for purposes of exempting a recipient of financial assistance from the application of time limits imposed by federal law on the receipt of benefits.

**SENATE BILL 47**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 47 amends the Human Resources Code provisions relating to Texas Department of Human Services (DHS) authority to award funds to provide family violence services. Under previous law, only family violence shelter centers were eligible to receive such funds. The bill requires DHS to develop and maintain a plan to provide family violence services and authorizes the agency to also contract with family violence nonresidential centers and family violence special projects. The bill defines terms, sets forth criteria to be used in contracting for services, and requires DHS to award contracts through a competitive bidding process unless it would not be cost-effective. The Department of Protective and Regulatory Services and DHS are required to coordinate the provision of violence prevention services for children.

**SENATE BILL 52**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Raymond et al.

Senate Bill 52 amends the Human Resources Code to require child-care facilities to post a brief description of and methods for preventing sudden infant death syndrome, shaken-baby syndrome, and childhood diabetes.

**SENATE BILL 53**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** B. Turner et al.

Senate Bill 53 amends the Government Code to modify and clarify the lists of people on whom the Texas Department of Protective and Regulatory Services is required or entitled to obtain criminal history record information. The bill also requires Texas law enforcement agencies to expedite the furnishing of such information to the department.

**SENATE BILL 54**

**EFFECTIVE:** 8-27-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Noriega et al.

Senate Bill 54 amends the Government Code to require the executive head of each health and human services agency to report annually to its governing body and to the Health and Human Services Commission on efforts to provide services to children younger than six years of age, including the development of new programs and the enhancement of existing programs. The commission is required to present a biennial report to the governor, the lieutenant governor, the speaker of the house of representatives, the comptroller, the Legislative Budget Board, and the appropriate legislative committees regarding the efforts of the health and human services agencies. The report may provide recommendations to better coordinate state agency programs or proposals for joint agency collaborative programs.

**SENATE BILL 55**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Raymond

Senate Bill 55 amends the Human Resources Code to require the Department of Protective and Regulatory Services and the Children's Trust Fund of Texas Council to develop and implement a statewide education program to prevent infant mortality. The council and the department are required to request assistance from certain groups with specific knowledge of infant mortality prevention in developing and implementing the program. The bill requires the department and the council to develop a memorandum of understanding to define their respective responsibilities relating to the program and further requires the Board of Protective and Regulatory Services and the council to adopt rules to implement the program.

**SENATE BILL 83**

**EFFECTIVE:** 8-27-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Uresti et al.

Senate Bill 83 amends the Health and Safety Code to transfer rulemaking authority related to intermediate care facilities for the mentally retarded from the Texas Department of Human Services (DHS) to the Texas Board of Human Services and to require that DHS and the Texas Department of Mental Health and Mental Retardation (MHMR) cooperate with the board in developing the rules. The bill also requires that a proposed rule related to a facility be submitted to the commissioner of mental health and mental retardation for a written review of the effects of the rule.

The bill requires specialized staff from DHS to conduct inspections, surveys, or investigations of the facilities. In addition, DHS and MHMR are required to make certain that the closure and transition plans for a facility ensure the short-term and long-term well-being of the facility's clients.

**SENATE BILL 159**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Naishtat

Senate Bill 159 amends the Health and Safety Code to require the Texas Department of Human Services to establish a best practices/quality of life competitive grant program to pay part of the costs of projects that are designed to improve the quality of life for residents and that could serve as models of best practices for the industry. The bill requires the department to adopt rules establishing certain guidelines for the grant program, including a criterion that institutions with a demonstrated need for improvement will receive priority consideration. The department will post a summary of best practices under this program on its Internet site.

**SENATE BILL 161**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 161 amends the Human Resources Code to authorize the Texas Department of Human Services and the Texas Workforce Commission to provide transitional support services for a specified period to certain recipients of financial assistance who become ineligible due to an increase in household income or as a result of exhausted benefits.

**SENATE BILL 177**

**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** Madla et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 177 amends the Health and Safety Code to establish provisions regulating the use of electronic monitoring devices in the rooms of residents of convalescent homes, nursing homes, or related institutions. The bill requires the institutions to permit a resident, or the resident's guardian or legal representative, to monitor the resident's room through the use of an electronic monitoring device. The bill requires conspicuous notice at the entrance of the room stating that the room is monitored, as well as notice at the entrance of the institution stating that electronic monitoring devices may be in use.

The bill prohibits an institution from refusing admission or removing a resident because of the request to conduct electronic monitoring and requires the institution to make certain reasonable accommodations for the monitoring. In addition, an institution is prohibited from removing a resident for covert electronic monitoring. The bill also establishes provisions related to reporting abuse and neglect of residents, as well as enforcement guidelines for institutions that refuse a request to conduct electronic monitoring or bar admission or remove a resident for conducting authorized or covert electronic monitoring.



**SENATE BILL 297**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West et al.

**HOUSE SPONSOR:** Noriega et al.

Senate Bill 297 amends the Health and Safety Code to change the eligibility criteria for grandparents receiving supplemental financial assistance for the support of a dependent child from 50 years of age to 45 years of age. The bill increases the allowable family income from at or below 100 percent of the federal poverty level to at or below 200 percent of the federal poverty level.

**SENATE BILL 355**

**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Naishtat et al.

Senate Bill 355 amends the Health and Safety Code to add to the statement of the rights of a nursing home resident the right to informed consent regarding the prescription of psychoactive medication. The bill establishes criteria under which a medication may be administered without consent and defines who may consent to the prescription of a psychoactive medication other than the resident.

**SENATE BILL 361**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Hardcastle

Senate Bill 361 amends the Human Resources Code to modify the membership of the Interagency Council on Autism and Pervasive Developmental Disorders. The bill increases the number of public members from two to seven, requires the governor to designate the chairperson of the council, and allows public members to be reimbursed for travel expenses. The bill provides that state agency representatives are non-voting, ex officio members who may not serve as chairperson of the council, and it adds an ex officio member from the Interagency Council on Early Childhood Development. It also authorizes the employment of clerical staff for the council and repeals a provision requiring the council to develop a state plan.

**SENATE BILL 367**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 367 amends the Government Code to require the Health and Human Services Commission (HHSC) and appropriate health and human services agencies to implement a plan to provide a system of services and support to provide opportunities for a person with a disability to live in the most appropriate care setting. The plan must require health and human services agencies to provide to a person with a disability living in an institution, or another appropriate person, certain information regarding care and support options available, facilitate the timely transfer of a person with a disability from an institution to an appropriate care setting in the community, and develop strategies to prevent the unnecessary placement of a disabled person in an institution because of a lack of services in the community. The bill also requires the Texas Department of Mental Health and Mental Retardation (MHMR) to implement a community living options information process in each institution to inform persons with mental retardation residing in an institution and their legally authorized representatives of alternative community living options, including a referral to a local mental retardation authority for placement in the selected option or on a waiting list for the option.



The bill amends the Human Resources Code to require the Texas Department of Human Services (DHS) and MHMR to develop and implement a pilot program to provide a system of services and support allowing persons with disabilities to live in the community. The bill requires the pilot program to be located at one site in a rural area, in an urban area, and in a mixed urban and rural area, and it establishes certain components to be included in the pilot program.

The bill also requires HHSC to coordinate with DHS, the Texas Department of Housing and Community Affairs, and MHMR to develop a housing assistance program to assist persons with disabilities in moving from institutional housing to integrated housing and establishes certain issues for the agencies to address in developing the program.

**SENATE BILL 368**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Maxey et al.

Senate Bill 368 amends the Government Code to require the development of uniform procedures to be used by the Department of Protective and Regulatory Services (DPRS), the Texas Department of Human Services (DHS), and the Texas Department of Mental Health and Mental Retardation (MHMR) in developing a permanency plan required for each child residing in an institution for whom DPRS has been appointed managing conservator. The bill allows DHS, DPRS, and MHMR to delegate each department's duty to develop a child's permanency plan to a local mental retardation authority and authorizes the departments to contract with a private entity to develop a permanency plan for a child. It requires institutions, including group homes and nursing homes, to notify specified agencies and groups of a child's placement in the institution and requires a state agency that receives the notification to ensure that the child is placed on a waiting list for waiver program services under the federal Social Security Act.

The bill requires the Health and Human Services Commission to contract with a community or nonprofit organization for the development and implementation of a system under which a child who cannot reside with the child's birth family may receive necessary services in a family-based alternative instead of an institution. The system must provide for recruiting and training of alternative families to provide services for children, a comprehensive assessment of the child's needs, information regarding the availability of family-based alternatives, and the offer of waiver services that would enable the child to return to the child's birth family or for placement in a family-based alternative. The commission is directed to conduct a study regarding the reimbursement provided for permanency planning activities.

**SENATE BILL 527**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Naishtat

Senate Bill 527 amends the Health and Safety Code to provide for the regulation of procedures for assessing and determining violations and penalties against assisted living facilities. The bill authorizes the Texas Department of Human Services to assess an administrative penalty against the applicant, license holder, or controlling personnel of the facility for certain violations, taking into account the seriousness of the violation, previous violations, and efforts to correct the violation. The bill prohibits the department from collecting an administrative penalty from an assisted living facility as long as no serious harm results, if the facility complies with provisions to correct the violations within 45 days and maintains the correction until at least the first anniversary of the date the correction was made.

The bill requires the department to issue a preliminary report stating the facts on which the department bases the violation and certain related information. If a hearing is necessary, the administrative law judge will issue a written decision to the commissioner of health and human services and recommend any penalty necessary, and the commissioner will use the decision to issue a final written order and notice on the violation. If no violation occurred, any records reflecting the potential violations must be expunged; if a violation occurred, the commission must give written notice of certain information to the person charged, including the findings, the amount of the administrative penalty, and the rate of interest.

The bill authorizes the commissioner, under certain circumstances, to allow amelioration of the violation in lieu of payment of an administrative penalty, provided the violation does not immediately jeopardize the health and safety of a resident and the plan meets certain requirements.

The bill establishes an assisted living facility trust fund for the department to make expenditures without legislative appropriation for emergency assistance to an assisted living facility. The bill sets forth guidelines for the administration and uses of the fund. The department is required to adopt an annual fee, based on the number of beds in a facility, in an amount necessary to provide no more than \$500,000 to the fund, and the bill authorizes the fee to be collected more than once a year under certain conditions.

**SENATE BILL 535**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona et al.  
**HOUSE SPONSOR:** J. Jones et al.

Senate Bill 535 amends the Human Resources Code to extend the sunset date for the Texas Department on Aging (TDoA) from September 1, 2004, to September 1, 2006, and to postpone the merger of TDoA and the Texas Department of Human Services (DHS) until September 1, 2005. The bill requires the commissioner of health and human services to identify TDoA's functions relating to the direct provision of long-term care services or other department services for older persons that could be transferred to DHS for improved delivery, evaluate the degree of coordination between TDoA and DHS, and submit a report to the legislature by January 1, 2003.

**SENATE BILL 664**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla  
**HOUSE SPONSOR:** Naishtat

Senate Bill 664 amends Subchapter E, Chapter 261, Family Code, relating to investigations of child abuse or neglect in facilities operated, licensed, certified, or registered by state agencies. The bill explicitly adds child exploitation to the acts covered under the subchapter. The Health and Human Services Commission (HHSC) is required to adopt minimum standards for investigations of reported abuse, neglect, or exploitation, and the rules and policies of agencies and institutions covered under the subchapter are required to be consistent with those standards. The bill also requires HHSC to adopt uniform procedures for collecting information related to those investigations and to receive and compile information on investigations. The bill makes the Texas School for the Blind and Visually Impaired and the Texas School for the Deaf subject to the same requirements as state agencies covered under the subchapter and specifies that the Texas Department of Criminal Justice, the Texas Youth Commission, and the Texas Juvenile Probation Commission are not covered by HHSC's standards and procedures. The board of the Texas Youth Commission is required to adopt standards for investigation and compiling information on incidents in facilities under its jurisdiction.

The bill also amends the Human Resources Code to require HHSC to adopt minimum standards for investigation or suspected abuse, neglect, or exploitation of an elderly or disabled person in a covered facility.

**SENATE BILL 665**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** Gray et al.

Senate Bill 665 amends the Government Code to establish the Office of Early Childhood Coordination, within the Health and Human Services Commission, in order to promote community support for parents of children younger than six years of age through an integrated state and local-level decision-making process and to provide for seamless delivery of health and human services to ensure that those children are prepared to succeed in school. The bill sets forth the powers and duties of the office and requires it to create and implement a statewide plan for the delivery of health and human services to children younger than six years of age. The bill requires the commissioner to appoint an advisory committee made up of persons with a demonstrated interest in early childhood development to assist the office in performing its duties.

**SENATE BILL 691**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Naishtat

Senate Bill 691 amends the Health and Safety Code to establish the assisted living facility trust fund, which the Texas Department of Human Services may use to make emergency assistance funds available to an assisted living facility without legislative appropriation. The bill specifies that an assisted living facility may only use the emergency funds to alleviate an immediate threat to the health or safety of the residents or by court order.

The bill establishes criteria for the administration for the fund, including a requirement that the department adopt an annual fee, to be charged to assisted living facilities, if the trust fund balance falls below \$500,000. The bill sets out notification requirements when a second or subsequent assessment is made in any single year.

**SENATE BILL 772**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Harris et al.

**HOUSE SPONSOR:** Naishtat

Senate Bill 772 amends the Health and Safety Code to require the Texas Department of Human Services to keep a list of the state's nursing home operators that have an excellent operating record in order to grant those operators expedited approval in obtaining a change of ownership license to operate another existing institution. The department is required to establish specific criteria for designating a license holder as eligible for the list.

**SENATE BILL 833**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Naishtat

Senate Bill 833 amends the Human Resources Code to require the employees and the director of a day-care center or group day-care home to complete, as a part of their respective required annual training, at least six hours of training in child growth and development, guidance and discipline, age-appropriate curriculum, and teacher-child interaction.

The bill requires an interagency task force composed of the Department of Protective and Regulatory Services, the Texas Department of Health, the Texas Department of Human Services, and the Texas Workforce Commission to develop an inspection checklist to use in performing inspections of licensed day-care centers and group day-care homes and registered family homes.

The bill amends the Education Code to allow a parent to designate a child-care facility instead of the child's residence as the regular location for obtaining transportation to and from the child's school.

**SENATE BILL 834**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Chavez

Senate Bill 834 amends the Government Code to provide electronic access to health and human services information. The bill requires the Health and Human Services Commission and the Department of Information Resources to establish and maintain an accessible and interactive Internet site containing information for the public regarding services and programs provided or administered by each of the health and human services agencies. The bill sets forth requirements for the content, design, organization, and update of the site. The site must include eligibility criteria, application forms for financial, nutritional, and medical assistance programs, and contact information for agencies and service providers. The bill requires the Texas Information and Referral Network to coordinate with the department to maintain the Internet site through the Texas Online project. The commission is required to ensure that the Internet site does not contain any confidential information and has appropriate controls for information security.

**SENATE BILL 908**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh et al.

**HOUSE SPONSOR:** Isett et al.

Senate Bill 908 adds a section to the Human Resources Code to require the Health and Human Services Commission to develop and implement a program of all-inclusive care for the elderly (PACE) as part of the medical assistance program. The bill requires the department to adopt rules to implement the program, sets forth certain provisions for contracting services, and sets a time line for implementing the program.

**SENATE BILL 962**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** G. Lewis

Senate Bill 962 establishes a pilot project to meet the need for child protective service specialists in a target region having the highest percentage of unfilled case worker positions and the highest turnover of those positions. The bill requests the Department of Protective and Regulatory Services to take steps to remove limitations on the number of caseworker positions in the region, increase the number of trainers and other necessary training positions, and provide necessary funds to accomplish those directives.

**SENATE BILL 1034**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Naishtat

State law provides that an animal in training to assist persons with disabilities cannot be denied admittance to any public facility when accompanied by an approved trainer or the animal's blind handler. Senate Bill 1034 amends the Human Resources Code to remove the word "blind" so the right to enter applies to any disabled person with an assistance animal.

**SENATE BILL 1160**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Truan et al.

**HOUSE SPONSOR:** Raymond

Senate Bill 1160 amends the Natural Resources Code to require the Veterans' Land Board to consider the following factors when determining the location of new veterans homes: proximity to existing veterans homes, the economic impact of the veterans home on the local community and the veterans program, and the location of areas with a significant veteran population, without regard to international boundaries.

**SENATE BILL 1245**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Noriega et al.

Senate Bill 1245 amends the Human Resources Code to establish a misconduct registry regarding employees of home and community support service agencies and defines the reportable conduct that would constitute a violation. The bill sets out guidelines to be used in making a finding of a violation and establishes the procedure used in notifying the accused employee, as well as the procedure for a hearing of the violation, and it provides circumstances for the removal of a person's name from the registry. The bill adds facilities to the agencies that may obtain a criminal history record for an applicant for employment or an employee and prohibits the employment of persons convicted of certain offenses in a facility, rather than only prohibiting the employment of convicted persons in positions involving direct contact with consumers.

The bill takes effect September 1, 2001, except the provisions about the employee misconduct registry, which take effect January 1, 2002.

**SENATE BILL 1376**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Naishtat

Senate Bill 1376 amends the Health and Safety Code to require the Texas Department of Human Services to offer amelioration to nursing homes and intermediate care facilities for the mentally retarded for a charged violation, if the violation does not constitute immediate jeopardy to the health and safety of a resident. The bill requires an amelioration plan to include certain issues, including proposed changes to the management or operation of the facility, and may include changes to improve staff recruitment and retention, to offer or improve dental services for residents, and to improve the resident's overall quality of life. The bill prohibits the department from offering amelioration to a person more than three times in a two-year period, or more than one time in a two-year period for the same violation.

**SENATE BILL 1468**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Coleman

Previously, the Family Code required certain agencies to adopt a memorandum of understanding to coordinate local service delivery for children and youth with problems that require services from more than one agency. Senate Bill 1468 replaces this provision with a new section in the Government Code that expands the requirement to include adults needing multiagency services. The bill requires each health and human services agency, the Texas Council on Offenders with Mental Impairments, the Texas Department of Criminal Justice, the Texas Department of Housing and Community Affairs, the Texas Education Agency, the Texas Workforce Commission, and the Texas Youth Commission to adopt a joint memorandum of understanding to promote a system of local-level interagency staffing groups to coordinate services for persons needing multiagency services and sets forth issues that the memorandum must address.



**SENATE BILL 1475**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Goodman

Senate Bill 1475 amends the Human Resources Code, Family Code, and Government Code to abolish the Children's Trust Fund of Texas Council and transfer all its powers and duties to the Department of Protective and Regulatory Services. The bill assigns duties to the department relating to the operation of the children's trust fund, including the requirement to set policy, offer resources, and provide information and education on the prevention of child abuse and neglect. The bill also authorizes the department to apply for and receive federal, private, or public funding and solicit donations. The bill makes conforming changes to references to the Children's Trust Fund of Texas Council, including removing the council from the list of health and human services agencies.

**SENATE BILL 1732**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Cain

**HOUSE SPONSOR:** Tillery

Senate Bill 1732 amends the Government Code to require the Texas Workforce Commission to select vendors to operate family home child-care pilot programs for children under four years of age. The pilot programs must operate in at least three different areas of the state, including at least one rural area, and each program must include at least 10 eligible family home operators. The bill sets forth requirements relating to the funding of the programs as well as qualifications and responsibilities of the vendors and family home operators. The bill also requires the commission to submit to the governor, lieutenant governor, and speaker of the house of representatives a biennial report on the pilot programs, including an evaluation comparing the language development and other developmental features of the children served by the programs to those of children in other child-care settings, the costs of providing child care under the programs, and a recommendation on continuation or expansion of the programs. The pilot programs expire September 1, 2005.

**SENATE BILL 1839**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** Eiland et al.

Senate Bill 1839 is the Long-Term Care Facility Improvement Act. The bill amends the Health and Safety Code to require that in order to hold a nursing home license, an institution must maintain professional liability insurance coverage against the liability of the institution for a health care liability claim. The bill establishes requirements for coverage, including the annual minimum coverage in certain circumstances.

The bill amends the Insurance Code to establish certain means of controlling liability insurance costs for nursing homes, including the creation of a revenue bond program to raise funds to provide professional liability insurance through the Medical Liability Insurance Underwriting Association. It requires the commissioner to adopt best practices for risk management and loss control that may be used by for-profit and not-for-profit nursing homes and allows an insurance company or the Texas Medical Liability Insurance Underwriting Association to consider whether a nursing home adopts and implements the best practices adopted by the commissioner when determining the rates for professional liability insurance.

The bill requires the Texas Department of Human Services to establish an early warning system to detect conditions that could be detrimental to residents, including an analysis of financial and quality of care indicators that would predict the need for the department's action. Quality of care monitors are required to be sent to monitor facilities in unannounced visits to assess the overall quality of life and specific conditions in the facility that are directly related to patient care.



The bill establishes provisions for the amelioration of certain violations by nursing or convalescent homes and the circumstances under which a plan for amelioration may be implemented.

The bill also establishes a quality assurance fee to be imposed on intermediate care facilities for the mentally retarded.

The bill amends the Human Resources Code to require a surveyor to complete a basic training program before the surveyor inspects, surveys, or investigates a long-term care facility, and it sets other requirements for the training of surveyors. The bill also requires the Health and Human Services Commission to ensure that the rules governing rates paid for nursing home services under the medical assistance program improve the quality of care by providing incentives for increasing direct care staff, wages, and benefits and, subject to the availability of funds, incentives that incorporate the use of a quality of care index, a customer satisfaction index, and a resolved complaints index developed by the commission.

The bill amends the Government Code to require the commission to adopt procedures to review certain citations and penalties assessed for nursing homes, intermediate care facilities for the mentally retarded, and assisted living facilities. The bill requires the commission to establish an informal dispute resolution process to provide for the adjudication of disputes relating to certain proposed enforcement actions or related proceedings, and it sets components to be included in the process.

The bill takes effect June 15, 2001, except the requirement for liability insurance, which takes effect September 1, 2003, and a section relating to Senate Bill 772, which takes effect September 1, 2001.



## INSURANCE

### **HOUSE BILL 45**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon et al.

**SENATE SPONSOR:** Shapleigh

House Bill 45 amends the Insurance Code to establish a pilot program allowing certain insurers to offer each person who purchases motor vehicle insurance coverage a choice between a mile-based rating plan and a time-based rating plan. The bill requires each insurer that offers the mile-based rating plan to file annually with the commissioner of insurance a schedule of premium rates based on the mile-based and time-based plans used by that insurer together with a statement of any fees charged for participation in the mile-based plan. The bill requires the commissioner to reject filed rates if the commissioner determines them to be excessive compared to the insurer's rates for similar coverage under time-based rating plans. The bill exempts premium rates under the mile-based rating plan from other rate regulation and from benchmark rates. The bill requires an insurer, when reporting losses and earned premiums, to report experience based on use of the mile-based and time-based rating plans separately. The bill requires the commissioner to adopt all rules necessary to implement the pilot program not later than December 31, 2001, and provisions governing the program expire September 1, 2005.

House Bill 45 specifies that proof of purchase of an automobile insurance policy may not be used to obtain a driver's license, an automobile registration, license plates, or an inspection certificate if the policy is for less than 30 days and the premium is computed using a time-based rating plan or if the policy is written for less than 1,000 miles and the premium is computed using a mile-based plan, and it requires an agent or insurer to make a specific disclosure about such prohibited uses before accepting any premium or fee for either type of policy. The bill provides that provisions relating to a flexible rating program for certain insurance lines do not apply to premium rates for motor vehicle insurance computed using a mile-based rating plan.

### **HOUSE BILL 186**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Burnam

**SENATE SPONSOR:** Shapleigh

House Bill 186 amends the Insurance Code to allow certain public officials, in the course of a criminal investigation, to request information from an insurance company relating to the company's investigation of a burglary or robbery loss claim or death claim. The bill requires the insurance company to release the information requested if the company believes the claim to be fraudulent, and it exempts the company from responsibility if the fraud claims are found to be false.

### **HOUSE BILL 362**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt

**SENATE SPONSOR:** Sibley

House Bill 362 amends the Insurance Code to exclude the waiver of surrender charges under a life annuity contract from the definition of "discrimination" or "rebates" as an unfair method of competition or an unfair or deceptive act or practice in the business of insurance if the charges are waived when a contract holder exchanges that annuity contract for another contract issued by the same insurer and the waiver and the exchange are explained fully, fairly, and accurately in a manner that is not deceptive or misleading.

**HOUSE BILL 471**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt et al.

**SENATE SPONSOR:** Harris

House Bill 471 amends the Insurance Code to prohibit a small employer carrier from implementing agent commission schedules that vary the level of commissions based on the size of the group or otherwise reduce access to small employer health benefit plans, except that a carrier may vary commission amounts or percentages based on group size if the variation is inversely related to the size of the group. The bill also allows variation of commission amounts or percentages based on the cumulative premium paid by a single small employer over a specific period if the variation is inversely related to the cumulative premium paid during the period. The bill allows commissions to be paid as a percentage of premium charged to a small employer if the percentage is based on all premium paid by the employer. The bill applies only to a small employer health benefit plan that is delivered or issued for delivery on or after January 1, 2002.

**HOUSE BILL 548**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Keffer et al.

**SENATE SPONSOR:** Jackson

House Bill 548 amends the Insurance Code to require a surety company that has issued a construction payment bond to acknowledge receipt of a claim under the bond, begin any necessary review or investigation to ascertain its obligation regarding the claim, and request all necessary documentation from the claimant not later than 15 days after the receipt of the notice of the claim. The bill requires the surety company to notify a claimant in writing of its acceptance or rejection of a claim not later than 30 days after the date the company receives all documents or else provide written notice to the claimant if it is unable to accept or reject the claim within the specified period, in which case the company has another 30 days within which it must notify the claimant of the acceptance or rejection of the claim. The bill establishes grounds for rejection of all or any part of a claim as well as deadlines for the payment of claims, and it allows the commissioner of insurance to adopt rules to enforce these provisions. House Bill 548 applies only to a claim made under a construction bond that is delivered, issued for delivery, or renewed on or after January 1, 2002.

**HOUSE BILL 606**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Smithee et al.

**SENATE SPONSOR:** Nelson

House Bill 606 amends the Insurance Code and the Health Maintenance Organization Act to define “hospitalist” and to prohibit an insurer or a health maintenance organization from requiring a physician to use a hospitalist for a hospitalized patient.

**HOUSE BILL 949**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt et al.

**SENATE SPONSOR:** Fraser

House Bill 949 amends the Insurance Code to establish procedures for small employer health insurance carriers to use in developing premium rates for each small employer group, allowing for an adjustment of a group’s base premium rate based on that group’s risk load. The bill requires the risk load assessed to a particular group to reflect the risk characteristics of the group. The bill allows a carrier to use the number of employees and dependents of a small employer as a case characteristic in establishing premium rates for the group, but it limits the extent of variation between the highest and lowest rate factors for rates that vary based on

group size. The bill prohibits a small employer health insurance carrier from using the number of employees and dependents of an employer or the trade, occupation, industry, or type of business of the employer as a criterion for establishing a separate class of business.

**HOUSE BILL 1066**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uher  
**SENATE SPONSOR:** Jackson

House Bill 1066 amends the Insurance Code to consider the grandchildren of employees or of members of certain group health plans and health maintenance organizations as dependents of the employee or member for coverage purposes regardless of whether the employee or member treats the child as a dependent for federal income tax purposes.

**HOUSE BILL 1162**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Eiland et al.  
**SENATE SPONSOR:** Jackson

House Bill 1162 amends the Insurance Code to require uniformity among the rates established by the commissioner of insurance for policies written by the Texas Windstorm Insurance Association for first tier coastal counties. The bill extends from August 1 to August 15 the deadline for the association to file a proposed manual rate for all types and classes of risks, and it extends from November 1 to November 15 the deadline for the commissioner to approve, disapprove, or modify the filing. The bill extends from 10 days to 30 days after a filing is disapproved the period of time within which the association may file an amended filing to comply with the commissioner's criteria for approval.

House Bill 1162 decreases from 15 percent to 10 percent the range of variation from established rates for commercial and noncommercial windstorm and hail insurance rates already in effect, limits a rate change for an individual rating class to not more than 15 percent of the rate in effect, and extends the expiration date for these provisions to December 31, 2005. House Bill 1162 establishes required procedures for the development of catastrophe and noncatastrophe elements of commercial and noncommercial rates.

House Bill 1162 establishes deadlines for the Texas Department of Insurance to value certain loss and loss adjustment expense data required for a filing and to provide the data to the association and other interested persons. The bill requires an insurer to provide certain data to the department at the department's request, and it also allows the department to obtain the data from a designated statistical agent.

**HOUSE BILL 1408**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell  
**SENATE SPONSOR:** Duncan

House Bill 1408 amends the Insurance Code to require an insurer to refund the appropriate portion of an unearned premium to a policyholder promptly on cancellation or termination of a policy that required the insurer to maintain an unearned premium reserve if the policy is canceled or terminated before the end of the policy term with a remaining unearned premium reserve on the policy. The bill also requires a guaranty association to refund promptly certain unearned premiums. These refund provisions apply only to a premium paid to an insurer on or after January 1, 2002.

**HOUSE BILL 1440**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt  
**SENATE SPONSOR:** Sibley

House Bill 1440 amends the Insurance Code to establish or extend eligibility of unmarried children and unmarried dependent grandchildren for certain health care benefits and coverage until age 25 and modifies the definition of “dependent” to include children up to age 25 if they are unmarried or if they are both full-time students and financially dependent on a parent. The bill prohibits termination of coverage for a child of a policyholder’s child solely because the covered child is no longer a dependent of the policyholder for federal income tax purposes. The bill removes a provision that required a child to reside with the policyholder to be eligible for coverage under an accident or sickness insurance policy. The bill prohibits a health benefit plan from conditioning coverage for a child younger than 25 years of age on the child’s being enrolled at an educational institution, and it defines “health benefit plan” in this instance to include an individual insurance policy or agreement or an individual evidence of coverage.

**HOUSE BILL 1466**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Maxey  
**SENATE SPONSOR:** Cain

Current law prohibits competitive bids by stop-loss insurers for contracts with a municipality that would enable the insurer to change the terms of the coverage after the start of the contract. The law also prohibits stop-loss insurers under contract with a municipality from denying coverage to or requiring a higher deductible from individuals based on their medical history. House Bill 1466 amends the Insurance Code to allow a municipality to waive either of these requirements by executing a written waiver in favor of the insurer.

**HOUSE BILL 1495**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Farabee  
**SENATE SPONSOR:** Jackson

House Bill 1495 amends the Insurance Code to allow a member insurer of the Life, Accident, Health and Hospital Service Insurance Guaranty Association to assign or transfer a premium tax credit to another member insurer if there has been an acquisition, merger, or total assumption of reinsurance between member insurers or if the commissioner of insurance approves the action. The bill requires member insurers to report an assignment or transfer to the comptroller by a certain date, accompanied by any documents from the commissioner approving the transaction.

**HOUSE BILL 1562**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson et al.  
**SENATE SPONSOR:** Moncrief

House Bill 1562 amends the Insurance Code to require certain insurers to adopt antifraud plans unless an insurer participates in a Medicaid program or the state child health plan and has in place a fraud and abuse plan approved by a health and human services agency. Each plan must describe the insurer’s procedures for detecting, investigating, and reporting fraudulent insurance acts. The bill allows an insurer to file the plan annually with the state’s insurance fraud unit and allows the insurance fraud unit to receive, review, and investigate insurer antifraud reports. It also requires the unit to report annually to the commissioner of insurance the number of completed fraud cases and recommendations regarding regulatory or statutory measures to address the fraudulent activities encountered. The bill exempts a person acting without malice, fraudulent intent, or bad faith from liability for filing reports or furnishing information concerning fraudulent insurance acts if the report or information is provided to an



insurer's investigative unit or an employee responsible for investigating fraudulent activity. The bill requires an insurer to provide notice of the penalty for a false or fraudulent claim on any form the insurer may provide for making claims against a policy.

House Bill 1562 amends the Occupations Code to establish as unprofessional conduct the presentation, preparation, making, or subscription to any writing of a false or fraudulent insurance policy claim by a health care provider and to provide for the revocation or suspension of a provider's license, permit, registration, certificate, or other authority or the imposition of other disciplinary action for the commission of such unprofessional conduct.

House Bill 1562 amends the Labor Code to allow the release of information on a claim to a subclaimant that is an insurance carrier that has adopted an antifraud plan. The information may include information, in an electronic data format, on all workers' compensation claims necessary to determine if a subclaim exists. The bill requires the Texas Workforce Commission to establish rules relating to the maintenance and security of electronic data.

**HOUSE BILL 1610**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt et al.  
**SENATE SPONSOR:** Fraser

House Bill 1610 amends the Insurance Code to require health benefit plan issuers to collect and report cost and utilization data for each mandated health benefit and mandated offer designated by the commissioner of insurance. The bill requires the commissioner to designate, by rule, various aspects of this data collection and reporting, including the issuers who will be subject to this requirement, the specific benefits and coverage for which data must be collected, the data to be collected, the reporting period, due dates for the required reports, and report details and forms. The bill requires each plan issuer to maintain at its principal place of business all data collected, including supporting documentation and information, and to make this information and documentation available to the commissioner on request. The bill requires the Health and Human Services Commission to provide to the commissioner certain data related to a mandate being assessed to the population covered by certain Medicaid programs, even if the program is not necessarily subject to the mandate. The commissioner may use the data to determine the impact of mandated benefits and coverages.

**HOUSE BILL 1676**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Burnam et al.  
**SENATE SPONSOR:** Van de Putte

House Bill 1676 amends the Insurance Code to prohibit certain health benefit plans from excluding coverage for various types of therapy, rehabilitation, testing, treatment, and services necessary as a result of and related to an acquired brain injury. The bill requires the commissioner of insurance to require the issuer of a health benefit plan to provide adequate training to personnel responsible for preauthorization of coverage or utilization review to prevent wrongful denial of required coverage and to avoid confusion of medical benefits with mental health benefits.

House Bill 1676 requires the Sunset Advisory Commission, in cooperation with the Texas Department of Insurance and any other state agency as necessary, to conduct a study on or before September 1, 2006, to determine to what extent required coverage is being used and the impact of the coverage on the cost of those health benefit plans providing the coverage. The bill requires the commission to report findings to the legislature on or before January 1, 2007, and provisions governing the study expire September 1, 2007.

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### **HOUSE BILL 1703**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Smithee

**SENATE SPONSOR:** Jackson

House Bill 1703 amends the Insurance Code to exclude activity by or on the sole behalf of certain insurance companies in the state that insure only their parent corporation and its affiliates from the scope of insurance business that is subject to state regulation, including the regulation of advertising relating to Medicare supplement policies.

### **HOUSE BILL 1862**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Eiland et al.

**SENATE SPONSOR:** Van de Putte

House Bill 1862 amends the Insurance Code and the Texas Health Maintenance Organization Act to establish requirements, procedures, and deadlines for the timely submission and prompt handling of claims and for the prompt payment of physicians and medical care and health care providers by insurers and health maintenance organizations (HMOs) under certain health benefits plans. The bill requires a physician or provider to submit a claim not later than the 95th day after the date the medical care or health care service was provided or else forfeit the right to payment for that service. The bill defines "clean claim," specifying the use of standard, nationally accepted forms for medical payment claims and prohibiting an insurer or HMO from requiring the submission of information other than that for a data field included on those forms, and it provides that a claim is considered filed within specific time frames based on the manner and means in which the claim is submitted to the insurer or HMO. The bill requires an insurer or HMO that fails to pay, before the 45-day deadline for payment, all or any part of the claim that is eligible for payment to pay either the full amount of the billed charges or two times the contracted rate, plus interest on the applicable amount at a 15 percent annual percentage rate, whichever total is the lesser of the two. The bill establishes requirements, procedures, and deadlines for the investigation and determination by an insurer or HMO of a claim's eligibility for payment, but it provides that such investigation and determination do not extend the deadline for determining the claim's eligibility for payment. The bill allows a preferred provider to recover court costs as well as reasonable attorney's fees in an action to recover payment. The bill also establishes situations in which an insurer or HMO may recover an overpayment. The bill establishes requirements for the timely verification by an insurer or HMO of the eligibility of a particular health care service for payment when a physician or provider requests such verification. The bill allows the issuer of a health benefit plan to require a health care professional or facility to submit certain information electronically. The bill provides for penalties for noncompliance with certain provisions and prohibits provisions from being waived, voided, or nullified by contract.

### **HOUSE BILL 1891**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** G. Lewis

**SENATE SPONSOR:** Van de Putte

House Bill 1891 amends the Insurance Code to require an insurer to provide to a policyholder a written explanation of an endorsement to a policy that reduces the amount of coverage that would otherwise be provided by the policy, and to provide this explanation before the change in coverage takes effect. The bill applies only to endorsements used on or after January 1, 2002.

**HOUSE BILL 1913****EFFECTIVE:** Vetoed**HOUSE AUTHOR:** Capelo**SENATE SPONSOR:** Shapleigh

House Bill 1913 amends the Insurance Code to strengthen the due process to which a physician or practitioner is entitled when a contract between the physician or practitioner and an insurer, health maintenance organization (HMO), or other preferred provider organization (PPO) is being terminated by the insurer, HMO, or PPO, if the termination is based in part on quality review, by requiring the review mechanism to (1) be a peer review process that meets certain federal requirements and (2) be conducted before the PPO or HMO files any complaint with the Texas State Board of Medical Examiners. The bill provides that in certain cases, the insurer or HMO may immediately suspend the physician or practitioner if facility admission privileges or the provider's license have been revoked, suspended, or restricted, provided that the review process is initiated simultaneously with the termination or suspension. The bill requires a determination by an insurer that is contrary to the recommendation of a review panel to be for good cause shown and that a written explanation be provided to the preferred provider. If the insurer is an HMO, the bill explicitly makes the review panel's decision binding on the HMO except for good cause shown.

**HOUSE BILL 2102****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Eiland et al.**SENATE SPONSOR:** Sibley

House Bill 2102 amends the Insurance Code to grant the commissioner of insurance explicit rulemaking authority to set benchmark rates for each line of insurance subject to the flexible rating program after notice and hearing, and to prescribe rates for the Texas Automobile Insurance Plan Association (TAIPA). The bill requires the commissioner to request recommendations from insurers, trade associations, the public insurance counsel, or any other interested person or entity before each annual hearing on the benchmark rates. The bill requires the recommendations to include any supporting actuarial analyses, and it requires the commissioner to receive public comments for at least 30 days after notice of the hearing on proposed benchmark rate changes is published in the Texas Register. The bill deletes a provision that prohibited an advisory organization that collects ratemaking data from being party to a hearing, and it allows a trade association to present ratemaking data and recommendations to the commissioner before as well as at the hearing. The bill allows a person to appeal an order of the commissioner setting benchmark rates. The bill exempts benchmark rate hearings from certain Government Code provisions governing agency administrative procedures and rule adoption.

The bill requires TAIPA to file rates with the Texas Department of Insurance for commissioner of insurance approval on an annual basis and requires the department to publish notice of those rate filings in the Texas Register. The bill requires the commissioner to provide all interested persons a reasonable opportunity to review, obtain copies of, and respond to filings and also requires the commissioner to schedule hearings at which interested persons may present comments on filings or amended filings. The bill allows a person aggrieved by a decision of the commissioner related to rates filed by the association to appeal the decision.

House Bill 2102 applies only to premium rates for an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2002.

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### **HOUSE BILL 2127**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Craddick

**SENATE SPONSOR:** Bivins

House Bill 2127 amends the Insurance Code to prohibit issuers of certain health benefit plans that provide benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness from refusing to enroll a person in the plan solely because the person is enrolled in another health benefit plan at the time the person applies for the coverage.

### **HOUSE BILL 2146**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum

**SENATE SPONSOR:** Bivins

House Bill 2146 adds provisions to the Insurance Code to require the issuer of a group health benefit plan to provide certain claims cost information for employees covered by the plan on the request of an employer. Claims cost information may be provided either in the aggregate or on a detailed basis but may not include information that allows identification of a specific employee or of a specific employee's diagnosis. The bill defines "group health benefit plan" to include a small employer health benefit plan in the definition and to identify who may offer a group health benefit plan. House Bill 2146 applies only to a plan that is delivered, issued for delivery, or renewed on or after January 1, 2002.

### **HOUSE BILL 2159**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson et al.

**SENATE SPONSOR:** Carona

House Bill 2159 amends the Insurance Code to grant the commissioner of insurance explicit rulemaking authority to adopt presumptive premium rates for credit life and credit accident and health life insurance, making the commissioner's adoption of such rates subject to rulemaking provisions of the Government Code and not subject to rebuttal under that code's contested case provisions. The bill requires the commissioner to set forth in an order adopting a presumptive rate findings and conclusions on all material issues presented at a hearing on the matter, and it provides that a person may file a petition for judicial review if aggrieved by any action of the commissioner in setting the presumptive rate. The bill requires an insurer to file a presumptive premium rate adopted by the commissioner unless the insurer has filed a different proposed rate with the commissioner. The bill also prohibits an insurer from using a rate that is more than 30 percent higher or lower than the presumptive rate, unless the insurer files the rate with the commissioner and the commissioner does not disapprove the rate within 60 days of its filing. The bill sets forth the circumstances that must prevail for a rate to be considered excessive or inadequate. House Bill 2159 provides that certain provisions of the Insurance Code related to duties of the State Office of Administrative Hearings, the commissioner, and rate setting provisions do not apply to a proceeding related to the adoption of a presumptive rate.

The bill also provides that minimum reserve requirements applicable to certain life, accident, and health insurance policies are met if, in aggregate, the reserves are maintained at 100 percent of the 1980 Commissioner's Standard Ordinary Mortality Table, with interest not to exceed 5.5 percent.

### **HOUSE BILL 2191**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Averitt

**SENATE SPONSOR:** Fraser

House Bill 2191 amends the Insurance Code to clarify eligibility criteria for coverage by the Texas Health Insurance Risk Pool for Texas residents based on certain residency criteria. The bill makes a person who is legally domiciled in the state eligible for coverage irrespective of the length of in-state residency if the person provides proof that (1) the person has had

health insurance coverage for the preceding 18 months, with no gap greater than 63 days, of which the most recent was through an employer-sponsored plan, a church plan, or a government plan, or (2) the person had coverage under another state's qualified insurance portability and accountability program that was terminated because the person no longer is a resident of that state. A person who has been legally domiciled in Texas for at least 30 days and who has been a permanent U.S. resident for at least three continuous years is eligible for risk pool coverage in the same manner as U.S. citizens who have been Texas residents for the minimum 30 days if the person's lack of other coverage is for any of the same reasons that make a U.S. citizen eligible. The bill clarifies certain disqualifications from coverage to make a person ineligible if the person has had prior coverage with the pool terminated during the preceding 12 months for nonpayment or has had prior coverage terminated for fraud. The bill also requires coverage of a person who ceases to meet eligibility requirements to be terminated on the earlier of two certain dates following a determination of ineligibility, and it gives the pool the sole discretion to make such determination.

The bill prohibits an insurer, agent, third party administrator, or other person licensed under the Insurance Code from arranging or assisting in an application for pool coverage for purposes of separating the person from health benefits otherwise available. The bill establishes that the due date for an assessment imposed against an insurer by the board of directors of the pool is a date specified by the board but may not be earlier than the 30th day after the day the board notifies the insurer and specifies the interest accrual rate on an unpaid amount. The bill allows an insurer to petition the commissioner of insurance for an abatement or deferment of all or part of an assessment, allows the commissioner to grant an abatement or deferral on a finding that payment would jeopardize the insurer's fulfillment of contractual obligations, and provides that if an abatement or deferment is approved, the amount is assessed against the other insurers in a manner consistent with the basis for computing the original assessment. The bill provides that an insurer receiving an abatement or deferment remains liable to the pool for the deficiency.

**HOUSE BILL 2382**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson et al.  
**SENATE SPONSOR:** Wentworth

House Bill 2382 amends the Insurance Code to prohibit a health benefit plan that provides benefits for prescription drugs or devices from excluding or limiting benefits to enrollees for a prescription contraceptive drug or device or an outpatient contraceptive service, or from imposing a cost-sharing provision or waiting period for prescription contraceptive drugs or devices or outpatient contraceptive services unless the amount of the cost-sharing provision or length of the waiting period does not exceed that provision or period applicable to other services or benefits under the plan. The bill prohibits the issuer of a health benefit plan from denying an applicant's eligibility or an enrollee's continued eligibility based on use or potential use of a contraceptive drug, device, or outpatient service; from providing monetary incentive to induce the applicant or enrollee to accept coverage that does not satisfy these requirements; and from penalizing a health care professional because the professional prescribes a contraceptive drug or device or provides an outpatient contraceptive service. House Bill 2382 applies to a health benefit plan delivered, issued, or renewed on or after January 1, 2002.



**HOUSE BILL 2415**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings et al.

**SENATE SPONSOR:** R. Ellis

House Bill 2415 requires the commissioner of insurance to conduct a study of the marketplace in the state for life insurance issued with a small face amount and to appoint an advisory committee to assist in conducting the study. The bill lists specific issues that the commissioner must address in conducting the study and allows the commissioner to consider any other matter the commissioner determines is appropriate.

**HOUSE BILL 2430**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Naishtat et al.

**SENATE SPONSOR:** Carona

House Bill 2430 amends the Insurance Code to establish a health benefit plan consumers assistance program in the office of public insurance counsel and allows the office to contract with a nonprofit organization to operate the program. The bill requires the program to assist consumers who desire to appeal an issuer's denial, termination, or reduction of health care services or an issuer's refusal to pay for such services; provide consumers information related to their rights and responsibilities under their health benefit plans; collect, analyze, and distribute data about inquiries, problems, and grievances handled by the program; and refer consumers as necessary to ensure an appropriate resolution to their concerns. The bill allows the program to operate a statewide clearinghouse for objective information about plan coverage, including options for obtaining coverage. The bill requires the issuer of a health benefit plan to include notice of the availability of the program in its enrollment materials and to provide information about the program to any person who makes a complaint about the plan. The program is subject to the Texas Sunset Act and is abolished September 1, 2005, unless continued in existence by the legislature. The bill repeals provisions related to a consumer health program for health maintenance organizations.

**HOUSE BILL 2482**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kitchen et al.

**SENATE SPONSOR:** Zaffirini

House Bill 2482 amends the Insurance Code to require the commissioner of insurance to adopt certain rules to stabilize long-term care insurance premium rates. The rules must (1) ensure that initial rates for long-term care insurance policy forms are adequate and that any rate schedule increases for such policies are justified, adequate, and reasonable relative to benefits provided to policyholders; (2) require any appropriate policy terms; (3) include penalty provisions for rules violations; and (4) protect policyholders affected by rate schedule increases. The rules must also be consistent with nationally recognized rate stabilization models existing on January 1, 2001, and contribute to uniformity of state laws.

**HOUSE BILL 2498**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Haggerty et al.

**SENATE SPONSOR:** Lucio

House Bill 2498 establishes an interim committee to study the provision of binational health benefit plan coverage. The seven-member committee consists of the commissioners of insurance and health and human services, two legislators appointed by the legislature's presiding officers, and three gubernatorial appointees representing health maintenance organizations, hospitals, and medical practitioners. The bill requires the interim committee to hold hearings in the border areas of the state to (1) determine the need for binational health benefit plan coverage; (2) assess border health care needs and how they can be served; and (3) assess the



affordability, cost-effectiveness, economic impact, and improved health status achievable through binational health benefit plan coverage. The bill requires the interim committee to issue a report of findings and recommendations not later than October 1, 2002.

**HOUSE BILL 2600**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Brimer et al.

**SENATE SPONSOR:** Duncan

House Bill 2600 amends numerous Labor Code provisions relating to the workers' compensation system in this state, changes the sunset date of the Texas Workers' Compensation Commission from September 1, 2007, to September 1, 2005, and subjects certain aspects of the commission's operation to audit by the state auditor.

The bill introduces a registration and certification system for a doctor to be included on the list of doctors approved to provide health care under the workers' compensation system, and it requires the commission to establish specific requirements and to issue certificates of registration to approved doctors. The bill sets forth additional circumstances under which a listed doctor may be deleted from and reinstated to the list as well as sanctions that may be imposed on a doctor for violations of workers' compensation laws. The bill authorizes the commission to contract with a health care provider professional review organization, and it requires the commission to employ or contract with a medical advisor to make recommendations, in conjunction with a medical quality review panel, regarding rules concerning medical policies, impairment ratings, and the performance of approved doctors.

The bill provides for the creation of fee-for-service regional health care delivery networks to deliver health care under the workers' compensation system, as well as an advisory committee consisting of representatives of labor, employers, insurance carriers, health care providers, and actuaries to advise the commission on the implementation of and standards for the networks. The bill calls for the development of a regional network report card to assess the networks' performance in areas including access to care, return-to-work and health-related outcomes, cost, and satisfaction. The cost of evaluating the regional networks will be funded through the subsequent injury fund and may not exceed \$1.5 million. The bill sets forth the circumstances under which an insurance carrier or self-insurer may elect to participate in a regional network, requires certain public employers to participate in a network, lays out detailed procedures relating to an employee's election to participate in a network, prohibits adverse employment actions against an employee who elects not to participate, and sets forth conditions for reimbursement for services delivered by both network and non-network health care providers. The bill allows insurance carriers to participate concurrently in an insurance carrier network and a regional network.

House Bill 2600 requires an employer to inform the employee, the employee's doctor, and the insurance carrier about return-to-work programs available through the employer, and it requires insurance carriers to provide employers with return-to-work coordination services.

The bill eliminates specific references to spinal surgery second opinion requirements, and it includes spinal surgery as a procedure requiring preauthorization, along with certain work-hardening or work-conditioning services, inpatient hospitalization, outpatient surgical services, and investigational or experimental services or devices. The bill specifically authorizes insurance carriers and health care providers to voluntarily discuss an employee's treatment.

The bill requires insurance carriers to pay for certain pharmaceutical services for the first seven days after an employee's injury, and it allows the carrier to be reimbursed from the subsequent injury fund if the injury is determined not to be compensable. The bill requires the

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commission to develop an open formulary that requires the use of generic medications and over-the-counter alternatives to prescription medications and requires a physician to order such alternatives when appropriate.

The bill alters the method for obtaining medical examinations for injured employees. Examinations ordered to resolve questions about appropriateness of health care will still be administered by a doctor selected by an insurance carrier, but examinations conducted to determine the impairment and attainment of maximum medical improvement or to resolve a dispute about an impairment rating are to be conducted by a qualified designated doctor on the commission's list. The bill also provides for distribution and confidentiality of medical records for such examinations and restricts communication with the doctor to avoid undue influence.

House Bill 2600 requires the commission to adopt the most current reimbursement methodologies, models, and values or weights used by the federal Health Care Financing Administration to achieve standardization in its health care reimbursement policies and guidelines. The bill specifically provides that it does not require the adoption of the Medicare fee schedule, but it requires the commission to determine appropriate fees using conversion factors that take into account economic indicators in health care and other existing guidelines. The bill makes the adoption of treatment guidelines by the commission optional rather than mandatory, but it requires any treatment guideline adopted to be nationally recognized, scientifically valid, and outcome-based. The bill authorizes an insurance carrier to contract with a separate entity to handle payments for medical services.

The bill entitles a claimant to review of a medical service for which the health care provider sought preauthorization and was denied by the insurance carrier, sets forth the roles of the commission and an independent review organization in resolving the dispute, and authorizes a party to such a dispute who has exhausted administrative remedies to seek judicial review of the decision.

The bill requires each health care practitioner or approved doctor to disclose any financial interests in other health care providers; allows for administrative penalties against insurance carriers or health care providers for repeated violations of applicable law, rules, orders, or decisions of the commission; requires the commission to adopt a schedule of specific monetary administrative penalties; and authorizes the commission to refer administrative violations to the appropriate licensing authorities for disciplinary action. Insurance carriers that seek judicial review of a commission decision relating to income or death benefits are made liable for all or part of a claimant's attorney's fees.

Finally, House Bill 2600 makes a number of changes relating to benefits of, funding for, and administration of the workers' compensation system, as follows:

- An employee who suffers certain severe burns is eligible for lifetime income benefits.
- If funding for the subsequent injury fund is not adequate, it is to be supplemented by a maintenance tax on insurance carriers adequate to provide 120 percent of the projected unfunded liabilities of the fund for the next biennium.
- Procedures for computing the average weekly wage of employees with multiple employment and school district employees are set forth for the purpose of determining income benefits and death benefits.
- An insurance carrier involved in a contested case hearing must provide the hearing officer and the claimant a document stating the carrier's true corporate name and the name and address of the agent for service of process and requires that information to be included in a final decision of an appeals panel.

- Saturdays, Sundays, and certain holidays are excluded from computations of appeal filing deadlines.
- The commission must deliver a study of drug-free workplace policies and the effect of drug abuse on the workers' compensation system no later than February 1, 2003.
- The State Office of Risk Management is required to establish a risk reward program for state agency workers' compensation claims.
- Certain peace officers are included under the state's workers' compensation system.
- Certain state employees are authorized to use accrued sick and vacation leave before receiving income benefits.
- The commission must use the treasury constant maturity rate for one-year treasury bills to compute its interest and discount rate.
- A waiver of a cause of action against an uninsured employer to recover damages for an employee's personal injuries or death is prohibited.

**HOUSE BILL 2811**  
**EFFECTIVE:** 6-1-03

**HOUSE AUTHOR:** Wolens  
**SENATE SPONSOR:** Cain

House Bill 2811, a continuation of the legislature's ongoing statutory revision program, contains nonsubstantive changes adding three titles to the Insurance Code, repealing various source laws from which the new code content is derived, and making other conforming amendments. The three titles relate to the organization of insurers and related entities, life insurance and annuities, and health insurance and other health coverages.

**HOUSE BILL 2828**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Smithee  
**SENATE SPONSOR:** Harris

House Bill 2828 amends the Texas Health Maintenance Organization Act to expand provisions that regulate delegation agreements between health maintenance organizations (HMOs) and certain delegated networks and to extend those provisions beyond their scheduled expiration date of September 2, 2001. The bill amends and adds definitions to distinguish among the delegated entities, including delegated networks, delegated third parties, and limited provider networks, and to clarify responsibilities regarding the functions delegated to each entity by the HMO. The bill requires written agreements to include additional provisions that allow the commissioner of insurance to examine any information relevant to a delegated entity's or a delegated third party's financial solvency or ability to meet the responsibilities delegated to it and that require any delegation of functions to a third party also to be in writing.

The bill requires the commissioner to determine the information that an HMO must provide to each delegated entity, and it requires an HMO to provide the commissioner with copies of all notices and requests submitted to a delegated entity regarding the entity's noncompliance with its delegation agreement or other deficiency, the delegated entity's responses, and any other documentation the HMO generates or receives regarding notices and requests. The bill allows the Texas Department of Insurance, either on notification from an HMO or on the filing of a complaint with the department, to examine the matter contained in the notice or complaint or any other matter relating to the entity's financial solvency or its ability to carry out any delegated function.

The bill expands the authority of the department and the commissioner to recommend or order remedial actions to ensure that an HMO or delegated entity meets its responsibilities, including ordering an HMO to reassume functions it delegated to another entity. The bill allows the commissioner to impose sanctions and penalties on an HMO for failure to provide

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certain timely information, and it requires an HMO to establish penalties in a contract for delegated entities that similarly fail to provide the HMO the timely information required under a monitoring plan.

The bill requires a delegated network to establish and maintain reserves that are adequate to meet its assumed liabilities and risks. The bill specifically requires reserves equal to either 80 percent of the entity's potential liabilities or two months of premiums, whichever is greater; specifies the form and manner in which reserves are to be secured and held; requires the network to establish an escrow account for payment of claims; and sets forth requirements for the deposit of reserves into escrow accounts and the distribution of funds released under certain circumstances.

The bill requires each contract between an HMO and a limited provider network or delegated network to include provisions to ensure continuity of care for certain enrollees when a physician or provider who is treating an enrollee is to be terminated from the network or delegated entity.

The bill also includes provisions requiring HMOs to provide enrollees additional, more explicit information regarding certain aspects of their coverage, and it includes other provisions requiring more explicit recordkeeping, documentation, reporting, and public dissemination of information regarding consumer complaints about limited provider networks and delegated entities.

**HOUSE BILL 2830**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Smithee  
**SENATE SPONSOR:** Sibley

House Bill 2830 amends the Insurance Code to declare a concern that the state not become a safe harbor for persons or insurers engaged in the unauthorized business of insurance, regardless of whether the insureds or other persons affected by the unauthorized business are residents of the state. The bill also establishes that certain acts by an unlicensed or unauthorized person or insurer that occur in the state and that affect a person in another state or jurisdiction constitute the business of insurance.

**HOUSE BILL 2831**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Smithee  
**SENATE SPONSOR:** Sibley

House Bill 2831 amends the Insurance Code to require a managed care entity to provide an out-of-network health care provider, upon request, with a written description of the factors considered by the entity in determining reimbursement that the provider may receive for goods or services provided to a person enrolled in or insured under the entity's managed care plan. The bill stipulates that the requirement to provide information about reimbursement criteria does not require the disclosure of proprietary information protected by a contract between the managed care entity and a vendor supplying data to the vendor, except that the vendor's name, methodology, or data sources are not subject to contractual protection from disclosure. The bill also requires an entity that denies a request to send a copy of the request to the Texas Department of Insurance for review.

**HOUSE BILL 3254**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings et al.  
**SENATE SPONSOR:** R. Ellis

House Bill 3254 amends the Insurance Code to waive the limitations period for disciplinary action against an insurer, agent, or licensee for a violation of the code or other insurance law if the violation involves an act of unfair discrimination in denying or limiting coverage or charging individuals different rates for the same coverage on the basis of race or color.

**HOUSE BILL 3343****EFFECTIVE:** See below**HOUSE AUTHOR:** Sadler et al.**SENATE SPONSOR:** Bivins

House Bill 3343 amends the Insurance Code to enact the Texas School Employees Uniform Group Health Coverage Act and amends related school finance provisions in the Education Code and Tax Code. The act's major provisions include the following:

Administration: The bill requires the Teacher Retirement System of Texas (TRS), as trustee, to implement and administer the uniform group coverage program and grants it the necessary rulemaking authority.

Coverage: The bill requires TRS's plans to include at least two tiers of group coverage—a catastrophic care coverage plan comparable to that provided under the TRS-Care 2 plan and a primary care plan comparable to coverage provided state employees by the Employees Retirement System of Texas.

Employer Participation: Effective September 1, 2002, participation is mandatory for school districts with 500 or fewer employees and regional education service centers (ESCs) and is optional for any district that had 501 but not more than 1,000 employees on January 1, 2001. Effective September 1, 2005, any district with more than 500 employees may elect to participate on application to TRS. These districts may be allowed to participate sooner if TRS determines that their participation is feasible and cost-effective. Certain districts that were members of a risk pool or were self-insured on January 1, 2001, may elect whether to participate. A charter school may participate if it agrees to an annual audit at its expense.

Employee Participation: Eligible members include all full-time and part-time employees of participating employers who are members of TRS. Part-time employees who are not TRS members may participate if they pay the full premiums and other cost of the coverage selected.

State Contribution: Each year the state will provide each participating district, charter school, and ESC a minimum of \$900 for each covered employee for the purchase of group coverage. Each district, charter school, and ESC employee other than a TRS retiree returning to work, whether participating in the uniform program or not, will receive an annual minimum supplement of \$1,000 for deposit in an employer's cafeteria plan. If the employee is not covered by a cafeteria plan, the employee must take the money as additional compensation.

Employer Contribution: School districts, charter schools, and ESCs must maintain their 2000-2001 per-employee health insurance expenditures. Those employers also must spend at least \$1,800 annually for each covered employee, and districts and charter schools may use state aid from the Foundation School Program to meet this minimum effort. A district that levies a maintenance and operation tax at the maximum rate of \$1.50 per \$100 valuation is entitled to state funds to make up the difference, if any, between the \$1,800 per-employee minimum effort and the amount it is required to spend to maintain its previous per-employee effort, but once the \$1,800 minimum is met, any excess may be spent on either additional benefits or increased compensation. The bill also provides a six-year stepped down hold-harmless provision for state fiscal years 2003 through 2008 for districts whose required maintenance of effort is less than the minimum effort.

Employee Contribution: Participating employees pay the portion of the cost of coverage selected by the employee that exceeds the total state and district contribution.

The bill amends school finance provisions in the Education Code and Tax Code as follows:

Minimum Salary Schedule: The bill excludes the increase in a district's state and local funds that is attributable to an increase in the guaranteed yield level from the calculation of the minimum monthly salary for teachers and other professional school staff.



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Equalized Wealth Level: The bill increases the cap on districts' per-pupil property wealth from \$295,000 to \$300,000 for the 2001-2002 school year. Effective September 1, 2002, the cap is raised to \$305,000.

Additional State Aid: A temporary provision provides additional discretionary funds, budgeted at no more than \$37 million for the biennium, to districts other than those whose taxable per-pupil wealth exceeds the equalized wealth level. Another provision entitles districts and charter schools participating in the uniform group coverage program to state aid in an amount needed to make up the difference between the districts' \$900 per-employee contribution toward group coverage and 75 percent of the districts' increased state funding resulting from increases in the equalized wealth level, the guaranteed yield level, or the other additional state aid above.

Tier II Guaranteed Yield: The bill raises the guaranteed level from \$24.99 to \$25.81 for the 2001-2002 school year. Effective September 1, 2002, the guaranteed level is raised to \$27.14. For the 2001-2002 school year, districts may use additional state aid from increases to the equalized wealth level and guaranteed yield in this bill for any purpose, including a nonrecurring expense or a debt service. Effective September 1, 2002, a school district is required to use either 75 percent of additional state aid from increases in the guaranteed yield, equalized wealth level, and Tier I funding or the \$900 per-employee state aid plus any state aid needed to make up the difference between the minimum effort and the required maintenance effort for health insurance.

Rollback Tax Rate: The bill amends the Tax Code to adjust the rollback tax rates for the tax years 2003 through 2008 for districts that must raise their tax rates to comply with the minimum effort required to provide group health care coverage for district employees.

**HOUSE BILL 3393**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Oliveira  
**SENATE SPONSOR:** Van de Putte

House Bill 3393 amends the Insurance Code to require the commissioner of insurance to adopt an informational sheet in Spanish to provide a general explanation of the terms most commonly used in the state's personal automobile insurance policy. The bill requires the sheet to include a prominently printed disclaimer, stating that it is for informational purposes only and not intended either to alter or replace the policy or to set out the rights and obligations of the consumer or the insurance company. The bill also requires that the information be made available to the public not later than January 1, 2002.

**HOUSE BILL 3630**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Thompson  
**SENATE SPONSOR:** Lucio

House Bill 3630 amends the Insurance Code to remove a multiple employer welfare arrangement from the categories of insurers subject to an assessment for the Texas Health Insurance Risk Pool.

**SENATE BILL 8**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Cain et al.  
**HOUSE SPONSOR:** Farabee

Senate Bill 8 amends the Insurance Code to establish the Omnibus Women's Equal Health Care Act. The bill requires a health benefit plan to reimburse a physician or provider for reproductive health and oncology services provided to women an amount not less than the annual average compensation per hour or unit as would be paid in the service area for providing the same or similar health services to men or to the general population. The bill also provides



for the imposition of sanctions and administrative penalties by the commissioner of insurance as well as for judicial review of such actions on appeal by a person affected by an action of the commissioner.

Senate Bill 8 applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2002, and it requires the Texas Board of Health, the Texas Board of Human Services, and the Texas Department of Insurance to repeal any rules contrary to the bill and to adopt necessary rules by November 30, 2001.

**SENATE BILL 115**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla et al.

**HOUSE SPONSOR:** Hawley et al.

Senate Bill 115 amends the Health and Safety Code to establish the Rural Foundation as a nonprofit corporation under the Center for Rural Health Initiatives, in order to raise money to finance health programs in the rural areas of the state. The bill provides guidelines for the structure of the foundation and requires it to provide the center with an itemized report on the foundation's income, expenditures, and activities after each fiscal year. The bill also requires the center to obtain information from each county about indigent health care provided in the county and information from each university, medical school, rural community, or rural health care provider that has performed a study relating to rural health care during the biennium, and to include the information in the center's report to the legislature.

**SENATE BILL 327**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** Thompson

Senate Bill 327 amends the Insurance Code to permit the installation, servicing, and testing of unlabeled fire extinguishers. The bill requires the commissioner of insurance to adopt rules by January 1, 2002, to permit the servicing of unlabeled portable fire extinguishers.

**SENATE BILL 414**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Eiland et al.

Senate Bill 414 amends the Insurance Code to simplify and reform the regulation of insurance agents by consolidating the types of licenses required for insurance agents to promote interstate uniformity in the licensing, examination, continuing education, and disciplinary requirements, and it enacts the Texas Life, Accident, and Health Agents License Act and the Texas Property and Casualty Agents License Act.

Senate Bill 414 establishes examination requirements for an applicant to obtain an insurance agent license, provides for a license to be valid for two years, and extends from 90 days to one year the period in which an agent may renew an expired license without submitting to reexamination. The bill gives the Texas Department of Insurance exclusive jurisdiction for all matters related to continuing education for licensed agents, and, with some exceptions, it requires each individual who holds a license to complete a specified number of continuing education hours annually. The bill allows the commissioner of insurance to appoint an advisory council to provide information and assistance in the conduct of the continuing education program.

Senate Bill 414 allows the department to issue a nonrenewable temporary agent's license, valid for 90 days, to an applicant who is being considered for appointment as an agent by another license holder, an insurer, or a health maintenance organization and who intends to apply for a license; the temporary license is valid only for certain limited purposes. The bill specifies instances in which the department is required to license a nonresident agent and modifies requirements.

**SENATE BILL 415**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona et al.

**HOUSE SPONSOR:** Naishtat et al.

Senate Bill 415 amends the Insurance Code to include a for-profit nursing home as a health care provider eligible to obtain coverage from the Texas Medical Liability Insurance Underwriting Association and makes certain insurance underwriting provisions for for-profit nursing homes subject to certain statutory requirements to the same extent as not-for-profit nursing homes. The bill requires the commissioner of insurance to adopt minimum rating standards for for-profit nursing homes before such homes may obtain coverage through the association. The bill allows the commissioner to order the initiation or continuation of a stabilization reserve fund charge for physicians or a particular category of health care provider if in any fiscal year the losses and certain expenses from physicians or that provider category has resulted in a net underwriting loss in excess of 25 percent of the fund. The bill prohibits a policy of medical liability insurance issued to or renewed for a physician or health care provider by the association from including coverage for punitive damages assessed against the physician or provider. The bill removes certain community health centers from the definition of "health care provider" for purposes of coverage from the association.

**SENATE BILL 466**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Eiland

Senate Bill 466 amends the Insurance Code to allow the commissioner of insurance to issue a specialty insurance agent license to a retail vendor of telecommunications equipment for the limited purpose of allowing the vendor to act as an agent for any authorized insurer in connection with the sale and use of telecommunications equipment. The bill provides that insurance may not be issued by a retail vendor unless brochures or other written materials containing certain disclosures are prominently displayed and readily available to the prospective purchaser of the insurance coverage.

**SENATE BILL 496**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Wise

Senate Bill 496 requires the Texas Department of Insurance and the Texas Department of Health to study the provision of health benefit plan coverage to residents of another nation. The bill authorizes the commissioner of insurance and the Texas Board of Health to appoint an advisory committee to assist in conducting the study. The bill requires the departments to issue not later than November 1, 2002, a joint report describing their recommendations and proposals for legislation.

**SENATE BILL 544**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Smithee

Senate Bill 544 amends the Texas Health Maintenance Organization Act to require that the basic health care services provided under an evidence of coverage include periodic health evaluations for each adult enrollee, including a health risk assessment at least once every three years and, for a female enrollee, an annual well-woman examination. The bill requires the commissioner of insurance to require a health maintenance organization (HMO) to verify that a physician's license and any other certificate the physician is required to hold is valid as of the date of initial credentialing and on the date of each recredentialing. The bill requires an HMO that conducts a site visit for the purpose of initial credentialing to evaluate certain aspects of the site.

Senate Bill 544 amends the Insurance Code to require the commissioner to adopt a standardized form for the verification of the credentials of a physician and to mandate its use by public or private hospitals, HMOs, and preferred provider organizations.

The bill requires the Texas State Board of Medical Examiners to study the establishment of a program for standardized credentials verification through the use of a credentialing information system and to report on its recommendations to the governor, the lieutenant governor, and the speaker of the house of representatives not later than January 1, 2003.

Provisions of Senate Bill 544 relating to the mandatory coverage for periodic health evaluations apply only to an evidence of coverage that is delivered, issued for delivery, or renewed on or after January 1, 2002.

**SENATE BILL 601**

**EFFECTIVE:** 5-28-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Solis

Senate Bill 601 amends the Insurance Code to provide for the creation of certified capital companies funded by insurance companies to invest venture capital in qualified small, new, Texas businesses, including startups, and to authorize premium tax credits for insurance company investment in the certified capital companies. The bill requires the comptroller to administer provisions for certification and review, establish an application procedure, and impose penalties for violations. The bill requires certain percentages of qualified investments to be placed in small early stage businesses and businesses in certain areas of the state designated as strategic investment areas for a company to be recertified. The bill requires each certified capital company to report annually to the comptroller on its investments and its year-end capital balance, to submit an audited financial statement, and to pay a renewal fee. The bill provides an insurer who makes an investment of certified capital with vested credit against the state premium tax equal to 100 percent of the investment, with certain limitations, a \$20 million annual limit and a \$200 million overall limit on the total amount of certified capital for which tax credits may be allowed for all years in which they are allowed. The bill provides for the recapture of tax credits in certain situations if a company is decertified, and it allows a company to agree to indemnify or purchase insurance for the benefit of an insurance company investing in it for losses resulting from the recapture of credits. The bill requires the comptroller to allocate the total amount of credits allowed to insurance company investors on a pro rata basis if the total of premium tax credits claimed by all insurance companies exceeds the total limits.

Senate Bill 601 requires the comptroller to begin accepting applications for certification as a certified capital company on November 1, 2001. The bill requires a certified capital company to file a tax credit allocation claim with the comptroller by February 15, 2002, and prohibits an investor from making an investment with a company until that date. The bill requires the comptroller to notify each company of the amount of credit allocated to each certified investor by March 1, 2002. The bill requires the Texas Department of Economic Development to promote the program in the Texas Business and Community Economic Development Clearinghouse. The bill requires the comptroller to prepare a biennial report relating to implementation of the program and to file it with the governor, the lieutenant governor, and the speaker of the house of representatives not later than December 15 of each even-numbered year.

**SENATE BILL 605**  
**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Sibley  
**HOUSE SPONSOR:** Smithee

The Insurance Code requires a person who acquires a voting security of a domestic insurer that would give the person control of a domestic insurer, or a person who otherwise acquires or has control over a domestic insurer, to have filed with the commissioner of insurance a statement that has been approved. Senate Bill 605 amends the code to require the statement to be filed not later than the 60th day before the proposed acquisition or change of control. The bill requires the commissioner to approve or deny permission requested by a statement within 60 days from the date the statement was filed, unless waived by the person filing the statement and the insurers, and it requires the commissioner to hold a public hearing on a denial at the request of the person filing the statement or the domestic insurer. The bill requires a public hearing on the denial to be held not later than 60 days after the date of the denial. The bill also deletes a provision that allows a submitted or resubmitted statement to be placed on the commissioner's contested case docket to hear certain pre-hearing matters and motions.

**SENATE BILL 693**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio et al.  
**HOUSE SPONSOR:** Gutierrez et al.

Senate Bill 693 amends the Insurance Code to authorize the commissioner of insurance to establish a program to provide for the sale of short-term liability insurance to non-Texas resident motorists visiting the state. The bill allows the commissioner to negotiate agreements with insurers who will sell the policies. The bill requires a license to sell the policy as well as the use of specific policy forms unless the insurer is exempted from using them.

**SENATE BILL 712**  
**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Sibley  
**HOUSE SPONSOR:** Averitt et al.

Senate Bill 712 amends the Insurance Code to require each entity engaged in the business of insurance and regulated by the state to comply with federal regulations that restrict the direct or indirect disclosure of consumers' nonpublic personal information by financial institutions and by nonaffiliated third parties that receive such information from those institutions. The bill requires the commissioner of insurance to adopt rules to carry out those federal regulations and make the state eligible to override the insurance customer protection regulations prescribed by the Federal Deposit Insurance Corporation, and it requires the Texas Department of Insurance to implement federally required standards for the enforcement of these provisions. The bill also requires the department to enforce federal regulations, and it allows the attorney general, after conferring with the commissioner, to institute certain actions for injunctive or declaratory relief or civil penalties for violations of regulations.

**SENATE BILL 875**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** West  
**HOUSE SPONSOR:** Raymond et al.

Senate Bill 875 amends the Government Code to require the Health and Human Services Commission, health and human services agencies, and the office of the attorney general to periodically examine commission and agency policies and procedures to determine whether they deter or encourage participation of fathers in programs and services relating to children. The bill requires the modification of policies and procedures to permit full participation of fathers in those programs and services.

**SENATE BILL 990**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Sibley  
**HOUSE SPONSOR:** Smithee

Senate Bill 990 amends the Health Insurance Portability and Availability Act to add that an individual's coverage provided under short-term limited duration coverage is creditable against a preexisting condition provision period. The bill adds that an individual or group plan that is a federally regulated employee welfare benefit plan and that provides health care benefits to two or more eligible employees is subject to provisions governing large or small employer health benefit plans. The bill removes provisions that allowed governmental entities that met certain criteria to elect to be treated as either large or small employers and adds that an individual eligible for enrollment who requests enrollment in a large or small employer health benefit plan after the initial enrollment period's expiration is not a late enrollee if the individual is a child of a covered employee who has lost Medicaid coverage under Title XIX of the federal Social Security Act or coverage under the state's children's health insurance program.

**SENATE BILL 994**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Sibley  
**HOUSE SPONSOR:** Smithee

Previous law required insurers to provide loss control information to policyholders as a prerequisite for a "license to write" certain types of insurance. Senate Bill 994 amends the Insurance Code and Labor Code to require insurers to provide that information as a prerequisite for "writing" the insurance.

**SENATE BILL 1181**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh  
**HOUSE SPONSOR:** Eiland

Senate Bill 1181 amends the Insurance Code to require the issuer of a health benefit plan, at the request of an insured or enrollee, to provide to the requestor the name or employee identifier, mailing address, business city and state location, and job title of an employee of the issuer who is available to respond to communications and questions from the insured or enrollee relating to coverage and benefits provided by the health benefit plan.

**SENATE BILL 1394**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Fraser et al.  
**HOUSE SPONSOR:** Hawley

Senate Bill 1394 amends the Insurance Code to allow the statewide rural health care system to sponsor as well as provide and arrange for health care services for programs in rural areas that are not subject either to certain laws requiring coverage or the offer of coverage by a particular health care provider or to certain uninsured or indigent care initiatives. The bill requires 12 of the system's board of directors to be appointed in accordance with its bylaws rather than by the governor. The bill adds that the board may contract for management and support services as well as for administrative services. The bill allows the commissioner of health and human services to use the system for a voluntary pilot or demonstration program that evaluates the use of an insured model for beneficiaries of a medical assistance program in a rural area not included in an existing Medicaid managed care pilot program and that incorporates prevention and disease management principles or study of the use of promotoras.

Senate Bill 1394 modifies the goals of the system to include an emphasis on disease management as a significant attribute of a successful health care organization.

## Insurance

**SENATE BILL 1467**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Moncrief et al.  
**HOUSE SPONSOR:** Rangel

Senate Bill 1467 amends the Insurance Code to require a health benefit plan that provides benefits for screening medical procedures to provide coverage for each person enrolled in the plan who is at least 50 years of age and at normal risk for developing colon cancer for expenses incurred in conducting a screening examination for the detection of colorectal cancer. The bill requires each health benefit plan to provide written notice regarding this coverage to each enrollee.

**SENATE BILL 1707**  
**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Thompson

Senate Bill 1707 amends the Insurance Code to allow the commissioner of insurance to adopt rules allowing a title insurance company to accept an existing real property survey when providing area and boundary coverage if the company is willing to accept evidence of the existing survey, and an affidavit verifying the existing survey, regardless of when or for whom the survey was prepared. The bill prohibits a title insurance company from discriminating in providing area and boundary coverage in connection with residential real property solely because the property is platted or unplatted or a municipality did not accept a subdivision plat in relation to the property before September 1, 1975. The bill also prohibits a title insurance company from requiring an indemnity from a seller, borrower, or lender to provide area and boundary coverage.



## LABOR AND EMPLOYMENT

**HOUSE BILL 218**

**EFFECTIVE:** 9-1-01

House Bill 218 amends the Government Code to require that the membership of a local workforce development board include at least one veteran.

**HOUSE AUTHOR:** Wise et al.

**SENATE SPONSOR:** Van de Putte

**HOUSE BILL 476**

**EFFECTIVE:** 9-1-01

House Bill 476 amends the Labor Code to require the Texas Workforce Commission to develop a job placement incentive program to encourage the placement of recipients of Temporary Assistance for Needy Families (TANF) in higher-wage jobs. The program is to be administered by the commission through local workforce development boards, which will provide monetary incentives to employment services contractors. The money must be used by the contractor to pay for education, training, and support services related to preparing, placing, and maintaining TANF recipients in jobs that allow them to attain self-sufficiency. The bill requires the commission, in developing guidelines for the program, to define measures for higher-wage jobs based on locally appropriate wage indicators, and to consider local economic conditions and the challenges facing former TANF recipients in obtaining additional education and training after becoming employed. The commission is also required to encourage local workforce boards to provide postemployment case management services to recipients participating in employment programs who have relatively high barriers to employment.

**HOUSE AUTHOR:** Naishtat et al.

**SENATE SPONSOR:** Zaffirini

**HOUSE BILL 533**

**EFFECTIVE:** 9-1-01

House Bill 533 amends the Labor Code to require an employer, except in certain circumstances, to pay each employee the federal minimum wage under the federal Fair Labor Standards Act of 1938.

**HOUSE AUTHOR:** Thompson et al.

**SENATE SPONSOR:** Sibley

**HOUSE BILL 567**

**EFFECTIVE:** 9-1-01

House Bill 567 amends the Labor Code to modify the procedure for computing the maximum and minimum weekly unemployment benefit amount. The maximum weekly benefit is 47.6 percent and the minimum is 7.6 percent of the average weekly wage in covered employment in this state. The bill requires the Texas Workforce Commission to determine the average weekly wage in covered employment and to compute the maximum and minimum weekly benefit amounts not later than October 1 of each year based on the annual average weekly wage for the preceding year. The bill deletes provisions that set the maximum and minimum benefits at fixed dollar amounts and that calculated benefits using a fixed base year and the average weekly wage of manufacturing production workers.

**HOUSE AUTHOR:** Deshotel et al.

**SENATE SPONSOR:** Van de Putte

## Labor and Employment

### **HOUSE BILL 694**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Yarbrough

**SENATE SPONSOR:** Van de Putte

House Bill 694 amends the Labor Code to provide that work performed by a person who is blind and is working for a sheltered workshop operated by a charitable organization after having completed training is included in the definition of “employment” under the Texas Unemployment Compensation Act and thus is eligible for unemployment benefits based on the compensation received for that employment.

### **HOUSE BILL 935**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis

**SENATE SPONSOR:** Jackson

House Bill 935 amends the Labor Code to require the Texas Workforce Commission to develop and implement a flexibility rating system for directives it sends to local workforce development boards. Under the system, each directive is assigned a rating that indicates the degree of flexibility a local board has in implementing the directive. The bill also requires the commission to provide each board with an explanation of the ratings assigned under the system.

### **HOUSE BILL 1103**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Yarbrough

**SENATE SPONSOR:** Carona

House Bill 1103 amends the Labor Code to specify that the Texas Workforce Commission may bring an action under the enforcement provisions of the Texas Unemployment Compensation Act against a successor employer for the collection of a contribution, a penalty, or interest incurred by a predecessor employer. The bill also clarifies and updates certain provisions relating to classification, final assessments for past due contributions, and actions that suspend limitations periods.

### **HOUSE BILL 1109**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goolsby et al.

**SENATE SPONSOR:** Carona

House Bill 1109 amends the Labor Code to authorize certain employers of domestic service workers to elect to report quarterly wages and pay unemployment tax contributions to the Texas Workforce Commission annually. The bill establishes deadlines for an employer to make the election and for the reporting and payment of the contributions, and it includes provisions for the computation of the contribution rate, the benefit ratio, the computation date for the tax rate, and penalties and interest for such an employer.

### **HOUSE BILL 1243**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Villarreal et al.

**SENATE SPONSOR:** Van de Putte

House Bill 1243 amends the Labor Code to require the division of workforce development of the Texas Workforce Commission, in cooperation with the Texas Department of Human Services, to develop and implement a system to monitor the long-term employment history of former recipients of employment assistance. For each former recipient, the system must establish a baseline earnings measure, track wage and employment outcomes for up to three years, provide information regarding household composition and earnings and additional training or education, and compare earnings to the federal poverty level and to the self-sufficiency standard. The bill requires the commission to report information developed under the system to the legislature not later than January 1 of each odd-numbered year.

**HOUSE BILL 1757**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gutierrez

**SENATE SPONSOR:** Lucio

House Bill 1757 amends the Labor Code to set the employer contribution rate under the Texas Unemployment Compensation Act for employers engaged in crop preparation services for market and for cotton ginning employers at whichever is the lowest of the following rates: (1) a flat rate of five and four-tenths percent; (2) the general tax rate applicable to such an employer, with the deficit tax rate and replenishment tax rate; or (3) any other tax rate applicable to that employer. The bill also eliminates a rate election provision that previously gave cotton ginning employers the option of choosing which rate to pay and the attendant requirement for each such employer to notify the commission of the rate at which it had elected to pay contributions.

**HOUSE BILL 2029**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Yarbrough et al.

**SENATE SPONSOR:** Shapleigh

House Bill 2029 amends the Labor Code to apply the provisions of the Texas Unemployment Compensation Act to employment by an Indian tribe in compliance with federal law. The bill requires a tribe to pay contributions under the same terms and conditions as other employers subject to the act. The bill also sets forth the circumstances under which a tribe may elect to make reimbursement for benefits instead of contributions in the same manner and subject to the same conditions as the state or a political subdivision of the state. The bill requires that extended benefit payments not reimbursed by the federal government be charged to a tribe and provides for enforcement of the act against a tribe.

**HOUSE BILL 2327**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solis

**SENATE SPONSOR:** Van de Putte

House Bill 2327 amends the Labor Code to require the division of workforce development of the Texas Workforce Commission to include training relating to the collection and analysis of data in the commission's reporting and information system for performance reports in the training programs it provides to local workforce development board members and employees. The bill also requires board members and employees to participate in a certain number of outreach activities provided by the commission to become more proficient in the administration and operation of local workforce development activities. The bill requires the commission to adopt a plan to be used by the boards in the implementation of the sanction process and a plan to address the lack of service providers in specific local workforce development areas. The bill requires the commission to collaborate with the boards on the use of funds at the local level and to develop funding guidelines and strategies allowing boards to exercise flexibility in identifying and addressing the needs of persons who live in remote areas or who face other barriers to employment. Finally, the bill requires the commission to evaluate and, if necessary, adjust the use of its employees to provide more assistance to local boards and, in cooperation with the Legislative Budget Board, to review and, if necessary, adjust performance measurements for the boards.

**HOUSE BILL 2593**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chavez et al.

**SENATE SPONSOR:** Shapleigh

House Bill 2593 amends the Labor Code to authorize the Texas Workforce Commission to establish and implement a pilot program to provide adult technology training for Texas residents who are first-generation citizens of the United States or who are workers displaced as a result

## Labor and Employment

of changes in the state's economy. The program may provide training in an urban community, a rural community, and a border community. The bill authorizes the commission to obtain funds from the telecommunications infrastructure fund, the federal government, and private corporate partners and to submit an annual report to the governor and the legislature on the status and result of the program. These provisions expire September 1, 2005.

### **HOUSE BILL 2786**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Noriega

**SENATE SPONSOR:** Van de Putte

House Bill 2786 amends the Labor Code to require the division of workforce development of the Texas Workforce Commission to coordinate the implementation of the Texas National Guard's youth About Face programs through local workforce development boards. The bill amends the Government Code to require each career development center established by a local workforce development board, in cooperation with the Texas National Guard, to implement About Face programs by acting as fiscal agent for activities under the programs, referring eligible individuals to the Texas National Guard for participation in the programs, and processing required reports.

### **HOUSE BILL 2976**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dukes

**SENATE SPONSOR:** Fraser

House Bill 2976 amends the Labor Code to require the State Office of Risk Management to develop an allocation program for payment of workers' compensation claims and risk management services incurred by state agencies. The formula for the allocations of costs among covered agencies is to be based on the agencies' respective workers' compensation claims experience, workforce size, payroll, related costs in administering claims, and other relevant factors.

### **HOUSE BILL 3458**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Brimer

**SENATE SPONSOR:** Duncan

House Bill 3458 amends the Insurance Code to convert the Texas Workers' Compensation Insurance Fund to a domestic mutual insurance company operating as the Texas Mutual Insurance Company. The bill provides that the company may not be dissolved and that four of the nine members of the board of directors are to be elected by the company's policyholders rather than being appointed by the governor. The bill provides for the filling of vacancies in the elected board member positions and for removal of elected members as provided by the company's bylaws, makes minor changes to provisions relating to board member qualifications, and authorizes members to receive fees commensurate with industry standards for service on the board in addition to actual and necessary expenses incurred performing board duties. The bill requires the board to maintain the company's principal office in Travis County, rather than restricting its location to Austin; grants the board of directors the necessary powers to operate the company and to function in all aspects as the governing body of a domestic mutual insurance company; and changes the month of expiration of the board members' terms from February to July. The bill deletes obsolete provisions relating to the operation of the fund and specifically provides that the company is not a state agency, that all revenues and assets of the company belong solely to the company, and that the state has no liability to or responsibility to policyholders, benefit recipients, or creditors of the company if the company is placed in conservatorship or receivership or becomes insolvent. Finally, the bill makes conforming amendments to the Insurance Code and the Labor Code.

**SENATE BILL 453**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Brimer

Senate Bill 453 amends the Labor Code to allow employees of the Texas Department of Transportation to use accrued annual and sick leave before receiving workers' compensation income benefits. If an employee elects to use accrued leave, he or she may not receive income benefits until all sick leave or a specific number of weeks of annual leave (chosen by the employee) is exhausted.

**SENATE BILL 1293**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Solis

Senate Bill 1293 amends the Human Resources Code to require Head Start and Early Head Start program providers to coordinate with the Texas Workforce Commission and local workforce development boards to ensure that full-day, full-year child-care services are available to low-income parents who are working or participating in workforce training or education. The bill sets forth a variety of activities that may be included in that coordination.

**SENATE BILL 1294**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Solis

Senate Bill 1294 amends the Labor Code to require the Texas Workforce Commission to establish the Teacher Education and Compensation Helps (T.E.A.C.H.) pilot program to assist certain teachers in retaining employment in the field of child care. To be eligible to participate in the pilot program, a teacher must be employed in a child-care program that has an agreement with a local workforce development board to serve families receiving subsidized child care. The bill requires the commission to operate the program in at least three locations, including an urban community, a rural community, and a border community. The program must coordinate between the commission and local workforce development boards; obtain support from public and private sources, including participating employers; participate in the program's evaluation; and address scholarships, education, compensation, and retention for child-care teachers. The bill requires the commission to submit an annual report on the program's status and results to the governor and the legislature. The pilot program expires September 1, 2005.





## LAW ENFORCEMENT AND PUBLIC SAFETY

### **HOUSE BILL 63**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wolens et al.

**SENATE SPONSOR:** Zaffirini

House Bill 63 amends the Transportation Code to require a peace officer who arrests a person for certain intoxication offenses, or if a person refuses to submit a blood or breath specimen, to take possession of the person's driver's license, including a commercial license, and to issue a temporary driving permit to the person. If the arrested person was driving a commercial motor vehicle, the temporary driving permit is not effective until 24 hours after the time of arrest. The bill establishes that a temporary driving permit expires on the 41st day after its issuance and requires the Department of Public Safety to notify the person of the effect of the suspension before the expiration of any temporary driving permit.

The bill increases the length of time a person's driver's license is suspended and bases the suspension on the person's driving record over the previous 10 years, rather than the previous 5 years. It also increases the length of time a person's driver's license is suspended for refusing to submit a specimen. If a person submits a specimen and an analysis shows an illegal alcohol level, the bill increases the length of suspension from 60 to 90 days, whether or not the person is subsequently prosecuted as a result of the arrest. The bill provides that the provisions relating to the suspension of a driver's license for refusing to submit a specimen apply to a person who is arrested for certain intoxication offenses involving the operation of a watercraft. The bill deletes provisions relating to a shorter suspension time for a person younger than 21 years of age and increases from \$100 to \$125 the fee to reinstate a suspended driver's license.

### **HOUSE BILL 195**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Najera

**SENATE SPONSOR:** Duncan

House Bill 195 amends the Government Code to require a law enforcement agency that investigates an offense concerning certain property offenses against an elderly individual to report the investigation to the Department of Public Safety. The bill requires the department to analyze the information received and any other corresponding information in order to identify the offender or victim of the offense, and to make the analysis available to certain local law enforcement agencies, political subdivisions, or state agencies.

### **HOUSE BILL 335**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** G. West

**SENATE SPONSOR:** Armbrister

House Bill 335 amends the Government Code to authorize the Public Safety Commission to establish a support staff in the Department of Public Safety, use department property, and enter into a contract to assist the Department of Public Safety Historical Museum and Research Center. The bill establishes the Department of Public Safety Historical Museum and Research Center account, composed of gifts, grants, and donations from public and private sources to support the purposes of the museum, as a special account outside the state treasury to be held at the Department of Public Safety Credit Union and to be administered by the commission.

### **HOUSE BILL 780**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uher et al.

**SENATE SPONSOR:** Armbrister

House Bill 780 amends the Government Code to expand the definition of an "honorably retired" peace officer in relation to a license to carry a concealed handgun.

**HOUSE BILL 805**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** J. E. Brown

House Bill 805 amends the Government Code to increase from 10 to 20 percent the amount of money certain crime stoppers organizations may use to pay costs incurred in administering the organization.

**HOUSE BILL 815**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Bailey et al.

**SENATE SPONSOR:** Whitmire

House Bill 815 amends the Government Code and Occupations Code to require the Commission on Law Enforcement Officer Standards and Education, on request of the next of kin following the death of a peace officer or former peace officer from whatever cause, to provide a state flag at no cost and notify the governor's office of the death. It provides that the governor is also to send the next of kin a certificate expressing condolences and gratitude for the services of the deceased. Other provisions require the Texas Department of Criminal Justice to sell state flags to the commission at cost, and require a funeral director who prepares a peace officer for burial or other disposition to make every effort to notify the next of kin of eligibility for a flag.

A Health and Safety Code amendment relating to vital statistics records requires the Texas Department of Health (TDH) to include on its death registration form a question as to whether the deceased was ever a Texas peace officer. The bill allows TDH to postpone implementation of that change until the next time that it otherwise requires a revision to the form.

**HOUSE BILL 940**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Haggerty

**SENATE SPONSOR:** R. West

House Bill 940 amends the Occupations Code to make it a Class A misdemeanor offense for a person to impersonate a commissioned or noncommissioned security officer or to knowingly exercise any function that requires registration as a noncommissioned security officer or a security officer commission.

**HOUSE BILL 1121**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** B. Turner

**SENATE SPONSOR:** R. West

House Bill 1121 amends the Occupations Code to prohibit a person from enrolling in a peace officer training program unless the person has received a high school diploma, has received a high school equivalency certificate and has completed at least 12 hours at an institution of higher learning, or has received an honorable discharge from the armed forces of the United States after at least 24 months of active duty service.

**HOUSE BILL 1680**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Bosse et al.

**SENATE SPONSOR:** Whitmire

House Bill 1680 amends the Occupations Code to expand the definition of "extra job coordinator" to include a peace officer who is employed full-time by a political subdivision of the state and to delete the reference to employment by a municipality.

**HOUSE BILL 1748**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Giddings et al.

**SENATE SPONSOR:** Barrientos

House Bill 1748 amends the Government Code to create an unsolved investigation team, commanded by the chief of the Texas Rangers, within the Department of Public Safety. On the request of an attorney representing the state and with the approval of the public safety director, the bill authorizes the unsolved crimes investigation team to assist local law enforcement in the investigation of crime.

**HOUSE BILL 2058**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** J. Moreno

**SENATE SPONSOR:** Shapiro

House Bill 2058 amends the Transportation Code to authorize a municipal police officer to enter a motor carrier's premises to inspect equipment or in a manner agreeable between the motor carrier and the law enforcement entity.

**HOUSE BILL 2585**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chavez et al.

**SENATE SPONSOR:** Shapleigh

House Bill 2585 amends the Transportation Code relating to motorcycle operator and passenger safety. The bill prohibits a peace officer from arresting a person or issuing a citation for a violation of the safety standards of the Department of Public Safety if the person required to wear protective headgear is at least 21 years of age and presents evidence that the person has successfully completed a motorcycle operator training and safety course or is covered by a health insurance plan.

The bill requires the comptroller to report to the governor and the legislature on the status of the motorcycle education fund account. The state agency designated to establish and administer the motorcycle operator training and safety program is required to maintain a compilation of reports containing certain information furnished by providers of motorcycle operator training and safety programs.

House Bill 2585 amends the Occupations Code to require the Commission on Law Enforcement Officer Standards and Education to provide as part of its curriculum requirements education and training programs relating to laws on the operation of motorcycles, the wearing of protective headgear by motorcycle operators and passengers, and motorcycle operator profiling awareness and sensitivity training.

**HOUSE BILL 2604**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McReynolds et al.

**SENATE SPONSOR:** Duncan

House Bill 2604 amends the Government Code and Insurance Code to create a rural volunteer fire department assistance program administered by the Texas Forest Service to assist with payments for equipment and training of personnel. The bill establishes a volunteer fire department assistance fund composed of assessments on policies for homeowner's insurance, fire insurance, farm and ranch owner's insurance, private and commercial automobile physical damage insurance policies, and the nonliability portion of commercial multiple peril policies. Insurers writing such policies pay every 12 months a portion of a total \$15 million assessment based on the ratio of their respective net direct premiums to the state aggregate for such net direct premiums. Insurance policy assessment provisions expire September 1, 2001. The bill requires the Texas Forest Service director to determine reasonable criteria and qualifications for the distribution of money from the fund and sets a seven percent limit on program

administrative costs. The director must report annually to the lieutenant governor, the speaker of the house of representatives, and the comptroller on the activity, status, and effectiveness of the fund.

**HOUSE BILL 2676**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Truitt

**SENATE SPONSOR:** Madla

House Bill 2676 amends the Family Code to provide that a multidisciplinary and multiagency domestic violence fatality review team may be established in a county with a population of one million or more to review domestic violence deaths and unexpected deaths in the county. The bill provides for the funding, membership, and duties of a review team. A review team's meetings are closed to the public, and the records and acquired information of a team are confidential.

**HOUSE BILL 2784**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Carter

**SENATE SPONSOR:** Staples

House Bill 2784 amends the Government Code to authorize the Department of Public Safety to maintain on its website statistics regarding law enforcement agencies' responses to incidents in which a person licensed to carry a concealed handgun is convicted of certain serious offenses. The bill requires those statistics to be drawn and reported annually on persons 21 years of age and older and to compare them to all like offenses committed in the state for the reporting period.

**HOUSE BILL 2881**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Keel

**SENATE SPONSOR:** Armbrister

House Bill 2881 amends the Occupations Code to require a peace officer to complete at least 40 hours of continuing education programs once every 24 months. The bill increases from every 24 months to every 48 months the time frame in which certain entities who appoint or employ peace officers are required by the Texas Commission on Law Enforcement Officer Standards and Education to provide a training program to peace officers. The bill also requires the commission to credit a peace officer with meeting the continuing education requirements if the person served as an elected member of the legislature during the relevant 24-month period. The bill also limits the number of hours of instruction that must be provided on certain topics from 40 hours to not more than 20 hours.

**HOUSE BILL 3312**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dunnam

**SENATE SPONSOR:** Moncrief

House Bill 3312 amends the Health and Safety Code to require the Texas Department of Health, with the assistance of the emergency medical services advisory council, to establish a pilot program to test the efficacy of using emergency medical dispatchers located in a regional emergency medical dispatch resource center to provide life-saving and other emergency medical instructions to persons who need guidance while awaiting the arrival of emergency medical personnel. The bill requires the Commission on State Emergency Communications to provide technical assistance to the department to facilitate the implementation of the pilot program.

The bill requires the department to determine which public safety answering points are interested in participating in the pilot program and to select one to serve as the regional resource center. The department and the advisory council are required to define criteria that establish the need for emergency medical dispatch intervention, and the department is authorized

to use the money in the 9-1-1 service fee fund or to seek grant funding to pay for the pilot program. The bill requires the department to report its findings on the evaluation of the pilot program to the presiding officer of each house of the legislature no later than December 1, 2002, and provides that the provisions of the bill expire September 1, 2003.

**HOUSE BILL 3491**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hinojosa

**SENATE SPONSOR:** Moncrief

House Bill 3491 amends the Occupations Code to require that the instruction for law enforcement officers and recruits include training on preventing dual arrests and determining who the predominant aggressor is in family violence situations.

**HOUSE BILL 3667**

**EFFECTIVE:** 10-1-01

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

House Bill 3667 amends the Government Code and Tax Code to create a rural volunteer fire department insurance program administered by the Texas Forest Service to assist with payments for workers' compensation insurance and accidental death and disability insurance. The bill establishes a rural volunteer fire department insurance fund composed of proceeds from a two percent tax on retail sales of fireworks. In order to qualify for funding, a volunteer fire department must be a participant in a firefighter certification program of the Texas Commission on Fire Protection or State Firemen's and Fire Marshals' Association of Texas. The bill requires the Texas Forest Service director to determine reasonable criteria and qualifications for the distribution of money from the fund, and it sets a seven percent limit on program administrative costs. A five-member advisory committee appointed by the director provides advice on program administration. The director must report annually to the lieutenant governor, the speaker of the house of representatives, and the comptroller on the activity, status, and effectiveness of the fund.

**SENATE BILL 199**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West et al.

**HOUSE SPONSOR:** Goodman

Senate Bill 199 amends the Penal Code, the Family Code, and the Code of Criminal Procedure to make it an offense for a person who is the subject of a protective order to possess a firearm. The bill provides that it is a Class A misdemeanor for a person who has been convicted of a family violence offense to possess a firearm before the fifth anniversary of the person's release from confinement or community supervision. The bill exempts a person who is a peace officer and is employed full time by a state agency or political subdivision from this prohibition. The bill also sets forth language which must appear in certain protective orders notifying the person who is the subject of the order of the firearm prohibitions.

**SENATE BILL 247**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Haggerty et al.

Senate Bill 247 amends the Government Code to add an exception to the open records law for information relating to the home address, home telephone number, or social security number of a commissioned security officer or identifying whether the officer has family members. Moreover, a security officer, peace officer, county jailer, or Texas Department of Criminal Justice employee may elect to make such information totally confidential without regard to the occurrence of an open records request and to have that confidentiality applied to any governmental body or bodies that hold the information. A confidentiality elective remains in effect until rescinded.



The Tax Code is amended to allow the same four classes of individuals to elect to restrict public access to the individual's home address information contained in appraisal records. Address information can be made public if it does not identify the individual, but otherwise is available for official use only by the appraisal district, the comptroller, the state, and taxing units and political subdivisions. The bill makes appraisal record address information for a family violence shelter center or sexual assault program confidential, except for official use.

**SENATE BILL 850**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Barrientos et al.

**HOUSE SPONSOR:** Tillery

Senate Bill 850 amends provisions of the Code of Criminal Procedure relating to the Crime Victims' Compensation Act to provide additional income payments to certain disabled peace officers. The bill establishes that a peace officer who, in the performance of the officer's duties, sustains an injury as a result of criminally injurious conduct that results in a total disability resulting in permanent incapacity is entitled to an annual payment subject to certain restrictions. Peace officers who are injured on or after September 1, 1989, would be eligible for the income benefit from the compensation to victims of crime fund. The bill provides that the total aggregate amount of all annual payments made under this provision may not exceed \$200,000.

**SENATE BILL 1074**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. West et al.

**HOUSE SPONSOR:** Thompson et al.

Senate Bill 1074 amends the Code of Criminal Procedure to define and prohibit racial profiling by certain peace officers. The bill requires each law enforcement agency in this state to adopt a written policy on racial profiling and sets forth specifications for the policy, including implementing a complaint process for persons who believe a peace officer has engaged in racial profiling. The bill requires a peace officer who stops a motor vehicle or a pedestrian to report certain information regarding the stop to the officer's law enforcement agency. If a person who believes that a peace officer engaged in racial profiling files a complaint, the officer must be provided with a copy of the audio and video recording on written request. A law enforcement agency must compile and analyze the information received from the officers and submit a report to the governing body of each county or municipality served by the agency. The bill exempts a police officer and a law enforcement agency from the reporting requirements if each law enforcement motor vehicle and motorcycle used to make motor vehicle and pedestrian stops is equipped with video camera and transmitter-activated equipment and each stop made by an officer is recorded by using the equipment, or if a law enforcement agency requests funds for audio and video equipment from the Department of Public Safety and is not provided with sufficient funding or equipment.

The bill amends the Education Code and the Occupations Code to require the Bill Blackwood Law Enforcement Management Institute of Texas and the Commission on Law Enforcement Officer Standards and Education to establish educational and training programs on racial profiling for certain law enforcement officers.



**SENATE BILL 1583**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Hinojosa

Senate Bill 1583 amends the Occupations Code to provide that reports or statements that are submitted to the Commission on Law Enforcement Officer Standards and Education relating to a law enforcement officer's employment records are not confidential if the officer resigned or was terminated due to substantiated incidents of excessive force or violations of the law, other than traffic offenses.

**SENATE BILL 1713**  
**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Van de Putte  
**HOUSE SPONSOR:** Garcia

Senate Bill 1713 amends the Penal Code to provide that a commissioned peace officer of another state or a special investigator may lawfully carry a weapon in this state and is exempt from the restrictions prohibiting the carrying of a weapon in certain places, including an establishment serving the public.



## NATURAL RESOURCES AND ENVIRONMENTAL REGULATION

### **HOUSE BILL 631**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** S. Turner

**SENATE SPONSOR:** Whitmire

House Bill 631 amends the Health and Safety Code to lower the weight and volume thresholds for illegally dumped waste that distinguish an offense as a Class A, B, or C misdemeanor offense, and it creates a state jail felony offense for illegally dumping certain large amounts of litter or solid waste for a commercial purpose or dumping waste contained in a closed barrel or drum. The bill provides that an offense under this section may be prosecuted without alleging or proving any culpable mental state, unless the offense is a state jail felony.

### **HOUSE BILL 906**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Bosse et al.

**SENATE SPONSOR:** Lucio

House Bill 906 amends the Natural Resources Code to continue the Coastal Coordination Council until September 1, 2013, and to include sunset across-the-board provisions. The bill adds the director of the Texas A&M University Sea Grant Program to the council to serve as a non-voting member, and it requires the council to include information about the population growth, infrastructure needs, and use of resources on the coast in the council's report to the legislature.

### **HOUSE BILL 1027**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Cook et al.

**SENATE SPONSOR:** J. E. Brown

House Bill 1027 amends the Development Corporation Act of 1979 and the Government Code, Tax Code, and Water Code to allow the use of certain financial incentives for the cleanup of contaminated property by industrial development corporations and businesses. The bill authorizes the Texas Department of Economic Development, with the assistance of the Texas Natural Resource Conservation Commission (TNRCC), to encourage the cleanup of contaminated property by development corporations through the use of sales and use tax proceeds, provided that the use of tax proceeds by a corporation for the purpose of cleaning up contaminated property is approved at an election by the voters of the political subdivision that authorized the corporation. The bill requires the General Services Commission and other state agencies to give preference when making purchasing decisions to goods produced at a facility for which the owner has received a certificate of completion from the TNRCC executive director for the cleanup of a contaminated property, and it excludes individuals whose place of employment is located on such a property from consideration in determining the unemployment rate in the area in order to meet certain criteria for designation as an enterprise zone. The bill also authorizes the TNRCC to encourage the cleanup of contaminated property through the use of supplemental environmental projects.

### **HOUSE BILL 1629**

**EFFECTIVE:** 5-16-01

**HOUSE AUTHOR:** Cook et al.

**SENATE SPONSOR:** Armbrister

House Bill 1629 authorizes the Lower Colorado River Authority (LCRA), subject to limitations and restrictions, to contract to sell and distribute surface water to a municipality outside the LCRA service area, in amounts up to 150,000 acre-feet annually diverted from off-channel reservoirs built downstream of Mansfield Dam. The municipality may not resell any such water outside the boundaries of its regional water planning area. Water use or

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reservation under the contract must be limited to a base period of 50 years, but the contract may provide a single renewal option for 30 additional years. The contract may not be finalized unless the LCRA board of directors, following public input, finds that it provides for a broad public and scientific review process, is consistent with 2001 regional water plans, guarantees satisfactory water conservation and drought contingency plans by the recipient municipality, ensures that the beneficial inflows to the Matagorda Bay system remaining after water diversions will maintain that system's ecological health and productivity, preserves instream inflows as provided for in the LCRA's water management plan, and yields other specified benefits to the lower river watershed, the LCRA service area, and stored water levels in existing LCRA reservoirs. The LCRA before providing water must demonstrate to the Texas Natural Resource Conservation Commission that system operation in conjunction with water resources management efforts under the contract will increase average and drought-period water levels at Lake Buchanan and Lake Travis.

The bill requires that the LCRA charge, in addition to the applicable water rate, a surcharge sufficient to recover all related LCRA construction costs and to enable the LCRA to address the projected needs of its service area and the needs of the municipality to the extent specified contractually. A renewal option must require the municipality to progressively reduce the water reserved or used during the last 10 years of the renewal term, with the rate paid by the municipality to increase fivefold if it does not make that reduction. The contract must provide similarly that the rate paid increases fivefold immediately if the LCRA is compelled legally to exceed the 150,000 acre-feet or if the municipality initiates legal proceedings to increase the amount of water it takes or to extend either the base or renewal period.

### **HOUSE BILL 1838**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Denny

**SENATE SPONSOR:** Nelson

House Bill 1838 amends the Natural Resources Code to provide that, when a quarry operation is completed, the distance between the edge of the consolidated material of a pit that does not have lateral support and the property line of the nearest property that is not owned or leased by the pit operator must be at least 50 feet. The bill authorizes the pit operator and the property owner to agree to waive this requirement.

### **HOUSE BILL 2134**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum

**SENATE SPONSOR:** J. E. Brown

House Bill 2134 amends the Texas Clean Air Act and Transportation Code to make changes to the state's regulatory program for motor vehicle emissions. It authorizes the Texas Natural Resource Conservation Commission (TNRCC) to adopt different types of tests for different vehicle models, to set fees at the same rate for each vehicle in a county or region, and to set different fees for different counties or regions, but requires review of inspection fees at least biennially and requires the distribution of funding to participating counties to be in reasonable proportion geographically, as practicable as possible, to where fees are collected. The TNRCC may suspend emissions inspection for pre-1996 vehicles if they are 20 percent or less of an affected county's vehicle total on the bill's effective date and an alternative testing program is available. Vehicles to be used in the county of registration for fewer than 60 days of an annual registration period may be exempted from emissions test requirements. The bill allows Department of Public Safety (DPS) waivers for certain noncompliant but minimally used vehicles. It requires testing of vehicles that undergo a change of ownership and move from a county without an inspection and maintenance program to a county with a program,

except for 1996 or newer models that have been driven less than 50,000 miles. Other provisions mandate TNRCC and DPS establishment of locally and voluntarily implemented low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs funded through a portion of the vehicle inspection fees, with associated emissions reduction credits for private, commercial, or business entities that purchase a qualified vehicle for retirement under that program.

The bill authorizes certain incentives for testing network participation to ensure an adequate number of testing stations, and other incentives for voluntary participation in the vehicle inspection and maintenance programs and low-income vehicle repair assistance, retrofit, and accelerated vehicle retirement programs by counties that are likely to exceed federal clean air standards. The TNRCC must adopt inspection and maintenance requirements for a county not subject to a specific federal requirement, on request of that county and its most populous municipality. The bill provides for the appointment by TNRCC and DPS officials of an advisory committee to advise the Texas Department of Transportation (TxDOT) on its rules relating to emissions testing operations. Among other provisions, it authorizes TxDOT to impose administrative penalties for violations relating to compulsory vehicle inspection.

**HOUSE BILL 2310**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum et al.

**SENATE SPONSOR:** Zaffirini

House Bill 2310 amends the Agriculture Code to continue the State Soil and Water Conservation Board until September 1, 2013. Provisions of the bill relating to nonpoint source pollution require the board to update at least every four years its identification of priority areas for pollution control, to give greater weight to priority areas in its associated fund allocation, and to provide to the agricultural community information regarding its legal jurisdiction and that of the Texas Natural Resource Conservation Commission (TNRCC). The board must maintain detailed records of enforcement referrals to the TNRCC and must notify that agency within 10 business days if it decertifies a water quality management plan for an animal feeding operation. The bill authorizes the board, on request of the landowner, to create and certify such a plan for land on which animal waste is applied for agricultural purposes. It establishes when an animal feeding facility in a major sole source impairment zone need or need not obtain a permit for beneficial animal waste application to land that is not owned or controlled by the facility owner or operator. The bill grants the Texas Department of Agriculture authority to represent the state before any federal agency with respect to state participation in the Federal Insecticide, Fungicide, and Rodenticide Act. Other provisions of the bill require soil and water conservation hearing and election notices to be both by newspaper publication and conspicuous public posting and establish procedures for the election of board directors for local soil and water conservation districts.

**HOUSE BILL 2379**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** Duncan

House Bill 2379 amends the Development Corporation Act of 1979 to authorize certain development corporations to pursue projects for the development or improvement of water supply facilities and for the development and institution of water conservation programs. Supply facilities include dams, transmission lines, well field developments, and other alternatives. Conservation programs include brush control programs, educational programs, incentives to

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install water-saving plumbing fixtures, and programs to replace malfunctioning or leaking water lines and other water facilities. The bill establishes associated ballot requirements to inform voters in a sales and use tax election of the nature of such projects.

### **HOUSE BILL 2401**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** R. Lewis

**SENATE SPONSOR:** J. E. Brown

House Bill 2401 amends the Texas Community Development Act of 1975 to authorize the inclusion in a municipal community development program of activities and improvements to increase water use efficiency. The bill amends the Texas Enterprise Zone Act to include water conservation projects among the type of activities that a neighborhood enterprise association may pursue. It amends the Higher Education Coordinating Act of 1965 to include water conservation, water reuse, and rainwater harvesting among the Texas Higher Education Coordinating Board's goals for incentive funding allocation to institutions of higher education.

### **HOUSE BILL 2403**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** R. Lewis

**SENATE SPONSOR:** J. E. Brown

House Bill 2403 amends the Health and Safety Code to require the Texas Natural Resource Conservation Commission, using numerical water consumption factors established by federal regulations, to report annually to the legislature the average water consumption factor of all clothes-washing machines that were imported into Texas during the preceding calendar year. The bill's reporting requirements do not apply to those machines with a capacity of more than 3.5 cubic feet or less than 1.6 cubic feet. The commission report must include a respective breakdown of the number of machines with a water consumption factor of 9.5 or less, more than 9.5 but not more than 11, and more than 11. The bill authorizes the commission by rule to require appropriate trade industry associations to provide requisite information. The first report to the legislature is due in 2003.

### **HOUSE BILL 2404**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** R. Lewis

**SENATE SPONSOR:** J. E. Brown

House Bill 2404 amends the Water Code to require the manager of a condominium or the owner of an apartment house, multiple use facility, or manufactured home rental community, on which construction begins in 2003 or later, to provide for the measurement of water consumption by unit through submeters or individual meters or, in the case of subsidized rental housing and certain other situations, through a plumbing system compatible with the installation of such devices. After January 1, 2003, before commencing any billing of tenants for submetered or allocated water service, a condominium manager or owner of an apartment house, manufactured home rental community, or multiple use facility must perform a water leak audit and meet state water saving performance standards for specified plumbing fixtures. Within one year of commencing such billing, the owner or manager must replace any toilets that exceed a maximum flow of 3.5 gallons per flush with 1.6-gallon toilets that meet those same standards. The water leak, performance standard, and toilet replacement provisions do not apply to the owner of a manufactured home rental community who does not own the manufactured homes. Any change from submetered to allocated billing is prohibited, as of the bill's effective date, unless the property owner meets Texas Natural Resource Conservation Commission rental agreement requirements or the commission's executive director approves the change for good cause.



**HOUSE BILL 2518**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kuempel

**SENATE SPONSOR:** Haywood

House Bill 2518 amends the Health and Safety Code to authorize the Texas Natural Resource Conservation Commission to issue a permit amendment rather than requiring a new permit application for a facility that emits air contaminants and is undergoing modification. The bill exempts an applicant for a permit amendment for a facility, including an agricultural processing facility, from certain public notice and hearing requirements if the total emissions from all facilities authorized under the amended permit will meet the de minimis criteria established by the commission, or will not increase significantly in the case of an agricultural processing facility, and will not change in character. The bill sets out certain guidelines that the commission must follow when determining whether emissions will increase significantly or change in character for the purpose of issuing a permit amendment, including the applicant's compliance history in the five years preceding the application.

**HOUSE BILL 2588**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Bernsen

House Bill 2588 amends the Water Code relating to water conservation plans prepared in compliance with Texas Water Development Board or Texas Natural Resource Conservation Commission rules. It provides that if a water shortage results from drought, accident, or other cause in a water supply covered by a water conservation plan, the owners or controllers may allocate water on a pro rata basis either according to each customer's entitlement or according to that entitlement minus any amount a customer has failed to save by being noncompliant.

**HOUSE BILL 2684**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kuempel

**SENATE SPONSOR:** Armbrister

House Bill 2684 amends the Transportation Code to prohibit the Texas Transportation Commission from acquiring, before September 1, 2005, property to use as a disposal site for material dredged from the Laguna Madre if the property was subject to a habitat conservation plan on October 1, 1997. The bill requires the House Committee on Land and Resource Management to conduct an interim study on placement and use options for material dredged from the Gulf Intracoastal Waterway and requires the committee to present its findings and recommendations to the speaker of the house of representatives and the legislature not later than November 1, 2002.

**HOUSE BILL 2687**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell et al.

**SENATE SPONSOR:** Duncan

House Bill 2687 amends the Water Code to postpone by three years, to September 1, 2006, the expiration of the groundwater protection cleanup program relating to storage tanks. The bill sets related deadlines for the phase out of reimbursements from the petroleum storage tank remediation account. It increases, as the program nears termination, the percentage of gross receipts from the account that the Texas Natural Resource Conservation Commission may use for administrative expenses. It revises petroleum product delivery fees, eliminating their March 1, 2002, expiration and deleting certain other contingency provisions. The bill establishes a sliding scale for the five fee amounts based on cargo tank capacity, with an initial one-third decrease for FY2002 and FY2003, followed by a 20 percent decrease from those amounts in FY2004 and FY2005, followed by a halving of those amounts in FY2006, followed by a 60 percent decrease from the FY2006 amounts for FY2007. The bill sets deadlines for specified

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actions by persons performing corrective action on substance releases reported to the commission before December 22, 1998, and includes certain disincentives for failure to meet the corrective action deadlines. A definitional change clarifies legal possession or ownership of an interest in an underground storage tank system or an aboveground storage tank.

### **HOUSE BILL 2793**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Eiland

**SENATE SPONSOR:** Bernsen

House Bill 2793 amends the Natural Resources Code to decrease from 25 to 15 percent the minimum required portion of the shared project cost that a qualified project partner must pay as part of an agreement with the commissioner of the General Land Office to undertake a coastal erosion response study or project.

### **HOUSE BILL 2794**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Eiland

**SENATE SPONSOR:** Jackson

House Bill 2794 amends the Natural Resources Code to require the commissioner of the General Land Office to adopt rules requiring that beach-quality sand dredged during the construction and maintenance of state navigation inlets and channels be placed on eroding beaches or to restore eroding wetlands wherever practicable.

### **HOUSE BILL 2912**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Bosse et al.

**SENATE SPONSOR:** Harris

House Bill 2912 changes the name of the Texas Natural Resource Conservation Commission to the Texas Commission on Environmental Quality, continues the commission until September 1, 2013, and includes sunset across-the-board recommendations. The bill includes other sunset recommendations, including the following:

- establishes a performance regulatory structure based on compliance history
- strengthens agency actions to reduce emissions from emissions events
- establishes a laboratory accreditation program
- establishes a mechanism for providing environmental research to support the commission's environmental regulatory policies
- requires greater public interest representation before the commission
- clarifies the executive director's role in contested cases
- expands the commission's ability to investigate and respond to complaints
- provides the commission with funding flexibility to better support its activities
- strengthens the commission's revenue management practices
- requires the commission to review solid waste disposal permits to assess compliance performance
- clarifies the commission's authority to certify water treatment specialists

In addition to implementing sunset recommendations, the bill clarifies the commission's mission statement regarding economic development; establishes specific time frames for grandfathered facilities to become permitted and to reduce emissions; establishes the Texas Environmental Health Institute; prohibits the storage and disposal of hazardous waste in certain geological formations; and tightens the regulation of concrete and rock crushing facilities. The bill authorizes remedial action at a scrap tire site that threatens to release a hazardous substance; clarifies regulatory and operational requirements for solid waste facilities; requires a permit, instead of registration, to land apply Class B sewage sludge; requires secondary

containment for certain underground storage tank systems; and establishes a regulatory approach for dealing with runoff and managing waste from dairy operations in the Lake Waco Watershed. The bill also makes changes relating to public hearings, public protection from cumulative risks, procurement contracts, and certain other administrative aspects of the commission's operation.

**HOUSE BILL 2947**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Davis

**SENATE SPONSOR:** Jackson

House Bill 2947 amends Water Code provisions relating to public notice by an applicant of intent to seek a Texas Natural Resource Conservation Commission water discharge permit, injection well permit, or Solid Waste Disposal Act permit. Current law requires that notice be published at least once in the newspaper of largest circulation in the county in which the facility referenced in the permit application is located or is proposed to be located. The bill provides alternatively that if the facility is located or proposed to be located in a municipality, the applicant instead may post notice at least once in a newspaper of general circulation in that municipality.

**HOUSE BILL 2994**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** R. Lewis

**SENATE SPONSOR:** J. E. Brown

With certain exceptions, the Water Code requires that bond issuances require a general-law water district to receive approval of its issuance of bonds from the Texas Natural Resource Conservation Commission executive director before entering into a contractual obligation to collect tax for debt that exceeds three years. House Bill 2994 provides that this approval is not required if the contract taxes are levied to pay for the district's share of bonds issued by a municipality.

**HOUSE BILL 2997**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Callegari et al.

**SENATE SPONSOR:** Lucio

House Bill 2997 amends the Water Code to require the Texas Natural Resource Conservation Commission to adopt a comprehensive program that provides certain regulatory incentives to encourage the use of environmental management systems, as defined in the bill, by regulated entities, state agencies, local governments, and other entities. The bill sets out the minimum criteria that a regulated entity's environmental management system must meet in order to be eligible to receive the incentives and requires the commission to consider whether the applicant has implemented and maintained compliance with an environmental management system as part of its consideration of the compliance history of an applicant for a permit for the discharge of certain waste or pollutants, including sewage municipal wastes, into or adjacent to water, or a permit for an injection well. The bill also includes similar compliance history requirements in Health and Safety Code provisions relating to a permit application for a solid waste facility or a preconstruction permit for a facility that will emit air contaminants.

**HOUSE BILL 3040**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Geren

**SENATE SPONSOR:** Lucio

House Bill 3040 amends the Health and Safety Code to prohibit the Texas Natural Resource Conservation Commission from requiring or considering air dispersion modeling results predicting ambient concentrations of noncriteria pollutants over coastal waters of the state in

its consideration or review of a permit for a shipyard. The bill requires the commission to determine compliance with noncriteria ambient air pollutant standards and guidelines according to the land-based off-property concentrations of air contaminants in its consideration or review.

**HOUSE BILL 3355**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McReynolds

**SENATE SPONSOR:** Staples

House Bill 3355 amends the Agriculture Code to provide that at the request of a landowner anywhere in the state, the State Soil and Water Conservation Board may develop and certify an agricultural or silvicultural water quality management plan. If the plan covers land on which animal carcasses will be buried, it must include disposal management practices for those carcasses, allowing on-site poultry carcass burial only in the event of a major die-off that exceeds the capacity to handle disposal by normal means, and must incorporate burial site requirements that identify suitable locations based on site-specific factors. If a landowner complies with a plan, the Texas Natural Resource Conservation Commission may not require animal carcass burial to be recorded in county deed records.

**HOUSE BILL 3483**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Ramsay

**SENATE SPONSOR:** Sibley

House Bill 3483 amends the Government Code to create the Clean Coal Technology Council to provide legislative oversight and coordination of state agencies regarding the study and development of clean coal technology and related pilot projects in the state. The eight-member council consists of three legislators and one public member appointed by each of the legislature's presiding officers. Members serve two-year terms expiring February 1 of each odd-numbered year and may be reappointed for additional terms. The bill requires the council to file a report on its activities with the governor, the lieutenant governor, and the speaker of the house of representatives before January 1 of each odd-numbered year.

**SENATE BILL 2**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** R. Lewis

Senate Bill 2 is the successor to 1997 legislation that launched the regional water planning process. It also ratifies creation of 12 of the 13 groundwater conservation districts that were established tentatively in 1999. The other is ratified by House Bill 1258. The bill creates the Kimble County Groundwater Conservation District and the Northeast Travis County Utility District.

Amendments to the Water Code create the Texas Water Advisory Council, empowered to coordinate a state position on federal and international water issues and advise the Texas Water Development Board (TWDB) on criteria for prioritizing water project funding, encouraging border environmental quality and living conditions, and otherwise heightening dialogue on water policy issues. The bill establishes 10 groups of river authorities, requires them to provide the council with a self-assessment and other information on a specified cycle, and requires the council to include in a biennial report to the governor and legislative presiding officers and certain legislative committees findings from its most recent river authority reviews. The council and a supportive interagency water advisory account expire September 1, 2005.

The bill establishes a procedure for resolving conflicts between a regional water plan and a certified groundwater conservation district (GCD) management plan. It requires each regional planning group to examine the financing needed to implement strategies and projects identified in its plan and to report to the TWDB by June 1, 2002, on financing proposals, including the

financing role it proposes for the state. In turn, the TWDB must consider those reports, consult with interested parties, and submit to the legislature not later than October 1, 2002, a report containing and analyzing the regional planning group reports.

Certain provisions relate to technical studies and determinations. The bill requires the TWDB to develop groundwater availability models for major and minor aquifers, to be completed no later than October 1, 2004. The agency may conduct surveys of groundwater and surface water users. Survey compliance is mandatory, and noncompliance is punishable as a Class C misdemeanor. Designation of groundwater management areas becomes the task of the TWDB, with designation of priority groundwater management areas by the Texas Natural Resource Conservation Commission to follow, subject to deadlines of September 1, 2003, and September 1, 2005, respectively. Those agencies, with the Parks and Wildlife Department, must jointly establish and continuously maintain an instream flow data collection and evaluation program and conduct studies and analyses relating to methodologies for the determination of flow conditions in Texas rivers and streams. Priority instream flow studies are due by December 31, 2010.

Water rights provisions replace references to irrigation and stock raising with references to agriculture defined broadly to encompass numerous other activities. Agricultural uses are to be considered equivalent in priority to industrial uses for water appropriation purposes in times of shortage. A holder of a permit, certified filing, or certificate of adjudication that included irrigation or industrial use before the bill's effective date may use or supply water for agricultural purposes without obtaining an amendment.

The bill sets a maximum of \$10 per acre-foot, compared to 17 cents per 1,000 gallons under previous law, for nonagricultural GCD production fees. Certain districts are subject to other maximums, or are exempted including certain districts that are funded by property taxes. The Edwards Aquifer Authority's maximum fee for agricultural use is \$2 per acre-foot, rather than the maximum of 20 percent of the municipal rate specified under previous law. Other changes relating to the authority and aquifer revise rulemaking procedures and set restrictions on injection wells.

Fees or surcharges imposed by GCDs for export of water may be set in one of three ways: a fee negotiated with the transporter; a formula fee per 1,000 gallons based on the district's tax rate; or, for a district funded by production fees, a 50 percent export surcharge. Generally, a GCD may not impose more restrictive permit conditions on water transporters than it imposes on existing in-district water users. The bill requires transporters of groundwater or surface water to report to the TWDB information relating to pipelines and facilities that can be used for water conveyance. A like reporting requirement applies to regional planning groups with respect to their regional water plans.

Provisions relating to water infrastructure financing focus and the Texas water assistance program give more emphasis to brush control, weather modification, desalination, and regionalization of water supply and wastewater collection and treatment systems. Equipment associated with certain of these activities, and with rainwater harvesting, are the subject of a Tax Code amendment authorizing a sales and use tax exemption. The major water finance provisions create a water infrastructure fund and a rural water assistance fund. The first supports loans and in some cases grants to political subdivisions for various water conservation, mitigation, conveyance, and development projects. The second is targeted to rural political subdivisions for water or water-related projects as well as outreach and technical assistance



programs. The TWDB may direct the comptroller to make transfers from its financial assistance account to the two funds. Other financial provisions authorize TWDB grants to GCDs for measurement and data collection related to groundwater conservation.

The bill also establishes limited liability for aquatic herbicide applicators and amends laws relating to certificates of public utility and water utility systems. A water utility may consolidate multiple systems under a single tariff only if they are substantially similar in terms of facilities, service quality, and service cost, and if the tariff provides for rates that promote water conservation for single-family residences and landscape irrigation. The bill requires the Texas Natural Resource Conservation Commission to establish a preference that rates under a consolidated tariff be consolidated by region. It includes various revisions to ratemaking procedures. The bill amends the enabling statute of the North Harris County Regional Water Authority and contains miscellaneous provisions relating in part to local water quality regulation.

Senate Bill 2 establishes a Joint Committee on Water Resources, consisting of six legislators, to conduct an interim study and offer legislative recommendations on water marketing, increasing efficient use of water resources, developing sufficient long-term water financing strategies, improving water conveyance systems, determining the appropriate role of environmental and wildlife concerns in water permitting and development, and protecting the natural condition of the beds and banks of state watercourses. A final report to the lieutenant governor and the speaker of the house of representatives is due November 1, 2002.

**SENATE BILL 5**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown et al.

**HOUSE SPONSOR:** Wolens

Senate Bill 5 amends the Health and Safety Code to create the Texas Emissions Reduction Plan, under which the Texas Natural Resource Conservation Commission (TNRCC), as plan administrator, will oversee four new programs established in conjunction with or by the Public Utility Commission of Texas, the comptroller, and the Texas Council on Environmental Technology with the goal of achieving maximum reduction in nitrogen oxides to demonstrate compliance with the state implementation plan and preventing the state from being in violation of national ambient air quality standards. The programs include: (1) a diesel emissions reduction incentive program, under which the TNRCC will provide grants for eligible projects to offset the incremental cost of projects that reduce emissions of nitrogen oxides from high-emitting diesel sources in nonattainment areas and affected counties; (2) a motor vehicle purchase or lease incentive program for buyers and lessees of new light-duty motor vehicles meeting the criteria for classification as a low emissions vehicle; (3) an energy efficiency grant program developed by the utility commission to fund the retirement of materials and appliances that contribute to peak energy demand to ensure the reduction of energy demand, peak loads, and associated emissions of air contaminants; and (4) a new technology research and development program to support development of emissions-reducing technologies that may be used for projects eligible for awards under the other programs and other new technologies that show promise for commercialization.

Senate Bill 5 also creates the Texas Emissions Reduction Plan Advisory Board to review the plan and make recommendations; creates the Texas Council on Environmental Technology; creates the Texas Emissions Reduction Plan Fund as an account in the state treasury and establishes the allocation of funds among the four new programs; and creates an environmental research fund as an account in the general revenue fund to support operation and projects of the



Texas Council on Environmental Technology. The bill sets out guidelines and requirements relating to the administration of the Texas Emissions Reduction Plan and various criteria for the individual programs.

The bill also adopts the energy efficiency chapter of the International Residential Code as the energy code in this state for single-family residential construction and amends Tax Code and Transportation Code provisions relating to surcharges, exemptions, and insignia for various emissions-reduction programs.

**SENATE BILL 310**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Chisum et al.

Senate Bill 310 amends state law to continue the Railroad Commission of Texas until September 1, 2013, and to incorporate standard across-the-board provisions generally applicable to state agencies. In addition to these across-the-board provisions, the bill makes numerous changes in the statutes specific to the commission's regulatory authority.

To increase revenues to the oil-field cleanup fund so that it can meet the state's current and anticipated liabilities, the bill requires the commission to reestablish specific performance goals for the fund through the biennial legislative appropriations request process, including goals for well plugging and site remediation; raises the cap on the fund to \$20 million, with a \$10 million lower threshold to restart collection of oil field regulatory fees; and prescribes specific fee increases in the statutes. The bill also requires the commission to maintain fund expenditure reports identifying expenditures for cleanup activities, staff salaries, contract amounts, and wells and sites cleaned up, and it creates an Oil-Field Cleanup Fund Advisory Committee to monitor expenditures and activities.

The bill includes provisions to improve financial assurance requirements and enforcement to address the problem of abandoned wells and polluted sites, and it allows the commission to establish a voluntary program to provide incentives to landowners and developers to clean up contaminated oil field sites, allowing such landowners and developers to be statutorily released from liability from future cleanup costs.

The bill allows the commission to establish rules for risk-based assessment of efforts to remediate contaminated oil and gas sites, and it requires the commission to prioritize testing of high-risk wells under its jurisdiction. Specifically, the bill requires the commission to identify abandoned wells in the state's inventory that have a higher risk of contaminating surface water or groundwater, determine the need to test such wells, and periodically test them, giving priority to plugging high-risk wells with compromised casings.

The bill enhances state regulation of pipelines by requiring the commission to consider standard criteria in its penalty structure for pipeline safety violations, establishing a structure for determining penalty levels and a more standardized process for administering penalties, and authorizing the commission to require an operator to submit an assessment or testing plan for approval under certain conditions. The bill sets forth conditions under which a pipeline assessment or testing plan would be required and establishes detailed requirements for the contents of such plans. To improve safety standards for pipeline operators and owners, the bill requires the commission to require operators of certain pipeline facilities to communicate and conduct liaison activities with emergency response officials; the commission also must require the owner or operator of a pipeline facility within 1,000 feet of a public school to develop an emergency response plan. Other related provisions expand public notice requirements for new

or expanded pipeline systems and provide for a study of the desirability of requiring a pipeline operator, owner, or manager to establish and provide evidence of financial responsibility to protect the public from costs resulting from pipeline discharges.

The bill transfers gas utility rate cases from the commission to the State Office of Administrative Hearings. The bill also authorizes certain electronic financial transactions, allowing the commission to collect fees and penalty payments electronically and allowing gas utilities, on receiving a customer request, to bill customers over the Internet or by other electronic means. Other provisions streamline the process for the commission to dispose of equipment from delinquent, inactive wells; clarify requirements for testing of gas piping systems in schools; allow municipalities to surrender jurisdiction over gas utilities to the commission; and clarify gas utilities' obligation to serve certain commercial customers.

Senate Bill 310 takes effect September 1, 2001, except for provisions relating to drilling permit fees and financial security requirements, which take effect September 1, 2004.

**SENATE BILL 312**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini  
**HOUSE SPONSOR:** Chisum

Senate Bill 312 amends the Water Code to continue the Texas Water Development Board (TWDB) until September 1, 2013. It requires the TWDB to develop a biennial capital spending plan that identifies state water funding needs and establishes a basis for allocating state-supported funding to meet them. The bill expands use of the state water pollution control revolving fund to include nonpoint source pollution control and abatement projects. It expands use of the agricultural soil and water conservation fund and agricultural water conservation fund to include assistance to additional types of political subdivisions and, in the case of the later fund, to state agency grants. The bill establishes a pilot program for water and wastewater loans for rural communities and authorizes a rural municipality or county recipient, if voters approve, to pledge a percentage of local sales and use tax revenue to loan repayment. Tax Code changes create new sales and use tax exemptions and local-option property tax exemptions relating to water conservation.

Other Water Code provisions add federal agencies, Texas state agencies, and state agencies in neighboring states to those who may request a hydrographic survey. The bill authorizes public-private partnerships to enhance access to the Texas Natural Resources Information System. It requires the Texas Geographic Information Council to prepare a biennial plan that inventories Texas state agency geographic information systems projects. The TWDB and State Soil and Water Conservation Board are mandated to conduct a joint study of ways to improve or expand water conservation efforts and forward a report to the legislature as part of, or as a supplement to, the state water plan.

The TWDB must meet annually with the Texas Department of Housing and Community Affairs to assess mutual progress in meeting the needs of colonia residents. The bill establishes a colonia self-help program to reimburse eligible nonprofit organizations for expenses incurred in a self-help project to provide colonia water or wastewater services. Amendments to the Government Code create a Colonia Initiatives Advisory Committee.

**SENATE BILL 324**  
**EFFECTIVE:** 5-26-01

**SENATE AUTHOR:** J. E. Brown  
**HOUSE SPONSOR:** R. Lewis

Senate Bill 324 amends the Water Code to require the Texas Natural Resource Conservation Commission to consider certain factors in processing an application for an injection well for the disposal of either hazardous or nonhazardous waste. The bill requires the commission to

establish a procedure for the preparation of comprehensive summaries of the compliance history of an applicant, including the compliance history of any business that the applicant has owned or managed, or that is otherwise closely related to the applicant; allows the commission's executive director to offer that compliance history as evidence at a hearing on the application for an injection well permit; and requires the commission to deny the application for an injection well permit if the applicant's compliance history is found to be unacceptable. The bill also increases the application fee for an application for a disposal well permit from \$25 to \$100 plus the cost of any required notice.

**SENATE BILL 356**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Hamric

Senate Bill 356 amends the Water Code to direct the Texas Natural Resource Conservation Commission to work with the Legislative Budget Board to establish performance measures that assess improvements in environmental quality achieved through the innovative regulatory programs implemented by the commission.

**SENATE BILL 649**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Truan et al.

**HOUSE SPONSOR:** Flores

The economically distressed areas program of the Texas Water Development Board (TWDB) provides assistance to certain areas for water supply and sewer service projects. Senate Bill 649 amends the Water Code to allow the TWDB to require the governing body of a political subdivision that provides water supply and sewer services and that applies for financial assistance under that program to complete a training program if the TWDB considers the training necessary. The bill defines who may provide training, requires TWDB approval of training proposals, and establishes reporting requirements relating to training activity. For existing recipients of program assistance, the Texas Natural Resource Conservation Commission or TWDB may evaluate the need for training if a provider has a history of compliance problems, fails to provide required documentation, requests additional funding, or requests more time to meet repayment obligations. Either agency then may determine that training is necessary if the evaluation produces a finding that the provider's managerial, financial, or technical capabilities are inadequate to ensure that a project will meet program requirements or remain financially viable. The bill requires training as part of the regulatory enforcement order when the commission has assessed a penalty.

**SENATE BILL 687**

**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Chisum

Senate Bill 687 amends the Water Code to increase the penalty for the offense of intentional unauthorized discharge of a waste or pollutant from one year to five years of confinement.

**SENATE BILL 688**

**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Chisum

Senate Bill 688 amends the Texas Clean Air Act to transfer the responsibility for publishing notice of a proposed multiple plant permit for existing facilities from the Texas Natural Resource Conservation Commission to the applicant for the permit. The bill specifies the means for publishing the notice and provides that the commission may authorize the applicant in some instances to use an alternative means if the commission finds that the alternative will provide equal or better notice to the public. The commission is required to provide an opportunity for a public hearing and to send notice of the decision on the issuance of a multiple

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plant permit in a manner that complies with the procedure for the issuance of federal operating permits. A person affected by the decision of the commission to issue or deny a multiple plant permit may petition for a rehearing and is entitled to judicial review.

The bill also amends Water Code provisions relating to commission action on an application for a permit to discharge wastes or pollutants into or near water, a permit for an injection well, or a solid waste disposal permit. The bill requires the commission, at the request of either the applicant or the executive director, to refer the application directly to the State Office of Administrative Hearings for a contested case hearing immediately after the executive director of the commission issues a preliminary decision on the application, and it exempts such hearings from certain requirements normally applicable to public hearings regarding opportunities for and response to public comments and the normal procedure for requesting a contested case hearing.

**SENATE BILL 749**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh et al.

**HOUSE SPONSOR:** Haggerty

Senate Bill 749 amends the Water Code to authorize the Texas Natural Resource Conservation Commission to engage in and finance activities in Mexico, in cooperation with Mexican governmental authorities, that are necessary or convenient to carry out its statutory duties or will yield environmental benefits to the state. The bill also requires the commission, in cooperation with the Joint Advisory Committee for Improvement of Air Quality, to conduct a study of the brick-making processes of brick production facilities near both sides of the border between Texas and Mexico. The bill sets out guidelines for the study, and it requires the commission to make recommendations on methods that may be used to reduce emissions from brick kilns and to issue a report to the governor, the lieutenant governor, and the speaker of the house of representatives not later than January 1, 2003.

**SENATE BILL 1175**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Wentworth

**HOUSE SPONSOR:** Walker

Senate Bill 1175 transfers administration of the weather modification and control program from the Texas Natural Resource Conservation Commission to the Texas Department of Licensing and Regulation and repeals certain Water Code provisions accordingly and replaces them with new law incorporating the change. The bill amends the Agriculture Code to require the development and administration by the Texas Department of Agriculture of a weather modification and control grant program. Senate Bill 1, the General Appropriations Act, appropriates approximately \$4.97 million to the grant program for FY2002 and FY2003.

**SENATE BILL 1338**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** G. E. West

Senate Bill 1338 amends the Health and Safety Code to authorize the Railroad Commission of Texas to require the owner or operator of equipment used in oil and gas exploration, production, or disposal to determine whether the equipment is contaminated with oil and gas naturally occurring radioactive material (NORM) waste and to identify any equipment that is determined to be contaminated with the waste.

**SENATE BILL 1390**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown  
**HOUSE SPONSOR:** Kuempel

Senate Bill 1390 amends the Water Code to require the Texas Natural Resource Conservation Commission to issue an emergency order suspending operations of certain rock crushers and concrete batch plants that are operating without the necessary permits. The bill provides that the penalty for operating a rock crusher or concrete batch plant without the required permit is \$10,000 for each day that a continuing violation occurs.

**SENATE BILL 1561**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh  
**HOUSE SPONSOR:** Haggerty

Senate Bill 1561 amends the Health and Safety Code to authorize the Texas Natural Resource Conservation Commission to allow the use of emissions reductions achieved outside of the United States to satisfy applicable emissions reduction requirements if it finds that those reductions are in excess of the emissions reductions required by the implementation plan for an international border area and are quantifiable and enforceable. The bill also authorizes the commission to allow the use of a reduction in emissions of one air contaminant to satisfy the required emissions reduction for another contaminant if it finds that the reduction of the substitute contaminant emissions reductions will be of equal or greater significance to the overall air quality in the area in which the emissions reductions will occur. The bill specifies that for such substitutions to be permissible, the area must be in nonattainment for both of the contaminants and the commission must find that the substitution will clearly result in greater health benefits for the community as a whole.

**SENATE BILL 1600**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Staples  
**HOUSE SPONSOR:** McReynolds

Senate Bill 1600 makes a legislative finding that the Lake Eastex project, proposed by the Angelina Neches River Authority, is in the public interest. It mandates the Texas Natural Resource Conservation Commission to extend to specified dates the project deadlines for dam construction commencement and completion and authorizes the commission to further extend the deadlines for good cause.





## OCCUPATIONAL REGULATION

### **HOUSE BILL 66**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Pitts

**SENATE SPONSOR:** J. E. Brown

House Bill 66 amends Water Code provisions relating to water well drillers to eliminate the 90-day residency requirement for licensees and to replace the August 31 license expiration date with a system by which licenses expire annually. The bill repeals and deletes numerous provisions pertaining to administrative penalties, other licensee sanctions, and complaint procedures, which effectively become superseded—except for administrative penalty amounts—by other more general law under the authority of the Texas Department of Licensing and Regulation.

### **HOUSE BILL 71**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Pitts

**SENATE SPONSOR:** J. E. Brown

House Bill 71 amends Water Code provisions relating to water well pump installers to eliminate the 90-day residency requirement for licensees and to replace the August 31 license expiration date with a system by which licenses expire annually. The bill repeals and deletes numerous provisions pertaining to administrative penalties, other licensee sanctions, and complaint procedures, which effectively become superseded—except for administrative penalty amounts—by other more general law under the authority of the Texas Department of Licensing and Regulation.

### **HOUSE BILL 196**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** A. Reyna

**SENATE SPONSOR:** Sibley

House Bill 196 amends the Air Conditioning and Refrigeration Contractor License Law to replace the standards published in the Standard Mechanical Code published by the Southern Building Code Congress International, Inc., with the standards set forth in the International Mechanical Code as the minimum standards for mechanical integrity as it relates to the practice of air conditioning and refrigeration contracting.

### **HOUSE BILL 217**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** A. Reyna

**SENATE SPONSOR:** Sibley

House Bill 217 amends the Plumbing License Law to broaden the definition of “plumbing inspector” to include a person who contracts with a political subdivision to inspect plumbing work and authorizes plumbing work on property that is not required to be platted or is not connected to a public water system and is located outside the municipal limits of any organized city, town, or village to be conducted without a license. The bill also requires the Texas State Board of Plumbing Examiners to adopt the International Plumbing Code as published by the International Code Council, rather than the Southern Standard Plumbing Code; requires plumbing installed in compliance with an adopted code to be inspected by a licensed plumbing inspector; and authorizes a political subdivision to contract with any plumbing inspector paid directly by the political subdivision to perform the inspection.

House Bill 217 takes effect September 1, 2001, except for provisions relating to certain plumbing work conducted without a license, which take effect January 1, 2002.

**HOUSE BILL 430**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Pitts

**SENATE SPONSOR:** Armbrister

House Bill 430 amends the Occupations Code to authorize the Texas State Board of Public Accountancy to contract for the administration of CPA examinations and to replace the requirement that a person attain a specific grade on each subject of an examination in order to pass with the requirement that the board by rule adopt methods for grading examinations and establish criteria for passing. The bill also substitutes the \$250 limit on total examination fees with a provision requiring the board to collect a fee not to exceed the cost of administering an examination. Finally, the bill eliminates a provision that restricts the use of examination services available from certain national professional associations, and it limits the authority of a person to inspect examination questions and answers to one who fails a paper examination.

**HOUSE BILL 695**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** A. Reyna

**SENATE SPONSOR:** Wentworth

House Bill 695 amends the Real Estate License Act to authorize the Texas Real Estate Commission to prescribe the content of core real estate courses and continuing education courses and increases the number of semester hours of core courses that must be completed by applicants for certain real estate licenses and for license renewal. The bill allows a commission employee to file a complaint and conduct an investigation of a licensee for failure to complete required education or failure to provide information in connection with an application to renew a license. The bill deletes provisions allowing renewal of a license after it has expired.

House Bill 695 allows the commission to issue an inactive salesperson license to a person without a sponsoring broker. The bill increases fees for an application for a license examination and for a transcript evaluation and imposes a \$20 fee for a request for a new license because of a change in certain information. The bill clarifies that acting as a real estate broker or salesperson or a residential rental locator without a license or registration is a Class A misdemeanor, specifies the penalty for continuing violation, and requires a collected penalty to be deposited in a recovery fund.

The bill allows the commission to provide for the collection of assessments at different times and under different conditions in order to ensure the availability of a sufficient amount in a recovery fund, increases limits on certain payments from the real estate recovery fund, allows the commission to authorize a hearing examiner to conduct a hearing and enter a final decision related to a violation of provisions, and removes a provision that requires a person to show a judgment related to a license application that is not subject to a stay or discharge in bankruptcy.

House Bill 695 takes effect September 1, 2001, except for provisions relating to changes in requirements for core real estate courses, which take effect January 1, 2002, and provisions relating to renewal of a real estate or professional inspector license, which apply only to a license that expires on or after December 31, 2001.

**HOUSE BILL 965**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Dunnam

**SENATE SPONSOR:** Armbrister

House Bill 965 amends the Government Code to require the director of the lottery division of the Texas Lottery Commission to deny an application for a license to sell lottery tickets and the commission to suspend or revoke a sales agent's license if the applicant or agent is determined to be delinquent in the payment of a tax or other money collected by the comptroller, the Texas Workforce Commission, or the Texas Alcoholic Beverage Commission, or is in default on certain educational loans. The bill requires the agencies involved to provide

information relating to such debts to the executive director of the lottery commission. The bill also repeals provisions authorizing the lottery commission to deduct delinquent taxes, child support, or certain educational loans on which the license holder is in default from payments made to a sales agent.

House Bill 965 also amends the Family Code to include the lottery commission in the list of agencies whose licenses may be suspended if the license holder fails to pay child support or comply with a subpoena relating to child support.

**HOUSE BILL 1214****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Pitts**SENATE SPONSOR:** J. E. Brown

House Bill 1214 modifies and clarifies law related to the administration of the Texas Department of Licensing and Regulation and makes nonsubstantive revisions to various laws related to the department. The bill redesignates the commissioner of licensing and regulation as the executive director, provides that the executive director serves at the will of the Texas Commission of Licensing and Regulation, and specifies the executive director's duties relating to sanctions and penalties. The bill removes a provision requiring the governor to deliver a biennial report to the legislature related to equal employment opportunity policy. The bill also raises the maximum amount of an administrative penalty from \$1,000 to \$5,000 for each violation, allows the combination of a proceeding imposing a penalty with a proceeding to impose an administrative sanction, and removes the limit on the amount of a civil penalty for violations relating to regulatory programs administered by the department.

**HOUSE BILL 1216****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Pitts**SENATE SPONSOR:** Barrientos

House Bill 1216 amends the Occupations Code to limit the definition of "artist" in provisions relating to the regulation of talent agencies to include only an actor who performs in a motion picture, radio, or television production or a model.

**HOUSE BILL 1505****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Yarbrough**SENATE SPONSOR:** Carona

House Bill 1505 amends the Plumbing License Law to require the Texas State Board of Plumbing Examiners to register drain cleaners, residential utilities installers, and plumber's apprentices; to license master plumbers and tradesman plumbers; and to issue endorsements to certain tradesman plumbers, medical gas piping installers, and water supply protection specialists. The bill provides for the installation and inspection of certain work relating to medical gas and vacuum piping, requires the board to administer continuing education programs for licensees and endorsees, authorizes the board to appoint advisory committees as it considers necessary and to adopt a system under which licenses, endorsements, and registrations expire and may be renewed, and requires rather than allows plumbing inspectors to enforce the act. The bill deletes provisions requiring the board to forward certain information relating to licensed plumbers to local health authorities, requires plumbing inspections in certain municipalities to be performed by a licensed plumbing inspector, and limits the authority of certain municipal utility districts to collect permit fees.

House Bill 1505 provides that certain tradesman plumbers, residential utilities installers, and drain cleaners are not required to be registered until March 1, 2002.

## Occupational Regulation

**HOUSE BILL 1706**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Farrar  
**SENATE SPONSOR:** Lucio

House Bill 1706 reenacts and adds provisions relating to examination fee scholarships for certain architectural examination applicants and authorizes the Texas Board of Architectural Examiners to contract with the Texas Higher Education Coordinating Board or a private entity to administer the examination fee scholarship program. The bill requires the board to consider the importance of distributing scholarships among applicants who are graduates of various universities or colleges of architecture. The bill allows the board to discipline a registered landscape architect or interior designer for failing to provide certain designated documents to the Texas Department of Licensing and Regulation. The bill authorizes the board to prescribe certain annual renewal fees and requires certain landscape architects and interior designers whose certificate of registration is on inactive status to pay a fee. The bill requires the board to adopt rules to prevent a person regulated by the board from submitting a competitive bid to or on behalf of certain governmental entities.

**HOUSE BILL 1755**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Gutierrez  
**SENATE SPONSOR:** Staples

House Bill 1755 amends the Occupations Code to allow the State Board of Chiropractic Examiners, the State Board of Dental Examiners, the Texas State Board of Podiatric Medical Examiners, and the Texas State Board of Medical Examiners to deny an application for a license or license renewal, suspend a license, or take other disciplinary action against an applicant or licensee who has defaulted on a student loan or breached a loan repayment or scholarship contract by failing to meet a contractual service obligation.

A licensing authority may take such action against an individual on receipt of information from a governmental entity administering a student loan, loan repayment, or scholarship program that the individual has defaulted on the loan or breached the contract. The licensing authority also may rescind such action on receipt of notice that the person either has entered into an agreement with the governmental entity to repay the loan, meet the contractual obligation, or pay any damages required by the contract or has taken other remedial action, and it may reinstate the original action on receipt of notice of a subsequent default or breach of an agreement.

**HOUSE BILL 2119**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Haggerty  
**SENATE SPONSOR:** Madla

House Bill 2119 amends the Occupations Code to define “progressive bingo” and to authorize a licensed authorized organization to conduct a progressive bingo game. The bill sets forth the circumstances under which such an organization may conduct games, limits the prizes that may be offered, and requires the Texas Lottery Commission to regulate progressive bingo.

**HOUSE BILL 2262**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Danburg et al.  
**SENATE SPONSOR:** Madla

House Bill 2262 amends the Occupations Code to provide that a person may not be required to be a member of a private trade association in order to serve on the governing board of a state licensing agency or state agency that regulates a business, occupation, or profession. The bill amends the Texas Optometry Act to revise the membership of the Texas Optometry Board to remove association affiliation requirements. The revised board consists of six optometrists or therapeutic optometrists and three public members.

**HOUSE BILL 2337**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goolsby  
**SENATE SPONSOR:** Shapiro

House Bill 2337 amends the law relating to the practice of landscape architecture to expand and clarify the definition of “landscape architecture” to specify certain activities that are exempt from registration requirements, and it prohibits a landscape architect from performing assignments for which he or she is not qualified by education, examination, or experience. The bill specifies that it does not prohibit a building designer, landscape contractor, landscape designer, or nurseryman from performing any action that the person had the authority to perform as of May 28, 2001.

**HOUSE BILL 2475**  
**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Kolkhorst  
**SENATE SPONSOR:** Ogden

House Bill 2475 amends eligibility standards for a special license under the Veterinary Licensing Act. The bill authorizes the State Board of Veterinary Medical Examiners to issue such a license if it receives a written affirmation that the applicant meets a critical staffing need and is certified by, or eligible for certification by, a nationally recognized veterinary specialty board. Affirmation may come from the executive director of the Texas Animal Health Commission, the executive director of the Texas Veterinary Medical Diagnostic Laboratory, or the dean of a board-approved veterinary medicine program at a Texas institution of higher education.

**HOUSE BILL 2813**  
**EFFECTIVE:** 6-1-03

**HOUSE AUTHOR:** Wolens  
**SENATE SPONSOR:** Cain

House Bill 2813, a continuation of the legislature’s ongoing statutory revision program, contains nonsubstantive changes adding six titles to the Occupations Code, repealing various source laws from which the new code content is derived, and making other conforming amendments. The six titles concern occupations related to employment, practices and professions related to real property and housing, the regulation of environmental and industrial trades, the regulation of motor vehicles and transportation, the regulation of practices and trades related to water, health, and safety, and the regulation of engineering, architecture, land surveying, and related practices.

**HOUSE BILL 2856**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Martinez Fischer  
**SENATE SPONSOR:** Armbrister

House Bill 2856 amends the Occupations Code to prohibit a person from advertising as a bail bond surety unless the person lists in the advertisement the county or counties in which the person holds a bail bond surety license.

**HOUSE BILL 3067**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum et al.  
**SENATE SPONSOR:** Zaffirini

House Bill 3067 amends the Occupations Code to continue the existence of the Texas Funeral Commission until September 1, 2003, and add an owner or operator of a registered cemetery to the commission’s board. It also rewrites provisions relating to conflicts of interest.

The bill sets forth provisions requiring the inspection of a funeral establishment at least once every two years rather than annually and allowing the commission to inspect a crematory or cemetery only if a complaint is received about that facility. The bill requires the commission to adopt certain rules relating to the handling of a complaint made against a facility, as well as



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guidelines for consistency in determining penalties for violations, and sets criteria the commission must use in determining the amount of a penalty. The bill establishes provisions for granting a provisional license for certain applicants for a funeral director's or embalmer's license and for the registration of a cemetery or crematory. The bill also requires that a cemetery or crematory provide certain information to consumers in a retail price list and a purchase agreement.

The bill requires the commission to contract with the Department of Information Resources to improve the compilation of certain statistics and information and to contract with the attorney general to ensure access to legal services from the attorney general for consultation about the daily operations of the commission and other legal interpretations. The bill also requires the commission to report its progress each quarter to the Sunset Advisory Commission and a task force established by the bill to monitor the funeral commission's implementation of changes.

### **HOUSE BILL 3111**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Zbranek

**SENATE SPONSOR:** Bernsen

House Bill 3111 amends the Water Code, the Health and Safety Code, and The Plumbing License Law to revise the regulation of various occupations relating to solid waste facilities, sewage treatment facilities, on-site sewage disposal, irrigation systems, water supply systems, and storage tanks. A new Water Code chapter establishes for such occupations a standardized set of licensing and registration procedures and requirements, including provisions on fees, training and continuing education, and other matters. The bill amends administrative penalty, civil penalty, and license suspension and revocation provisions to incorporate the same occupations and make certain changes relating to water well drillers and installers. It changes the name of the Texas Irrigators Advisory Council to the Irrigator Advisory Council and repeals certain provisions relating to the council's membership and support structure. The bill takes effect September 1, 2001, except for certain provisions relating to the licensing of persons who evaluate the suitability of a site for on-site sewage disposal, which take effect September 1, 2002.

### **HOUSE BILL 3134**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chavez

**SENATE SPONSOR:** R. West

House Bill 3134 amends the Government Code to establish that it is a Class A misdemeanor if a person is a notary public and states or implies that the person is an attorney licensed to practice law in this state; solicits or accepts compensation to prepare documents or otherwise represent another person in a judicial or administrative proceeding, including an immigration or citizenship proceeding; solicits or accepts compensation to obtain relief of any kind from an officer, agency, or employee of this state or of the United States; or uses the phrase "notorio" or "notorio publico" to advertise the service of a notary public. The bill clarifies that if a notary public advertises in any language other than English the advertisement must state in English and the language of the advertisement that the notary is not an attorney. The bill provides an exception to prosecution that at the time the conduct occurred, the person was licensed to practice law in this state and was in good standing with the State Bar of Texas. House Bill 3134 provides that a notary commits a third degree felony if it is shown at trial that the notary has been previously convicted of this offense.



**SENATE BILL 405****EFFECTIVE:** See below**SENATE AUTHOR:** J. E. Brown et al.**HOUSE SPONSOR:** Goolsby

Senate Bill 405 enacts the Texas Geoscience Practice Act to provide for the licensing and regulation of professional geoscientists, and it creates the Texas Board of Professional Geoscientists to administer and enforce the provisions of the act. The bill requires a person who engages in the public practice of geoscience in this state to have a license issued by the board, sets forth the qualifications for the license, and specifies the particular activities that licensed geoscientists are authorized to perform as well as activities that do not require a license. Senate Bill 405 establishes specific and separate responsibilities of the board and the executive director appointed by the board. The bill outlines eligibility requirements, terms, and grounds for removal of board members and grants the board certain disciplinary and rulemaking authority, subject to judicial review. The bill authorizes the board's executive director to be responsible for the administration of funds received by the board and the maintenance of an account designated as exempt from certain requirements for its use.

Senate Bill 405 also amends the Local Government Code to authorize a licensed geoscientist to certify certain information on a plat for a subdivision. The bill takes effect September 1, 2001, except for the license requirement and administrative penalty provisions, which take effect September 1, 2003.

**SENATE BILL 584****EFFECTIVE:** 6-11-01**SENATE AUTHOR:** Carona**HOUSE SPONSOR:** Yarbrough

Senate Bill 584 amends the Professional Land Surveying Practices Act to remove a requirement that a person who has failed an examination administered by the Texas Board of Professional Land Surveying wait six months before applying to retake the examination.

**SENATE BILL 645****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Shapiro**HOUSE SPONSOR:** McCall

Senate Bill 645 amends the Information Resources Management Act to direct the Department of Information Resources to administer a common Internet system for electronic transactions involving 23 occupational licensing agencies. The purpose of the system is to enable application filings, document transmittals, payment receipts, and other transactions with the regulated community and the public. The bill authorizes the department to contract with a private vendor to implement the system, and to charge transaction and subscription fees to cover implementation costs. It establishes an advisory steering committee representing the department and the occupational licensing agencies.

**SENATE BILL 685****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Madla**HOUSE SPONSOR:** Wohlgemuth

Senate Bill 685 amends the Occupations Code to transfer the regulation of riding stables from the Texas Department of Health and the commissioner of public health to the Texas Animal Health Commission. The transfer takes effect on a date specified by interagency contract, but not later than January 1, 2002. The bill requires a Sunset Advisory Commission review of the laws relating to such regulation and a report to the governor and the legislature, not later than January 1, 2003, recommending whether such laws should be continued, modified, or repealed.

**SENATE BILL 697**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Wentworth

**HOUSE SPONSOR:** Haggerty

Senate Bill 697 amends the Texas Engineering Practice Act to authorize the Texas Board of Professional Engineers by rule to require no more than eight hours of education per year for engineers regulated by the board and sets forth the activities for which continuing education credit may be awarded. The bill authorizes the board to review a proposal for the procurement of services issued by a governmental entity and to issue a finding regarding whether the services are within the scope of the practice of professional engineering. The bill requires the board to adopt a registration fee for a sole proprietorship and a system under which the registration expires, authorizes the board to require certain exempt and unlicensed engineers to register and pay a fee, and requires the board to develop written guidelines that distinguish between engineering research conducted by certain faculty of higher education and other activities conducted by those faculty that constitute engineering consulting or the offering of engineering services to the public.

**SENATE BILL 1119**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Hinojosa

Senate Bill 1119 amends provisions of the Occupations Code relating to bail bond sureties, including provisions relating to advertising as a bail bond surety and authorizing a county bail bond board to regulate solicitations or advertisements by or on behalf of license holders to protect the public from harassment, fraud, or misrepresentation. The bill modifies provisions relating to licensing requirements for a bail bond surety to include an agent designated by a corporation operating in the bail bond business and requires a license holder to maintain an office in the county in which the license holder has a license. The bill prohibits a person from accepting or receiving from a license holder payment for employment with a bonding business if, within the preceding 10 years, the person has been convicted of a misdemeanor involving moral turpitude or a felony. The bill also prohibits a bail bond surety or an agent of a surety from placing a device in a place of detention, confinement, or imprisonment that dispenses a bail bond in exchange for a fee.

**SENATE BILL 1224**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** B. Turner

Senate Bill 1224 amends provisions of the Occupations Code relating to the licensing of businesses and people in the investigation and security industry to authorize the Texas Commission on Private Security to commission investigators as peace officers. The commission is required to develop a continuing education course for the renewal of a security officer commission. The bill modifies the fees charged by the commission and the applicability of the Private Investigators and Private Security Agencies Act.

The bill expands the definition of an “extra job coordinator” to include a peace officer who is employed full-time by a political subdivision of the state and deletes the reference to employment by a municipality. The bill establishes that a person acts as an alarm systems company if the person consults with a person to sell, install, service, monitor, or respond to an alarm system or detection device. The bill adds to the list of offenses for a person regulated under the Private Investigators and Private Security Agencies Act to make it a state jail felony to contract with a bail bond surety to secure the appearance of a person who has forfeited a bail bond with certain exceptions.

The bill amends the Code of Criminal Procedure to expand the list of persons authorized to execute an arrest warrant and a *capias*.

**SENATE BILL 1358**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister et al.  
**HOUSE SPONSOR:** Uher

Senate Bill 1358 amends the Occupations Code relating to the licensing of public accountants and public accounting firms. It defines the practice of public accountancy, attest services, and reports on financial statements and adds provisions authorizing the Texas State Board of Public Accountancy to specify requirements relating to those issues and to education, the CPA exam, and other qualifications necessary for a license and license renewal.

The bill includes substantial revision of provisions relating to persons licensed by jurisdictions other than this state and requires CPA firms to be licensed, rather than registered. It also includes provisions concerning disciplinary action, peer review, and the authority of the board to contract for the administration of the CPA exam.

It specifies that related provisions do not apply to attorneys and officers of financial institutions who are acting within the scope of their professional responsibilities and that certain information may be disclosed under summons under provisions of the Internal Revenue Code and the Securities Exchange Act.

**SENATE BILL 1797**  
**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Goolsby

Senate Bill 1797 amends the Texas Engineering Practice Act to exempt persons employed by colleges and universities who are performing research or instructional work within the scope of their employment from that act's licensing requirements and to exclude the teaching of advanced engineering subjects from the list of related activities that qualify as the practice of engineering or the practice of professional engineering. The bill also provides that teaching engineering may not be construed as active practice in engineering work when considering an applicant's qualifications for licensing under that act.



## PARKS AND WILDLIFE

### **HOUSE BILL 247**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** B. Turner et al.

**SENATE SPONSOR:** Wentworth

House Bill 247 amends the Water Code to authorize a person to construct, without a permit, a dam or reservoir with normal storage of not more than 200 acre-feet of water for commercial or noncommercial wildlife management purposes, other than fish farming, on property belonging to the person that is located in an unincorporated area. The bill exempts a person who temporarily stores more than 200 acre-feet of water in a dam or reservoir for domestic or livestock purposes from the requirement to obtain a permit for that dam or reservoir if the person can demonstrate that the person has not stored more than 200 acre-feet of water on average in the dam or reservoir in any 12-month period.

### **HOUSE BILL 1915**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Capelo

**SENATE SPONSOR:** Lucio

House Bill 1915 amends the Parks and Wildlife Code to provide that a person who is mentally retarded and is engaged in recreational fishing is not required to possess a fishing license if the person (1) is carrying a note from a doctor stating that the person has been diagnosed as mentally retarded and (2) is under the supervision of a person who holds a fishing license and who has permission from the mentally retarded person's family to take that person fishing if the supervising individual is not a family member.

### **HOUSE BILL 2719**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Noriega

**SENATE SPONSOR:** J. E. Brown

House Bill 2719 amends the Parks and Wildlife Code to require the Texas Department of Transportation to coordinate with the Parks and Wildlife Department and local governments to use obsolete bridges, tunnels, and causeways to create artificial reefs. The bill authorizes the departments to coordinate their activities and resources, including funding, to do so.

### **HOUSE BILL 3209**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uher

**SENATE SPONSOR:** J. E. Brown

House Bill 3209 amends the Parks and Wildlife Code to provide that certain penalties for commercial shrimp boat violations, including confiscation of catch and liability to the state for the value of the catch, do not apply to a commercial shrimp boat if the only violation is a violation of a rule related to the display of a shrimp boat license or a commercial shrimp boat's documentation or registration number or to the requirement for a commercial shrimp boat captain's license.

### **SENATE BILL 305**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Harris et al.

**HOUSE SPONSOR:** Bosse et al.

Senate Bill 305 amends the Parks and Wildlife Code to continue the Parks and Wildlife Department until September 1, 2013, and to include sunset across-the-board provisions. In addition, the bill makes numerous changes to the statutes governing the department, including the following:

## Parks and Wildlife

- The department is prohibited from entering into a contract for a publication unless the contract allows the department to terminate the contract if the publication violates department rules regarding advertising appropriate for viewing by youths. The bill prohibits the department from accepting an advertisement for a tobacco product in any publication sponsored or published by the department.
- The department is required to ensure that outreach and education activities are consistent with the department's goals, do not duplicate efforts by the department or other entities, and provide a cost-effective method for reaching participants, as well as results that can be effectively measured.
- The department is required to calculate the total cost of each completed construction project and evaluate the costs and benefits of contracting with a private entity to manage proposed construction projects.
- Money from license fees paid by hunters and fishermen may only be used to manage the fish and wildlife resources of the state.
- The department is required to obtain approval from the Parks and Wildlife Commission for each development plan required by law for a geographical area managed by the department, and the commission is required to hold a hearing on the approval of the plan.
- The department is required to inventory all land and water associated with historical, natural, recreational, and wildlife resources in the state that are owned by governmental or nonprofit entities that offer public access and store the information in a database. The bill requires the department to create a land and water resources conservation and recreation plan using the information in the database. The bill establishes criteria that must be used to develop the plan and sets out guidelines for issues that the plan must address.
- The bill establishes business oversight mechanisms for the department's commercial ventures and requires the department to develop an agency-wide business plan to guide its overall operational strategies for statewide commercial projects and to develop individual plans for each statewide commercial project.
- The bill establishes guidelines for the department's cooperation with official nonprofit partners.
- The department is required to coordinate with the Texas Historical Commission to identify and preserve historical sites in the state.
- The bill modifies requirements for oyster bed leases and increases the lease fee from \$3 to \$6 per acre each year.
- The department is required to conduct a comprehensive study of shrimp resources, including the shrimp population and the shrimp industry.
- The department is authorized to use obsolete bridges, tunnels, and causeways received from the Texas Department of Transportation to create artificial reefs.

The bill also authorizes the department to create a program to identify and classify boat dealers and manufacturers in Texas; encourages the department to seek matching funds for bond projects; exempts the department from laws relating to the collection and reporting of information about people detained during traffic and pedestrian stops; requires the department to adopt rules relating to the legibility of hunting and fishing licenses and to assist local governments regarding aquatic vegetation management and control; and authorizes city mayors to have the same powers as county commissioners related to damage or threats to public safety by wildlife.



**SENATE BILL 1173**  
**EFFECTIVE: 6-14-01**

**SENATE AUTHOR:** Wentworth  
**HOUSE SPONSOR:** Hilderbran

Senate Bill 1173 amends the Parks and Wildlife Code to require the Texas Public Finance Authority, on request of the Parks and Wildlife Department, to issue revenue bonds in an amount not to exceed \$9 million to finance repair, renovation, improvement, or expansion projects at the Fleet Admiral Chester W. Nimitz Memorial Naval Museum. The bill authorizes the department to contract with the Admiral Nimitz Foundation and to accept contributions from the foundation or other sources for the renovation, improvement, or expansion of the museum.

**SENATE BILL 1194**  
**EFFECTIVE: 9-1-01**

**SENATE AUTHOR:** Wentworth  
**HOUSE SPONSOR:** Kuempel et al.

Senate Bill 1194 amends the Parks and Wildlife Code to prohibit the hunting, sale, or purchase of bats, dead or alive, with certain exceptions for animal control officers, peace officers, health officials, and licensed exterminators. The bill provides that violation of this law is a Class C Parks and Wildlife Code misdemeanor.

**SENATE BILL 1410**  
**EFFECTIVE: 9-1-01**

**SENATE AUTHOR:** J. E. Brown  
**HOUSE SPONSOR:** Danburg

Senate Bill 1410 amends the Parks and Wildlife Code to authorize the Parks and Wildlife Commission to establish a closed season for the use of crab traps in public waters of the state and requires the commission to adopt rules for the removal and disposal of “abandoned crab traps” as defined in the bill.

**SENATE BILL 1573**  
**EFFECTIVE: 6-15-01**

**SENATE AUTHOR:** Lindsay  
**HOUSE SPONSOR:** Hawley

Senate Bill 1573 amends the Parks and Wildlife Code to require the Parks and Wildlife Department to issue permits for certain floating cabins moored in public coastal water. The bill sets forth provisions for the permitting process, including the contents of a permit application, fees that may be charged for a permit or a permit renewal, and terms of the permit. The bill authorizes a permit holder to transfer the permit to a new owner of the cabin for which the permit was issued and authorizes the Parks and Wildlife Commission to establish a program to purchase floating cabins. The bill requires a cabin to be marked, lighted, and equipped with a portable marine sanitation device; authorizes a permit holder to relocate or replace a cabin under certain circumstances; and prohibits a permit holder from increasing the size of a cabin or locating the cabin in certain state-owned sites. The bill authorizes the department to suspend or revoke a permit, bring a civil action, or require removal of the cabin as a result of a violation of these provisions and provides that it is a Parks and Wildlife Code misdemeanor to violate certain provisions.

The bill also requires a person who owned and moored a floating cabin before August 31, 2001, to pay a fee of \$1,500 on or before that date, and it requires the department to remit those fees to the comptroller for deposit to the credit of the floating cabins cleanup account in the general revenue fund. Money in the account is to be used only for the cleanup of illegal or abandoned floating cabins and related debris in the coastal water.



## PROPERTY INTERESTS

### **HOUSE BILL 271**

**EFFECTIVE:** 5-11-01

**HOUSE AUTHOR:** Berman et al.

**SENATE SPONSOR:** Truan

The Natural Resources Code provides that certain former military and Texas National Guard personnel are eligible for the veterans' land and veterans' housing assistance programs unless they have been dishonorably discharged. House Bill 271 amends the code to clarify eligibility language to assist the Veterans' Land Board in interpreting the nature of a discharge. Individuals to whom the discharge criterion applies are eligible for the two programs if they have received an honorable discharge or a discharge under honorable conditions. For other types of discharges, they are eligible if they provide evidence that the United States Department of Veterans Affairs, its successor, or another competent authority has determined the character of their duty to be other than dishonorable.

### **HOUSE BILL 541**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell

**SENATE SPONSOR:** Duncan

House Bill 541 amends the Property Code to prohibit the comptroller from selling or destroying an unclaimed military award or decoration in the manner of other unclaimed property. The comptroller must deliver the item to the adjutant general's department, which is required to conduct a reasonable search of public records to locate its recipient or the recipient's next of kin. If the department cannot locate either, it must hold the item in trust at a museum or other designated public facility.

### **HOUSE BILL 557**

**EFFECTIVE:** 4-1-02

**HOUSE AUTHOR:** Dukes et al.

**SENATE SPONSOR:** Lucio

House Bill 557 amends the Property Code to regulate the relationship between a landlord and a tenant who leases property in a manufactured home community. The bill prohibits a landlord from entering the tenant's manufactured home without the tenant's consent except in an emergency or if the home is abandoned, interfering with tenant meetings, retaliating against a tenant, or placing certain restrictions on the sale of a tenant's manufactured home. The bill requires a landlord to make common area facilities open or available to tenants; to accept rental payments in cash unless the lease agreement specifies otherwise; to disclose in writing the name and address of the owner and manager of the property; to send all required notices to a tenant's primary residence if the tenant does not occupy the manufactured home as a primary residence and makes such a request; and to maintain common areas, utility lines installed by the landlord, individual mailboxes other than those on a tenant's lot, and roads and other services within the property. The bill authorizes a landlord to adopt and add to or amend manufactured home community rules, which are considered part of the lease agreement.

House Bill 557 requires the landlord to give the tenant a written and signed copy of the lease agreement containing certain information relating to the terms and conditions of occupancy, the manufactured home community's rules, and certain disclosures regarding to the tenant's and the landlord's rights and responsibilities. The bill also requires the landlord to offer an initial lease term of at least six months and to provide the tenant either a notice to vacate or an offer of lease renewal within certain specified time frames before the end of the current lease term, depending on the circumstances of the lease agreement, and it requires the tenant to disclose before the lease agreement is signed the name and address of any person who holds a

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lien on the tenant's manufactured home. The bill authorizes the landlord to assess a penalty for late payment of rent and to specify in the lease agreement the conditions under which a tenant is authorized to sublease the premises.

The bill authorizes a landlord to require a security deposit, requires the landlord to refund the deposit not later than 30 days after the tenant vacates the lot, specifies the circumstances under which the landlord is authorized to retain all or a portion of the deposit, and requires the tenant to provide a forwarding address in order to receive a refund of the deposit. A tenant may not withhold payment of the last month's rent on grounds that the deposit is security for unpaid rent. The bill provides for the transfer of responsibility for security deposits to a new owner of the leased premises.

The bill also sets forth the authorized reasons for and procedures relating to eviction of a tenant, sets forth the landlord's remedy for a tenant's early termination of a lease agreement, and requires a landlord to mitigate damages in the case of a tenant's early termination. The bill provides that a landlord who enters into a lease agreement warrants that the lot is suitable for a manufactured home, and it requires the landlord to make a diligent effort to repair or remedy conditions that affect the physical health or safety of a tenant. The bill sets forth the tenant's and the landlord's responsibilities and remedies relating to repair of the leased premises.

Finally, the bill provides that certain provisions in lease agreements or community rules waiving a right or liability under these provisions are void, specifies the landlord's and tenant's liabilities and access to judicial remedies for violations of these provisions, specifies the landlord's agent for service of process, and sets forth the burden of proof and venue for a civil action under these provisions.

### **HOUSE BILL 858**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Dutton

**SENATE SPONSOR:** Staples

House Bill 858 amends the Tax Code to provide that a deed of conveyance of tax foreclosed property that is sold by a municipality for the purpose of urban redevelopment, with the consent of any taxing unit involved in the foreclosure, conveys to the buyer the right, title to, or interest in the property acquired or held by each of those taxing units, subject to any remaining right of redemption at the time of the sale.

### **HOUSE BILL 1050**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solomons

**SENATE SPONSOR:** J. E. Brown

House Bill 1050 amends the Property Code to require a lien on real property in favor of a governmental entity to be recorded in the real property records of the county, with some exceptions. The bill also amends the Transportation Code to provide that such a lien for ad valorem taxes is superior to any other lien and to specify that the notice given by the governing body of a municipality to the county clerk of an assessment on property abutting a street or highway improvement must specify the property's subdivision and affected blocks if the street abuts a subdivision for which a plat has been recorded.

### **HOUSE BILL 1402**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Cook

**SENATE SPONSOR:** Armbrister

House Bill 1402 amends the Natural Resources Code to authorize the School Land Board to approve a tract of land for patenting to release all or part of the state's interest in the land, excluding mineral rights, to the person claiming title to the land if the person (1) holds the land under color of title; (2) holds title under a chain of title that began on or before January 1,

1952; (3) acquired the land not knowing that the title was vested in the state; (4) has a properly recorded deed to the land; and (5) has paid all taxes assessed on the land and is not delinquent on any property tax. The bill also sets out the procedure for applying for a patent for interest in land released by the state.

The bill takes effect on the date the constitutional amendment proposed by House Joint Resolution 53 is approved by the voters.

**HOUSE BILL 1869**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Wohlgemuth et al.

**SENATE SPONSOR:** Harris

House Bill 1869 amends the Texas Manufactured Housing Standards Act to provide that certain manufactured homes that are permanently attached to real property are to be classified and taxed as real property under certain circumstances. The bill also prohibits a seller of real estate from providing any kind of compensation to a person acting on behalf of a retail seller of a manufactured home and from contributing to the down payment or other charges associated with the purchase of a manufactured home. The bill requires the seller of a manufactured home to provide information to the consumer relating to zoning and restrictive covenants, utilities, homeowner association fees, property taxes, and the terms of the sale of the manufactured home.

House Bill 1869 also amends the Property Code to establish that a manufactured home placed on a lot or in a manufactured home rental community is real property and not personal property. The bill requires the attorney or title company conducting the closing of a manufactured home sale to file in the public land records of the county a notice of installation containing certain specified information after the installation is complete and to forward a copy of the notice and the manufacturer's certificate of origin to the Texas Department of Housing and Community Affairs. The bill also provides for the conversion of a lien on a manufactured home from a personal property lien to a real property lien when the home is permanently attached to real property and a certificate of attachment is filed in the county's real property records. Finally, the bill amends the Tax Code to provide for the appraisal and attachment of a tax lien on manufactured homes that are attached to real property.

The bill takes effect January 1, 2002, except for provisions relating to prohibitions on financial incentives for sellers of a manufactured home, which take effect September 1, 2001.

**HOUSE BILL 2028**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Yarbrough

**SENATE SPONSOR:** Van de Putte

House Bill 2028 amends the Labor Code to provide that an administrative lien imposed by the Texas Workforce Commission against an employer indebted to the state for penalties or wages is superior to any other lien on the same property, with the exception of a lien for ad valorem taxes.

**HOUSE BILL 2033**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Pitts

**SENATE SPONSOR:** Lucio

House Bill 2033 amends the Water Code to require a seller of certain unimproved real property to execute and provide to the purchaser a written notice containing specific language relating to the property's location in the water or sewer service area of a particular utility service provider and the availability of water or sewer service, advising the purchaser to contact the provider to determine the costs of obtaining water and sewer service for the property, and stating the period required to construct lines or other necessary facilities to provide the service, if any. The notice must be given to the purchaser before the execution of a

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binding contract of purchase and sale and must be executed by the seller and the purchaser at the closing of the contract and a copy subsequently recorded in the real property records of the county; if the notice is not provided as required, the purchaser is authorized to terminate the contract. The bill provides that the seller or a person acting on the seller's behalf may rely on the accuracy of information in the real property records and in the map of the certificated service area of the utility service provider. Finally, the bill sets forth the circumstances under which the seller is liable in a suit for damages relating to the notice and the amount that the seller may recover in such a suit.

**HOUSE BILL 2168**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uher  
**SENATE SPONSOR:** Harris

House Bill 2168 amends the Property Code to require the commissioners appointed to partition a piece of property, or the owner of a partitioned tract that has a means of access through a public road or an existing easement, to grant a nonexclusive access easement to provide entrance and exit for an adjoining partitioned tract that does not have a means of access through a public road or other easement, unless the right to the easement is waived by all parties. The bill establishes certain standards for the access easement.

**HOUSE BILL 2803**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uresti et al.  
**SENATE SPONSOR:** Van de Putte

House Bill 2803 amends the Property Code to require a commercial landlord to refund a security deposit not later than the 60th day after the tenant surrenders the premises and provides a forwarding address. The tenant's claim to the deposit takes priority over any of the landlord's creditor's claims, including that of a trustee in a bankruptcy. The bill sets forth the circumstances under which a commercial landlord may retain any or all of the deposit, the procedure for transferring liability for the deposit to a new owner, and the liability of a landlord who retains a deposit in bad faith. A landlord is required to keep accurate records of all security deposits. The bill provides that a landlord is not obligated to return a deposit until a tenant provides the landlord with a forwarding address but that the tenant does not forfeit the right to a refund for failure to do so. The bill specifically prohibits a commercial tenant from withholding payment of any portion of the last month's rent on the grounds that the security deposit is security for unpaid rent and it makes a tenant who withholds rent on such grounds liable to the landlord for an amount three times the withheld rent plus the landlord's reasonable attorney's fees in a suit to recover the rent. The bill also sets the landlord's liability for retaining a deposit in bad faith at \$100, three times the amount withheld, plus the tenant's reasonable attorney's fees in a suit to recover the deposit.

**HOUSE BILL 2804**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kolkhorst  
**SENATE SPONSOR:** Ogden

House Bill 2804 amends the Property Code to authorize the clerk of a court in which a judgment is rendered, as well as the judge or justice of the peace who rendered it, to prepare, certify, and deliver an abstract of the judgment on the application of the person in whose favor the judgment is rendered or of the person's attorney, agent, or assignee. The bill requires an abstract prepared by a person other than the court clerk, or the judge or justice of the peace who rendered the judgment, to be verified by the person who prepared the abstract. The bill also authorizes satisfaction of a judgment to be shown by recordation of certain information.



The bill also requires a county clerk to record authenticated abstracts of judgment in the real property records, rather than the judgment records, of the county, and it repeals a section of the Local Government Code that required a county clerk to record certain instruments creating a judgment lien separately from a deed or other conveyance.

**HOUSE BILL 3161****EFFECTIVE:** 6-14-01**HOUSE AUTHOR:** Bonnen**SENATE SPONSOR:** J. E. Brown

House Bill 3161 amends the Local Government Code to establish that approval of a plat expires if no portion of the land subdivided under the plat is sold or transferred before January 1 of the 51st year after the year the plat was approved. The bill requires the owner to resubmit a plat of the subdivision for approval subject to the platting requirements in effect at the time of the resubmission.

**HOUSE BILL 3349****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Ehrhardt**SENATE SPONSOR:** Madla

House Bill 3349 amends the Property Code to provide a judicial mechanism by which a community-based, tax-exempt, nonprofit organization created to develop affordable housing for low-income individuals or families may obtain clear title to real property for such purposes. The bill allows a nonprofit organization that owns an undivided interest in real property to file a petition for a court order to require another owner of that property to sell that owner's interest in the property to the organization if the organization has paid the other owner's share of property taxes imposed on the property for any two years in a three-year period and has not been sufficiently reimbursed by the owner for those taxes. The bill requires the nonprofit organization, as petitioner, to prove by clear and convincing evidence at a hearing on the petition that it has paid the defendant's share of taxes imposed on the property for the required period. The bill provides that if the address or the identity of the defendant is unknown, the petitioner's demand for reimbursement may be met by publication in a newspaper in the county in which the property is located.

**HOUSE BILL 3552****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Raymond**SENATE SPONSOR:** Madla

House Bill 3552 amends the Texas Manufactured Housing Standards Act to increase from \$2,000 to \$4,000 the maximum fine that may be imposed on a person who violates a provision of the act, or any rule or administrative order of the Texas Department of Housing and Community Affairs. It provides for the filing of a notice of attachment in lieu of a certificate of attachment in the real property records of the county in which the home is located when a manufactured home is permanently affixed to real estate, establishes requirements for the content of such notice, and provides that the notice is valid for all purposes until the certificate of attachment is issued by the department and is filed in the county's real property records. The bill also requires the department to furnish to each county tax assessor-collector a monthly report of each manufactured home installed in the county, rather than a quarterly report. The bill makes a conforming amendment to the Property Code to reflect the effect of filing a notice of attachment.

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### **HOUSE JOINT RESOLUTION 5 FOR ELECTION: 11-6-01**

**HOUSE AUTHOR:** Solomons  
**SENATE SPONSOR:** Shapleigh

House Joint Resolution 5 proposes a constitutional amendment adding an exception to the constitutional protection of a homestead from forced sale for the payment of debt, to allow the forced sale of a homestead for debts relating to the conversion and refinance of a personal property lien secured by a manufactured home to a lien on real property. The resolution also proposes an amendment to the exception for certain material and work liens to shorten from 12 to 5 days the waiting period between the application for an extension of credit and the execution of certain contracts for work and material used in constructing new improvements or repairing existing improvements to a homestead property after which, if a contract has not been executed, the homestead is no longer protected. The resolution includes a temporary provision requiring the constitutional amendments to take effect January 1, 2002.

### **HOUSE JOINT RESOLUTION 52 FOR ELECTION: 11-6-01**

**HOUSE AUTHOR:** Cook  
**SENATE SPONSOR:** Armbrister

House Joint Resolution 52 proposes a constitutional amendment providing that the State of Texas relinquishes and releases any claim of sovereign ownership or title to certain tracts of land in Bastrop County. Contingent on voter approval, title to the lands, excluding mineral rights, will be confirmed to the holder of record title to each tract and the General Land Office will be required to issue new patents. The amendment cancels outstanding land award or land payment obligations owed to the state for such lands and provides that funds previously paid to the state related to such awards or obligations may not be refunded.

### **HOUSE JOINT RESOLUTION 53 FOR ELECTION: 11-6-01**

**HOUSE AUTHOR:** Cook  
**SENATE SPONSOR:** Armbrister

House Joint Resolution 53 proposes a constitutional amendment to authorize the legislature to release all or part of the state's interest in land, excluding mineral rights, if the land is surveyed, unsold permanent school fund land, the land is not patentable under the law in effect before January 1, 2002, and the person claiming title to the land acquired the land not knowing that title was vested in the state, has a properly recorded deed, and has paid and is current on all property taxes due on the land. The amendment does not apply to certain state-owned land such as beach land and submerged land islands, or land determined to be state-owned by judicial decree.

### **SENATE BILL 141 EFFECTIVE: 9-1-01**

**SENATE AUTHOR:** Moncrief et al.  
**HOUSE SPONSOR:** Brimer

Senate Bill 141 amends the Property Code to require a person who delivers an advertisement offering, for a fee, to designate property as a homestead to include in the advertisement a disclaimer stating that it is an advertisement of services and not an official document of the State of Texas. Failure to provide such a disclaimer is considered a false, misleading, or deceptive act or practice subject to action by the consumer protection division of the attorney general's office.

**SENATE BILL 198****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Moncrief et al.**HOUSE SPONSOR:** Carter et al.

Senate Bill 198 amends the Property Code to delete provisions that previously limited the applicability of contracts for deed protections to certain counties, making those provisions applicable statewide, and to expand the types of real property to which those protections apply. The bill also requires a seller of real property to disclose to the purchaser certain information relating to property taxes levied on the property by each taxing unit that collects such taxes and insurance coverage and requires executory contracts to be in writing and signed by the parties in order to be enforceable. The bill makes the seller's failure to provide the information about the tax payments and insurance coverage, and the failure to provide a specified notice about the prohibition against oral agreements, false, misleading, or deceptive acts or practices that are actionable in a suit and that entitle the purchaser to cancel and rescind the executory contract and receive a full refund of all payments made to the seller. The bill also requires additional information to be included in the seller's annual accounting statement to the purchaser and establishes the seller's liability to the purchaser for failure to provide such a statement by January 31 each year during the term of the executory contract at \$250 per day for each day after January 31 that the statement is not provided, plus reasonable attorney's fees.

**SENATE BILL 507****EFFECTIVE:** 1-1-02**SENATE AUTHOR:** Carona et al.**HOUSE SPONSOR:** Dutton

Senate Bill 507 amends the Property Code to adopt the Texas Residential Property Owners Protection Act. The bill requires certain residential property owners' associations in subdivisions subject to certain deed restrictions and covenants and where association membership is mandatory to record a management certificate with each county in which any part of the pertinent subdivision is located and to make the association's books and records reasonably available to an owner. The bill requires an association to give written notice to an owner before it may take an enforcement action such as suspending an owner's right to use a common area, filing certain suits against an owner, charging an owner for property damage, or levying a fine for a violation of its restrictions or bylaws. The notice must provide the owner with a reasonable period to cure a violation and avoid the fine or suspension, and the owner is authorized to request a hearing before the board of the association to resolve the matter. The bill also authorizes an association to in certain limited circumstances collect reimbursement of reasonable attorney's fees and other costs relating to collection of amounts, including damages, due the association for enforcing restrictions and bylaws.

The bill prohibits an association from foreclosing a property owners' association's assessment lien if the debt securing the lien consists solely of fines assessed by the association or associated attorney's fees. The bill also requires an association that conducts a foreclosure sale of an owner's lot to send the lot owner a notice containing information about the sale and the owner's right to redeem the property. An owner is entitled to redeem the property from any purchaser at a foreclosure sale not later than the 180th day after the notice is mailed, and the purchaser is prohibited from transferring ownership of the property to anyone else during the redemption period. The bill prescribes the amounts that the owner must pay to the association and to the purchaser if the purchaser is someone other than the association and the procedures that must be followed in order to redeem the property.

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### **SENATE BILL 583**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Janek

Senate Bill 583 amends the Property Code to include a physician's reasonable and necessary charges for certain emergency hospital care services provided during the first seven days of a person's hospitalization in the amount of a hospital lien on the proceeds of a settlement or damages awarded by a court in a proceeding brought by that person for injuries sustained in an accident caused by another person's negligence.

### **SENATE BILL 620**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** J. Davis

Senate Bill 620 amends the Property Code to allow community associations in certain residential real estate subdivisions to approve and submit to a vote of the owners an extension of a restriction imposing a regular assessment.

### **SENATE BILL 626**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Averitt

Senate Bill 626 amends the Code of Criminal Procedure to establish procedures relating to the seizure of a depository account or other assets held by a regulated financial institution that are associated with a criminal proceeding. If the financial institution fails to follow those procedures, the bill authorizes the court that ordered the seizure or in which a forfeiture is pending to find the financial institution in contempt, and it requires the court to order the institution to pay damages, attorney's fees, and court costs. The bill prohibits the forfeiture of ownership interest in such assets if the owner or interest holder proves by a preponderance of the evidence certain facts relating to the circumstances under which the interest was acquired and perfected, including the timing of the acquisition and perfecting relative to the act or omission that gave rise to the forfeiture, and the owner or interest holder's lack of awareness of the act or omission. The bill also preserves the property interests of an owner or interest holder during the pendency of the forfeiture proceedings. The bill contains provisions relating to the confidentiality of information relating to forfeiture of such assets, providing that an offense relating to unauthorized disclosure of such information is punishable by confinement and a fine. The bill requires the attorney representing the state to notify the banking commissioner before taking any action that implicates an officer of a regulated financial institution, requires the commissioner to notify the appropriate state or federal regulator, and provides similar penalties for unauthorized disclosure of such information.

### **SENATE BILL 779**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Walker

Senate Bill 779 adds a Property Code subchapter to provide for creation of an agricultural lien that attaches to an agricultural crop when an agricultural producer delivers or transfers the crop, whether in raw or processed form, to a contract purchaser and expires on the first anniversary of the date of attachment. "Contract purchaser" is defined to exclude a licensee who is bonded under federal warehouse or Texas grain warehouse laws. The bill contains provisions relating to the details of attachment, filing and perfection, recovery, discharge, joinder of actions, and lien enforcement costs. It voids any agreement between a producer and contract purchaser that waives the producer's right to seek a remedy under the subchapter.

**SENATE BILL 1352**  
**EFFECTIVE:** 5-26-01

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Seaman

Senate Bill 1352 amends the Natural Resources Code to increase from 100 to 115 feet the maximum length of a pier that certain coastal property owners may construct without obtaining an easement from the School Land Board. This provision applies to a pier that is not used for commercial purposes and does not require filling or dredging.

**SENATE BILL 1355**  
**EFFECTIVE:** See below

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Brimer

Senate Bill 1355 amends the Property Code to extend the time before certain money orders are presumed to be abandoned from five to seven years after (1) the money order was issued or (2) the last communication from or written indication by the owner to the issuer, whichever is later. This provision takes effect June 1, 2004. The bill also limits the fees that the holder of an abandoned money order may charge to 50 cents per month for each month the money order remains uncashed until it is presumed abandoned. This provision takes effect June 1, 2002.





## PROPERTY TAXATION

### **HOUSE BILL 16**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Corte et al.

**SENATE SPONSOR:** Truan

House Bill 16 amends the Tax Code to permit the filing of a late application for a disabled veterans tax exemption, setting a deadline of the first anniversary of the delinquency date or the date of tax payment, whichever is earlier. The bill establishes procedures for correcting tax rolls, making a deduction from the applicant's tax bill, and paying any applicable refund if a late application is approved after approval of the appraisal records for the year of the exemption.

### **HOUSE BILL 468**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Solomons et al.

**SENATE SPONSOR:** Shapiro

House Bill 468 amends the Transportation Code, Tax Code, and Texas Manufactured Housing Standards Act to require that an application for a Texas Department of Transportation (TxDOT) permit to move a manufactured home, except for a move from the location of the manufacturer or the original retailer, be accompanied by a written statement from the local appraisal district that no unpaid property taxes on the housing have been reported by any taxing unit. Certain special procedures apply if the manufactured home is not on the tax rolls. The bill also revises laws relating to the transfers and tax liens involving manufactured homes, and it eliminates the previous system whereby a collector for a taxing unit notified the Texas Department of Housing and Community Affairs of unpaid taxes and tax liens. Instead, the bill establishes a procedure whereby a person, whether for TxDOT permit or title transfer purposes, may seek from the chief appraiser a written statement about the existence or nonexistence of outstanding tax liability. The bill also sets related deadlines and details procedures for communications between chief appraisers necessary to answer requests for such written statements. Under the bill, the fine for road, highway, or street movement of a manufactured home without a permit is \$500, whereas under former law the same offense was a Class C misdemeanor subject to a maximum \$500 fine.

### **HOUSE BILL 490**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Heflin

**SENATE SPONSOR:** J. E. Brown

House Bill 490 amends provisions of the Tax Code and Civil Practice and Remedies Code relating to the administration and collection of property taxes. It adds certain ex parte communication violations and conflict-of-interest violations as grounds for removal of an appraisal review board member. The bill disqualifies individuals from serving on an appraisal district board of directors, on an appraisal review board, or as chief appraiser if their taxes are delinquent, there is not an installment payment agreement in effect, and a delinquency suit has not been deferred or abated. Other provisions allow disclosure to a taxing unit or its legal representative, for delinquent tax collection purposes, of otherwise confidential renditions, reports, attachments, and information. The bill increases, from 15 to 20 percent of the amount owed, the maximum additional penalty applicable to delinquent tax collection. Among other delinquency and collection provisions, it eliminates five-year delinquency notices and allows counties that contract for tax assessment and collection to exclude from such contracts certain vehicle and manufactured housing inventories. Other omnibus provisions relate to appraisal roll correction, refunds, tax liens, and tax seizures, sales, resales, and redemptions.

**HOUSE BILL 506**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Smith

**SENATE SPONSOR:** Staples

The Tax Code protects older homeowners from increases in the school district property tax on their residence homesteads by capping the tax at the amount they paid at age 65. It also allows a homeowner whose taxes have been capped to transfer this tax freeze to a new homestead in a proportion reflecting the difference in value between the two homesteads. House Bill 506 amends the Tax Code to clarify that the provision allowing for the portability of this tax freeze to a new homestead applies also to a surviving spouse who was entitled, on the basis of the surviving spouse's age and residence at the time of the homeowner's death, to the same tax freeze on the former homestead that had been claimed by the homeowner.

**HOUSE BILL 612**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Maxey

**SENATE SPONSOR:** Duncan

House Bill 612 amends the Tax Increment Financing Act to require that a copy of a municipality's annual report on a reinvestment zone be sent to the comptroller. A municipality that designates or approves a project plan or reinvestment zone financing plan under the act must deliver to the comptroller by April 1 of the following year a general description of the zone plus a copy of each adopted plan and any other required information. Plan amendments and modifications likewise must be delivered to the comptroller. The bill authorizes the comptroller and the Texas Department of Economic Development to provide certain assistance to a municipality under the act. It requires the comptroller to maintain a central registry of designated reinvestment zones, adopted plans, and municipalities' annual reports, and to submit a biennial report to the legislature and governor on zone designations and plan adoptions.

**HOUSE BILL 824**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** D. Ellis et al.

**SENATE SPONSOR:** Bernsen

House Bill 824 amends the Tax Code to provide that a nonprofit, tax-exempt county fair association that is organized to hold agricultural fairs and that meets the requirements of a charitable organization is entitled to a property tax exemption of the land and buildings it owns and uses to hold the fairs. An association that has been issued a license after January 1, 2001, to conduct a horse race meeting or a greyhound race meeting with pari-mutuel wagering is not qualified to have its land or buildings exempt from the tax.

**HOUSE BILL 1100**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** R. Lewis

**SENATE SPONSOR:** Bernsen

House Bill 1100 amends the Tax Code to provide that a commercial vessel, noncommercial special-purpose vessel, or other watercraft that is constructed or converted in Texas is presumed to be in interstate, international, or foreign commerce and is not subject to property taxation. The same applies to tangible personal property that is to be incorporated in or attached to a commercial vessel, noncommercial vessel, or other watercraft that is being constructed in Texas or that is in the state solely for conversion, repair, storage, or inspection.

**HOUSE BILL 1194**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Brimer

**SENATE SPONSOR:** Harris

House Bill 1194 amends the Tax Code to provide that property in a municipal reinvestment zone that is subject to a tax abatement agreement or tax increment financing remains eligible for the tax treatment if the property's owner or lessee becomes a governing member of the

municipality or its zoning or planning board or commission. The same applies to property in a county reinvestment zone that is subject to a tax abatement agreement if its owner or lessee is elected to the county commissioners court.

**HOUSE BILL 1200**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Brimer et al.

**SENATE SPONSOR:** Harris

House Bill 1200 amends the Tax Code to enact the Texas Economic Development Act, authorizing school districts to grant property tax incentives for economic development by corporations and limited liability companies that pay franchise taxes and make investments to create jobs. The investment incentives are limited to property that is located in a reinvestment zone or enterprise zone; is not subject to an existing tax abatement; and is used in connection with manufacturing, research and development, or renewable energy electric generation. The code provisions authorizing the incentives expire December 3, 2007, but investments approved and begun before then continue to receive the incentives for a specified term under a saving clause.

The bill divides Texas school districts into two sets. A first set consists of districts that have territory in a strategic investment area or in a county with a population of less than 50,000 if the county is not part of a metropolitan statistical area and had a maximum population increase of three percent or less between the 1990 and 2000 censuses. A second set consists of all other school districts. Within each set, school districts are subdivided into five categories based on the aggregate taxable value of the property in the district. To qualify, investments must create at least 10 jobs in a school district in the first set, and at least 25 jobs in a school district in the second set. At least 80 percent of the jobs must be full-time, covered by a group health benefit plan, not created to replace a previous employee, and not merely a transfer of jobs from one part of the state to another. For each category of school districts, in each set of districts, there are also minimum investment amounts.

One type of incentive is a limitation on appraised value for purposes of maintenance and operation taxes. A school district may opt to consider or not consider an application for such a limitation. If the district considers the application, it must forward a copy to the comptroller and engage a third party in an economic impact evaluation. The district, in deciding whether to grant the application, may seek assistance from the comptroller, the Texas Department of Economic Development (TDED), the Texas Workforce Commission, and the Council on Workforce and Economic Competitiveness.

Approval of an application establishes a limitation on appraised value, which, for purposes of maintenance and operations taxes, may not exceed the lesser of the property's market value or an amount acceptable to the school district. In turn, that acceptable amount is subject to a statutorily specified limitation minimum based on the school district's classification by set and category. The limitation applies in tax years 3 through 10 after application approval, but once granted the limitation, the applicant is entitled to an additional incentive in the form of a tax credit on taxes paid in years one and two on the portion of the appraised value in excess of the limitation. The limitation must be formalized in an agreement between the school district and the property owner and must contain provisions for termination of the agreement and recapture of taxes, plus penalty and interest, if the owner fails to comply with the agreement.

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The school district during tax years one and two following approval may not adopt a tax rate that exceeds its rollback tax rate. Property receiving an incentive under the act may not also receive a tax abatement. Counties and municipalities may impose impact fees to fund or recover any costs they incur for capital improvements or facility expansions necessitated by or attributable to the investment.

House Bill 1200 contains other provisions outside the Texas Economic Development Act but related to it. Amendments to the Education Code entitle a school district to additional state aid to offset the year one and year two credits under the act and make formula allotment adjustments relating to the tax credit amounts. Separate changes to the Tax Code allow a school district to designate a reinvestment zone, postpone the expiration date of the Property Redevelopment and Tax Abatement Act from 2001 to 2005, and require chief appraisers to report annually to the TDED on properties receiving a school district appraisal value limitation. Amendments to the Government Code require the TDED to report to the governor and legislature; adjust the comptroller's determination of school district property values; and mandate the comptroller, TDED, attorney general, and Council on Workforce and Economic Competitiveness to survey tax incentive and economic development laws enacted by other states since 1990. Those entities must report survey results to the governor and legislative presiding officers not later than December 31, 2002, and annually thereafter. The bill takes effect January 1, 2002, except for the postponement of the expiration of the Property Redevelopment and Tax Abatement Act, which takes effect September 1, 2001.

### **HOUSE BILL 1392**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Keffer

**SENATE SPONSOR:** Staples

House Bill 1392 amends the Tax Code to provide that a community housing development organization, once entitled to receive a property tax exemption, need not reapply for the exemption in subsequent years. If any property receiving such an exemption has been acquired or sold during the preceding year, the organization must file with the chief appraiser by March 31 of the following year a list of the properties acquired or sold. The bill allows an organization to request the chief appraiser to make a preliminary determination of whether property being considered for acquisition qualifies for the exemption, and it sets a three-week deadline for that determination.

### **HOUSE BILL 1393**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hodge

**SENATE SPONSOR:** Cain

Under previous law, an overpayment or erroneous payment of county property taxes in a county of 2.8 million or more could not be refunded to a taxpayer in an amount exceeding \$2,500 unless the refund was approved by the county commissioners court or the governing body of a taxing unit that collects for the county. House Bill 1393 amends the Tax Code to change to 1.5 million or more the county population threshold at which a refund in excess of \$2,500 requires such approval.

### **HOUSE BILL 1448**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Oliveira

**SENATE SPONSOR:** Van de Putte

House Bill 1448 amends the Property Redevelopment and Tax Abatement Act to allow an eligible municipality to enter into a tax abatement agreement with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone but not in an improvement project financed by tax increment bonds, to exempt part of the value of the lessee's associated

taxable property on the condition that the lessee make specific improvements or repairs to the leased property. Lessee property refers to the leasehold interest, the improvements, and tangible personal property. An agreement period may not exceed 10 years and remains subject to the rights of holders of outstanding municipal bonds.

A similar but slightly different provision applies to counties. The bill allows an eligible county to enter into an abatement agreement with the owner of leasehold interests in tax-exempt real property or improvements on such property, located in a reinvestment zone, to exempt part of the value of the lessee's associated property. The 10-year limitation and the provision making the agreement conditional on repairs or improvements are unmentioned in the new language, but apply because of existing law that conforms the execution, duration, and terms of a county agreement to the law that governs a municipal agreement.

**HOUSE BILL 1449**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Oliveira

**SENATE SPONSOR:** Sibley

House Bill 1449 amends the Tax Code to continue the Property Redevelopment and Tax Abatement Act, previously scheduled to expire September 1, 2001, until September 1, 2009. The bill, however, prohibits a school district from entering into a tax abatement agreement on or after September 1, 2001. It requires the comptroller not later than December 31 of each even-numbered year to submit a report to the legislature and to the governor on reinvestment zones designated and tax abatement agreements adopted under the act.

**HOUSE BILL 1468**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Pitts

**SENATE SPONSOR:** Cain

House Bill 1468 amends provisions of the Tax Code relating to certain property tax rate calculations in tax increment reinvestment zones to allow local taxing entities, other than school districts, that are located in counties with a population of less than 500,000 to omit captured appraised value and tax increment fund revenue from their rollback and effective tax rate calculations.

**HOUSE BILL 1689**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum et al.

**SENATE SPONSOR:** Barrientos

House Bill 1689 amends the Tax Code to enable an organization that has been determined by the comptroller to be engaged primarily in performing charitable functions to apply for a local-option property tax exemption applicable to buildings and other real property and tangible personal property owned by the organization. Eligibility is limited to a statewide charitable organization or a chapter, subsidiary, or branch of the same. An exemption may not be granted unless adopted by the governing body of a taxing unit or by a favorable vote of a majority of its voters. House Bill 1689 limits to three years the duration of a tax exemption for certain property that consists of an incomplete improvement and the land on which the incomplete improvement is located, but otherwise provides that an exemption expires at the end of the fifth tax year after the year in which the exemption is granted. An exemption renewal may be sought, however, by obtaining a new determination from the comptroller and reapplying for the exemption.



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### **HOUSE BILL 1940**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** Cain

House Bill 1940 amends sections of the Tax Code relating to residence homestead exemptions for persons 65 years of age or older to clarify certain provisions pertaining to property that is owned only part of a year. The bill makes clear that if an elderly person qualifies for an exemption on a property on January 1 but moves during the course of the year and qualifies a new property for a residence homestead exemption, then a statutory formula applies to prorate the taxes on the first property for the remainder of the year following the change. If the elderly person dies, or moves without activating a residence homestead exemption on a new property, then taxes on the property remain lowered, with the benefit of a full elderly exemption, as if it had been the elderly person's residence homestead the entire year. Previous law was not clearly consistent on certain of these scenarios.

### **HOUSE BILL 2076**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Flores

**SENATE SPONSOR:** Lucio

House Bill 2076 amends the Tax Code to allow a taxing unit, other than a school district, to exempt a travel trailer from property taxation if it has a Texas vehicle registration and is not held or used for the production of income. A travel trailer is eligible for the exemption if it is a house trailer-type vehicle or camper trailer, is less than 400 square feet in area, and is designed primarily for use as temporary living quarters in connection with recreational, camping, travel, or seasonal use and not as a permanent dwelling. The bill takes effect January 1, 2002, contingent on voter approval of the constitutional amendment proposed by House Joint Resolution 44.

### **HOUSE BILL 2226**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** J. Davis

**SENATE SPONSOR:** Jackson

House Bill 2226 amends the Tax Code to require a chief appraiser to prepare and certify to a taxing unit a list of properties that are reasonably likely to be taxable by the unit but are not included on the certified appraisal roll or certified inventory of properties that are under protest. The list must include for each property the market value, appraised value, and applicable exemptions, including actual value and exemption amounts for the preceding year and estimated amounts for the current year. Until the property is added to the appraisal roll, the taxing unit's assessor is required to include each such listed property in effective tax rate and rollback tax rate calculations, using the lower market value, appraised value, or taxable value, as appropriate, from the list information supplied by the chief appraiser.

### **HOUSE BILL 2601**

**EFFECTIVE:** 8-27-01

**HOUSE AUTHOR:** Coleman

**SENATE SPONSOR:** Gallegos

House Bill 2601 amends the Tax Code to provide that a leasehold or other possessory interest in property that is exempt from property taxation may not be listed in appraisal records if the interest is in a part of a convention center, visitor center, sports facility with permanent seating, concert hall, arena, or stadium that serves a governmental, municipal, or public purpose or function when the facility is open to the public, regardless of whether a fee is charged for admission.



**HOUSE BILL 2782****EFFECTIVE:** 6-15-01**HOUSE AUTHOR:** Villarreal**SENATE SPONSOR:** Madla

House Bill 2782 amends the Tax Code to provide that the guidelines and criteria adopted by a county commissioners court for property tax abatements may include a requirement that an abatement application or request be accompanied by a reasonable fee not to exceed \$1,000.

**HOUSE BILL 2832****EFFECTIVE:** 1-1-02**HOUSE AUTHOR:** Smithee**SENATE SPONSOR:** Bivins

House Bill 2832 amends the Tax Code to require the collector for a taxing unit to notify a taxpayer, without charge, of a tax overpayment of \$5 or more for a particular tax year. The written notice must be accompanied by a refund application form. The bill provides that if a collector determines that a duplicate payment on property taxes is made, the collector, as soon as practicable after the discovery, must make a refund of taxes to the person who erred in paying them. The refund must be accompanied by a property description and must include if applicable an account number for the property. The bill requires a collector monthly to inform the auditor for each appropriate taxing unit of refunds that have been made because of duplicate payments.

**HOUSE BILL 3001****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Uresti**SENATE SPONSOR:** Madla

House Bill 3001 amends the Tax Code to provide that the effective date of a tax abatement agreement between a municipality and a property owner in a municipal reinvestment zone may begin on January 1 of the next tax year after the date improvements or repairs to the abated property are substantially completed.

**HOUSE BILL 3006****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Uresti**SENATE SPONSOR:** Madla

House Bill 3006 amends the Tax Code to establish the composition of the board of directors of a reinvestment zone created on or after the bill's effective date and designated by a municipality that is wholly or partially located in a county with a population of less than 1.4 million in which the principal municipality has a population of 1.1 million or more. The bill sets the number of members, terms, and eligibility requirements for directors and provides for the election of officers and the filling of board vacancies.

**HOUSE BILL 3121****EFFECTIVE:** 9-1-01**HOUSE AUTHOR:** Ritter**SENATE SPONSOR:** Armbrister

House Bill 3121 amends provisions of the Tax Code relating to the determination, by the executive director of the Texas Natural Resource Conservation Commission, as to whether a property or portion thereof is eligible for a pollution control exemption. Previous law required a letter from the executive director to the property owner if the determination was affirmative. House Bill 3121 requires a letter whether the determination is affirmative or negative, and the forwarding of a copy of that letter by the executive director to the applicable chief appraiser. Other provisions of the bill establish a procedure whereby a property owner or chief appraiser can appeal an adverse determination to commission members, but specifies that such an appeal is not to be considered a contested case. The bill requires the commission to adopt rules setting

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specific standards to ensure that determinations are equal and uniform and to distinguish the portion of a property that is used for pollution control and is eligible for the exemption from the portion that is not so used and is ineligible.

### **HOUSE BILL 3123**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Alexander et al.

**SENATE SPONSOR:** J. E. Brown

House Bill 3123 amends the Tax Code to transfer from the comptroller to the Parks and Wildlife Department the primary responsibility to develop criteria for determining whether land qualifies for open-space property tax appraisal based on its use for wildlife management. Under previous law, the comptroller developed guidelines with assistance from the department and the Texas Agricultural Extension Service (TAEX). Under House Bill 3123, the department is required to develop standards, the comptroller and TAEX to provide assistance, and the comptroller to adopt the standards by rule and provide for distribution to each appraisal district. The standards may require a tract held by a landowner to be a specified minimum size to qualify for open-space appraisal, and they may require a landowner to provide a written management plan if requested by the chief appraiser.

### **HOUSE BILL 3184**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Danburg

**SENATE SPONSOR:** Lindsay

House Bill 3184 amends the Tax Code to clarify that the requirement that the sworn statement appearing on an application form for a property tax exemption, relating to the truthfulness of the facts furnished and the applicant's acknowledgment of the penalties for filing an application that contains a false statement, be sworn to before a notary public or other official authorized to administer oaths.

### **HOUSE BILL 3364**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Menendez et al.

**SENATE SPONSOR:** Van de Putte

The Tax Code entitles a person who is 65 years of age or older to defer or abate a suit for the collection of delinquent property taxes due on a homestead residence. House Bill 3364 amends the code to extend this entitlement to certain disabled persons.

### **HOUSE BILL 3383**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Y. Davis

**SENATE SPONSOR:** Lucio

The Tax Code entitles certain community housing development corporations to an exemption for property to be sold or rented without profit by such an organization to low-income or moderate-income individuals or families who meet its eligibility requirements. Exemption also extends to property the organization uses administratively. House Bill 3383 makes the exemptions contingent on the performance of an independent annual audit, to be delivered to the chief appraiser and the Texas Department of Housing and Community Development (TDHCA). The audit requirement does not apply, however, if the entity that financed the property's acquisition or construction has required a payment in lieu of taxes to the local school district, the entity has restricted the rent amounts the organization may charge, or the organization has agreed with each taxing unit granting the exemption to spend specified amounts on social, educational, or economic development services, capital improvement projects, or rent reduction in the county where the property is located. The bill requires as a condition for a continuation of the exemption spending for such purpose, in an amount equal to at least 40 percent of the taxes that would have been otherwise imposed in the case of certain multifamily rental properties owned by the organization, unless it acquired the property using tax-exempt bond financing

during a specified time frame, or in an amount equal to at least 90 percent of the cash flow for the preceding year for property that includes a housing project constructed after December 31, 2001, if financed through low-income housing tax credits, tax-exempt private activity bonds, or certain qualified bonds issued under the Internal Revenue Code. An organization using such financing sources for construction in the latter case must comply with TDHCA rules and must control 100 percent of the interest in a general partner if the project is owned by a limited partnership.

**HOUSE JOINT RESOLUTION 44  
FOR ELECTION: 11-6-01**

**HOUSE AUTHOR:** Flores  
**SENATE SPONSOR:** Lucio

House Joint Resolution 44 proposes a constitutional amendment to allow the legislature by general law to authorize a taxing unit, other than a school district, to exempt from property taxation a travel trailer that is properly registered and is not held or used in the production of income. If voters approve the amendment, it takes effect January 1, 2002.

**SENATE BILL 248  
EFFECTIVE: 1-1-02**

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Brimer

Senate Bill 248 amends the Tax Code to entitle the lessor of a motor vehicle leased primarily for personal use that does not involve the production of income to an exemption from property taxation. A vehicle is presumed to be leased for personal use if 50 percent or more of the miles driven in a year are for non-income producing purposes. The bill requires the comptroller to adopt application requirements and procedures to determine whether a leased vehicle is exempt from taxes, including a form on which a lessee is required to record certain information to be maintained by the lessor and made available for inspection by the chief appraiser. A lessor who does not maintain the form is required to render the vehicle for taxation. In addition, the comptroller is required to prescribe a property report form on which a lessor must list each vehicle leased and indicate which are not used for the production of income. The lessor must provide the chief appraiser with the completed property report.

The bill applies to a lease entered into on or after January 2, 2001. It provides that a municipal ordinance adopted before January 1, 2002, may allow for the taxation of leased vehicles that are otherwise exempt under the bill. If not continued in effect by the legislature, the provisions of the bill expire December 31, 2003.

**SENATE BILL 256  
EFFECTIVE: 5-22-01**

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Hodge

Senate Bill 256 amends the Tax Code to provide that a taxing unit that purchases a property at a tax foreclosure sale is entitled on resale of the property to recover personnel and overhead expenses incurred in connection with maintaining, preserving, safekeeping, managing, and reselling the property.

**SENATE BILL 650  
EFFECTIVE: 9-1-01**

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Y. Davis

The Tax Code establishes the size of an appraisal review board (ARB) for property tax purposes, but authorizes an appraisal district board of directors to add more ARB members, up to a maximum that depends on county population. Previously, the code also allowed the appointment of nonvoting auxiliary members, the number of which likewise was based on county population. Senate Bill 650 repeals the auxiliary member system and makes adjustments

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to the population categories and maximum sizes for regular ARB members. The impact on counties with a population of less than 250,000 is to eliminate the auxiliary member alternative and keep the ARB voting membership the same. The impact on counties with a population of one million or more is to reduce the maximum total membership but increase significantly the maximum ARB voting membership. The impact on counties of in-between population is to retain a maximum total membership at least as great as before and, in addition, to convert nonvoting auxiliary membership to ARB voting membership.

**SENATE BILL 862**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Staples  
**HOUSE SPONSOR:** T. King

Senate Bill 862 amends the Tax Code to allow an owner of freeport goods to file a late application for property tax exemption if the filing occurs before the date the appraisal review board approves the appraisal records. If the late application is approved, the owner is liable to each taxing unit for a penalty equal to 10 percent of the difference between the amount of tax imposed by the taxing unit on the property and the amount that would otherwise have been imposed. The penalty, which must be recorded in the appraisal roll and added to the property owner's tax bill, constitutes a lien against the property.

**SENATE BILL 863**  
**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Staples  
**HOUSE SPONSOR:** Keffer

Senate Bill 863 amends the Tax Code to provide that if a taxing unit does not make a required property tax refund within 60 days after the chief appraiser has certified an appraisal roll correction, the taxing unit must pay interest on the refund at an annual rate of 12 percent. If, at least 180 days following such certification, a property owner files and prevails in a suit to compel a refund and interest, the property owner is entitled to court costs and reasonable attorney's fees.

**SENATE BILL 865**  
**EFFECTIVE:** 5-28-01

**SENATE AUTHOR:** Staples  
**HOUSE SPONSOR:** T. King

Senate Bill 865 amends the Tax Code to authorize an appraisal review board on motion of the chief appraiser or a property owner to order corrective changes in the appraisal roll for any of the five preceding years. Previous law limited such changes to the four preceding years. The bill conforms the deadline for corrective changes to that for adding omitted real property to an appraisal roll. It provides that an incorrect appraised value of an owner's property that exceeds the correct appraised value may not be changed in the appraisal roll if a hearing was conducted in which the property owner in protest offered evidence or argument and the appraisal review board made a determination of the protest on the merits.

**SENATE BILL 985**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan et al.  
**HOUSE SPONSOR:** Y. Davis

Senate Bill 985 amends the Property Redevelopment and Tax Abatement Act to authorize a tax abatement agreement between a municipality and the owner of a leasehold interest in real property located in a reinvestment zone to exempt a portion of the value of the leasehold interest or of improvements or tangible personal property located on the real property if the owner agrees to make specific improvements or repairs to the real property. The bill provides that an exemption period may not exceed 10 years. The provisions of an agreement remain subject to the rights of holders of outstanding municipal bonds.

**SENATE BILL 986****EFFECTIVE:** 6-13-01**SENATE AUTHOR:** Duncan**HOUSE SPONSOR:** Y. Davis

Senate Bill 986 amends the Tax Code to specify that the terms of a tax abatement agreement between a property owner and a municipality may include provisions, at the option of the municipality, for the recapture of all or a portion of property tax revenue lost if the property owner fails to meet any of the specified performance criteria provided by the agreement, plus payment of a penalty or interest, or both, on that recaptured property tax revenue.

**SENATE BILL 1095****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Carona**HOUSE SPONSOR:** Ritter

Senate Bill 1095 amends miscellaneous Tax Code provisions relating to property tax appraisal and chief appraiser responsibilities. For reinvestment zones and tax abatement agreements, the bill requires the chief appraiser for a taxing unit that has designated a zone or executed an agreement, rather than the taxing unit itself, to forward the annual report that the comptroller uses in compiling the central registry of such zones and agreements, and it changes the report deadline from April 1 to July 1. The bill deletes a requirement for the technical advisory committee that assists the comptroller on ratio study methodology to meet at least semiannually. Other provisions clarify a property owner's right to inspect and copy records relating to an appraisal by a contracting private appraisal firm and require a timely correction and certification of the amount of the market value of railroad rolling stock.

**SENATE BILL 1168****EFFECTIVE:** 5-22-01**SENATE AUTHOR:** Madla**HOUSE SPONSOR:** McClendon

Senate Bill 1168 amends the Local Government Code to authorize a county commissioners court to order an election on the question of whether an ad valorem flood control tax imposed under the Texas Constitution should be increased, on the issue of whether such a tax should be decreased, or on the issue of whether a specific flood control project or projects should receive funding from the constitutionally imposed tax.

**SENATE BILL 1189****EFFECTIVE:** 5-26-01**SENATE AUTHOR:** R. Ellis**HOUSE SPONSOR:** Hochberg

Senate Bill 1189 amends the Tax Code to provide that a corporation organized under the Texas Non-Profit Corporation Act that engages exclusively in providing chilled water and steam to eligible health-related institutions is entitled to an ad valorem tax exemption of its property as though the property were owned by the state and used for health or educational purposes.

**SENATE BILL 1272****EFFECTIVE:** 1-1-02**SENATE AUTHOR:** Bernsen**HOUSE SPONSOR:** Ritter

Senate Bill 1272 amends the Tax Code to provide that a person who owns land located in a county with a population of 35,000 or less, on which a greenhouse for growing florist items for wholesale purposes is located, is entitled to agricultural use appraisal of the land if it otherwise qualifies and is not being used in conjunction with or contiguous to land being used for retail sales of florist items. For appraisal purposes, a greenhouse is considered to be an appurtenance to the land.



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### **SENATE BILL 1574**

**EFFECTIVE:** See below

Senate Bill 1574 amends the Tax Code to establish an ad valorem tax exemption for raw cocoa and green coffee that is held in Harris County. The bill takes effect January 1, 2002, contingent on voter approval of the constitutional amendment proposed by Senate Joint Resolution 47.

**SENATE AUTHOR:** Gallegos

**HOUSE SPONSOR:** J. Moreno

### **SENATE BILL 1710**

**EFFECTIVE:** 9-1-01

Senate Bill 1710 amends provisions of the Property Redevelopment and Tax Abatement Act relating to tax abatement in a municipal reinvestment zone. The bill specifies that an abatement agreement entered into by a municipality may take effect on January 1 of the tax year after related improvements or repairs to the abated property are completed. It deletes the 90-day deadline other taxing units have to enter into separate tax abatement agreements on the abated property, and it clarifies the law governing the execution, duration, and other terms of those taxing units' abatement agreements.

**SENATE AUTHOR:** Van de Putte

**HOUSE SPONSOR:** Uresti

### **SENATE BILL 1736**

**EFFECTIVE:** 6-30-01

Under previous law, if a taxing unit or appraisal district caused a taxpayer's property tax delinquency, the taxing unit was required to waive penalties, and was authorized to waive interest, if the delinquent tax was paid within 21 days after the taxpayer became aware or should have become aware of the delinquency. Senate Bill 1736 amends the Tax Code to change that deadline from three weeks to three years and to make the taxing unit's waiver of interest, if the deadline is met, mandatory rather than discretionary.

**SENATE AUTHOR:** Cain

**HOUSE SPONSOR:** B. Brown

### **SENATE BILL 1737**

**EFFECTIVE:** 5-26-01

Senate Bill 1737 amends the Tax Code to clarify the right of a property owner or designated agent to inspect and copy all of the information considered in appraising the owner's property, including information located at the office of a contracted appraisal firm. The bill sets a 15-day deadline for an appraisal firm to make available to the owner or the owner's agent the information that is the subject of a written request, unless the owner or agent agrees to a later deadline. If, in connection with a proceeding regarding a disputed appraisal, an owner or agent files with the appraisal review board (ARB) a document stating under oath that the appraisal firm has not complied with a request for information relating to the property that is the subject of that proceeding, the ARB is prohibited from conducting a hearing on the merits of any claim relating to the property, or to approve the appraisal records on the property, until the information has been made available or the owner or agent withdraws the motion that initiated the ARB proceeding.

**SENATE AUTHOR:** Cain

**HOUSE SPONSOR:** Oliveira



**SENATE JOINT RESOLUTION 6  
FOR ELECTION: 11-6-01**

**SENATE AUTHOR:** Duncan et al.  
**HOUSE SPONSOR:** Gallego

The Texas Constitution exempts from property taxation certain property, known as freeport property, that is acquired in or imported to Texas and held in the state up to 175 days for assembling, manufacturing, storing, processing, or manufacturing purposes before being exported from Texas. Such property includes goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products. The provision allows local governments that previously taxed such property either to continue taxing the property or to grant the exemption by an irrevocable decision to forego such taxation.

Senate Joint Resolution 6 proposes a state constitutional amendment that empowers the legislature to authorize a similar exemption applicable to the same types of property, acquired in or imported to Texas, and held in the state for like purposes. The difference, compared to the existing constitutional provision, is that the property may be either exported from Texas or forwarded to another Texas location, and may be held up to 270 days but not at a location owned or controlled by the owner of the acquired or imported property. The amendment allows a local government either to tax such property or to grant an exemption, but any decision to grant an exemption must be preceded by a public hearing on the matter. A property owner who is eligible for the freeport exemption may apply for the new exemption but cannot receive both. If voters approve the proposed amendment, it takes effect January 1, 2002.

**SENATE JOINT RESOLUTION 47  
FOR ELECTION: 11-6-01**

**SENATE AUTHOR:** Gallegos  
**HOUSE SPONSOR:** J. Moreno

Senate Joint Resolution 47 proposes a state constitutional amendment to authorize the legislature to exempt from ad valorem taxation raw cocoa and green coffee that is held in Harris County.



## PUBLIC LANDS

### **HOUSE BILL 122**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** G. E. West

**SENATE SPONSOR:** Duncan

House Bill 122 amends the Local Government Code to authorize certain municipalities to transfer real property or an interest in real property to a nonprofit organization without complying with certain notice and competitive bidding requirements under an agreement that requires the organization to use the property in a manner that promotes a public purpose of the municipality. The agreement and the instrument of transfer in such cases must stipulate that if the organization fails to use the property for a public purpose, ownership of the land reverts to the municipality. If the property lies outside of the municipality's corporate limits and outside the county where 80 percent of the municipality's residents live, the bill requires the municipality to obtain consent from the commissioners court of the county where the property is located.

### **HOUSE BILL 266**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** D. Ellis

**SENATE SPONSOR:** Ogden

House Bill 266 requires the Texas Board of Criminal Justice to convey certain real property to the board of regents of the Texas State University System for use by Sam Houston State University. The bill requires the board to convey the property by deed without warranty regarding covenants of title and requires a deed restriction providing that the title to the land will revert automatically to the Texas Board of Criminal Justice if the university fails to use the land for a governmental purpose.

### **HOUSE BILL 779**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uher

**SENATE SPONSOR:** Armbrister

House Bill 779 amends the Natural Resources Code to specify the location of the line of vegetation on a public beach when the natural line of vegetation is interrupted by a man-made wall that meets certain criteria.

### **HOUSE BILL 1490**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Geren et al.

**SENATE SPONSOR:** Moncrief

House Bill 1490 amends the Local Government Code to increase from 250,000 to 575,000 the population cap for a municipality authorized to sell certain lakeshore properties to lessees of the land without notice or open bidding.

### **HOUSE BILL 1628**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Deshotel

**SENATE SPONSOR:** Bernsen

House Bill 1628 authorizes the Texas Department of Mental Health and Mental Retardation to convey the land, buildings, and improvements of the former Beaumont State Center to Spindletop MHMR Services in Jefferson County in consideration for Spindletop's continued use of the property to provide community-based mental health or mental retardation services. Ownership of the property would revert to the state if Spindletop fails to provide the mental health services for more than 180 continuous days. The bill provides that the transfer is exempt from certain state laws governing the management, lease, and disposal of state-owned real property.

**HOUSE BILL 2138**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Marchant  
**SENATE SPONSOR:** Lindsay

House Bill 2138 amends the Natural Resources Code and the Education Code to establish that certain information relating to real property purchased or sold by or for the School Land Board, the Veterans' Land Board, the General Land Office, the land commissioner, or an institution of higher education is confidential and not subject to disclosure under the state's public information laws until the transaction has been completed.

**HOUSE BILL 2238**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** J. Moreno  
**SENATE SPONSOR:** Gallegos

House Bill 2238 amends the Education Code to authorize the governing board of an institution of higher education located in a county with a population of more than three million to close a street running through the campus, provided the institution gives written notice to the appropriate political subdivision at least 45 days before the street closing and either grants suitable easements to allow access to affected utility lines and facilities or pays for their relocation.

**HOUSE BILL 2316**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McClendon  
**SENATE SPONSOR:** Van de Putte

House Bill 2316 authorizes the General Services Commission to convey certain real property located in San Antonio to the Bethel African Methodist Episcopal Church in consideration for cash in an amount at least equal to the fair market value of the property. The bill specifies that the commission may transfer the property only by a special warranty deed and exempts the transaction from certain requirements relating to real estate transactions authorized by the legislature.

**HOUSE BILL 2859**  
**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Junell  
**SENATE SPONSOR:** Fraser

House Bill 2859 requires the Texas Board of Criminal Justice, not later than January 31, 2002, to grant a conservation easement on certain property in Mitchell County to the Natural Area Preservation Association, Inc., or to another suitable person if the association is unable or refuses to accept the grant. Consideration for the easement may be in the form of an agreement that requires the easement holder to use the property in a manner that primarily promotes a public purpose of the state and stipulates that the easement will be revoked if the easement holder does not use the property for an acceptable public purpose.

**HOUSE BILL 3558**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Junell  
**SENATE SPONSOR:** R. Ellis

House Bill 3558 amends the Natural Resources Code to authorize the School Land Board to designate the proceeds of future mineral leases and oil and gas royalties for deposit in the special account of the permanent school fund used by the board to acquire interests in real property, including mineral and royalty interests, for the benefit of the permanent school fund. The bill requires such proceeds to be used not later than two years after the date the money is deposited in the special fund account.

**SENATE BILL 673****EFFECTIVE:** 6-11-01**SENATE AUTHOR:** Jackson**HOUSE SPONSOR:** Gray et al.

Senate Bill 673 amends the Local Government Code to decrease from 60,000 to 50,000 the minimum population required of a municipality that borders on the Gulf of Mexico for it to be authorized to use gulf tidelands and adjacent water for park purposes. The bill increases from 75 to 99 years the period during which a purchaser may operate a franchise on the state-owned tideland, water, and bed of the Gulf of Mexico, and it similarly extends the period during which the purchaser or the purchaser's heirs enjoy certain related use and occupancy rights. The bill authorizes the municipality to sell to a purchaser any piers, structures, or improvements located on the land, if no bonded indebtedness remains outstanding, and establishes the terms under which the purchaser or the purchaser's heirs may lease the state-owned land on which such structures are located.

**SENATE BILL 725****EFFECTIVE:** 5-22-01**SENATE AUTHOR:** Bivins**HOUSE SPONSOR:** Swinford

Senate Bill 725 authorizes the Texas Department of Mental Health and Mental Retardation to transfer certain real property, including the improvements located on the property, to Texas Panhandle Mental Health and Mental Retardation (MHMR) not later than May 31, 2002. The bill requires consideration for transfer to be in the form of an agreement between the parties that Texas Panhandle MHMR will use the property to provide community-based mental health and mental retardation services and that ownership of the land automatically reverts to the state if Texas Panhandle MHMR fails to use the property in the manner established in the agreement. The bill also stipulates that the state will retain all mineral rights for the land.

**SENATE BILL 916****EFFECTIVE:** 9-1-01**SENATE AUTHOR:** Jackson**HOUSE SPONSOR:** Talton

Senate Bill 916 amends the Transportation Code to provide that the exchange, sale, lease, or other disposition of land or other real property pertaining to an air navigation facility that is a former military installation by a municipality is exempt from certain competitive bidding requirements if the disposition is part of a redevelopment plan and it promotes the best interest of the municipality.

**SENATE BILL 1002****EFFECTIVE:** 6-13-01**SENATE AUTHOR:** Zaffirini**HOUSE SPONSOR:** Raymond

Senate Bill 1002 authorizes the Texas Department of Mental Health and Mental Retardation to transfer certain property in Webb County to the Border Region MHMR Community Center. The property, which consists of the site of the former Laredo State Center, includes improvements, but excludes mineral interests and may be transferred when certain conditions in the deed to the state expire or when the federal government agrees to terminate the conditions on the deed, whichever occurs earlier. The bill requires consideration for the property to be in the form of an agreement between the parties that requires the center to use the property to provide community-based mental health and mental retardation services and provides that if the center fails to use the property for that purpose for more than 180 consecutive days, ownership of the property will revert to the state.

**SENATE BILL 1144**

**EFFECTIVE:** 5-22-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** Gray

Senate Bill 1144 requires the Texas Department of Criminal Justice, not later than January 31, 2002, to transfer certain real property located in Galveston County to the county for consideration to which the parties mutually agree. The bill requires the department to transfer the property by a deed without warranties.

**SENATE BILL 1302**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Cain

**HOUSE SPONSOR:** Maxey

Senate Bill 1302 amends the Local Government Code to exempt the conveyance of certain park land owned by a home-rule municipality from the requirement for voter approval of the sale of park land.

**SENATE BILL 1806**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** McReynolds

Senate Bill 1806 amends the Natural Resources Code to clarify and simplify the procedures for the identification, sale, and lease of vacant and unsurveyed public school lands. The bill authorizes the commissioner of the General Land Office to delegate certain responsibilities relating to the identification, sale, and lease of the land and requires the commissioner to advise the School Land Board on the value of the surface and mineral estates of vacant land. The bill requires the School Land Board to establish the terms and conditions for each sale and lease of a vacancy and establishes guidelines for the application process for purchasing or leasing vacant land, conducting a survey, investigating an applicant's claim of vacancy, and appealing the commissioner's final order on a piece of public school land.



## **PUBLIC OFFICIALS AND EMPLOYEES**

### **HOUSE BILL 569**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Shapleigh

House Bill 569 amends the Government Code to remove provisions that require an employee of a state agency to apply and seek approval from the agency's sick leave pool administrator before making a contribution to the sick leave pool. Contributions are on the authority of the employee alone.

### **HOUSE BILL 877**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Flores

**SENATE SPONSOR:** Barrientos

House Bill 877 amends the Government Code to modify the benefits provided to the surviving spouse, children, parents, and siblings of certain public employees killed in the line of duty. The bill increases from \$50,000 to \$250,000 the state payment to a surviving spouse. It deletes requirements that surviving children be minors, and that surviving parents be dependents, in order to qualify as beneficiaries, but repeals separate payments to both. Rather, the \$250,000 is divided equally among surviving children if there is no eligible surviving spouse, and is divided equally among surviving parents if there is no eligible surviving spouse or child. Siblings no longer are beneficiaries.

The bill establishes provisions for a surviving spouse or surviving dependent child to receive education benefits as a full-time student at an institution of higher learning. The education benefits exempt them from tuition and fees and the cost of textbooks and provide housing benefits until the student receives a bachelor's degree or 200 hours of course credit, whichever occurs first. The bill provides additional benefits for an eligible surviving spouse of a peace officer or an employee of the institutional division or state jail division of the Texas Department of Criminal Justice who was killed in the line of duty and who had not qualified for an annuity under an employees' retirement plan. The benefits include funeral expenses and monthly payments in lieu of an annuity. The monthly payments continue until the surviving spouse remarries, becomes eligible for Social Security, or becomes eligible to retire under an employee's retirement plan.

### **HOUSE BILL 1113**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Goolsby

**SENATE SPONSOR:** R. West

House Bill 1113 amends the Government Code to allow a police officer employed by a municipality with a population of one million or more that has not adopted the Fire and Police Employee Relations Act and that is not required by another statute to establish and maintain legislative leave accounts for its employees to donate not more than two hours for each month of accumulated vacation or compensatory time to a legislative leave time account of an employee organization. The bill requires such a municipality to establish and maintain a legislative leave time account for each employee organization by designated municipalities, and it sets forth provisions for the authorization of donations to and use of such accounts, including limits on the number of hours an employee organization may use from its account in a calendar year.

**HOUSE BILL 2147**  
**EFFECTIVE:** 5-28-01

**HOUSE AUTHOR:** Uher  
**SENATE SPONSOR:** Cain

During each legislative session, the Texas Legislature hosts a governor for a day ceremony and a speaker's reunion day ceremony to honor a senator and former house members, respectively, for their service to the state. House Bill 2147 amends the Government Code to increase from \$100 to \$500 the aggregate amount of money, services, or other items that a person or entity may contribute toward the biennial speaker's reunion day ceremony. The bill also allows the chairman responsible for conducting each chamber's ceremony to retain any outstanding balance after the ceremony in an account established for that purpose in the name of the office of the appropriate presiding officer. If the balance is retained in such an account, the bill requires the balance to be combined with contributions received for the succeeding ceremony and to be spent only for that purpose.

**HOUSE BILL 2273**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Y. Davis  
**SENATE SPONSOR:** Cain

House Bill 2273 amends the Local Government Code to establish that a police officer in a municipality with a population between 1 million and 1.5 million that has not adopted provisions of the Fire and Police Employee Relations Act may not be required to work more than 40 hours during a calendar week except in the event of an emergency. The bill specifies the hours to be counted in determining whether a police officer is considered to have been required to work overtime in a municipality where the prohibitions apply.

**HOUSE BILL 2677**  
**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Bailey et al.  
**SENATE SPONSOR:** Whitmire

House Bill 2677 amends the Local Government Code to authorize certain public employers in a municipality with a population of 1.9 million or more to meet and confer with a recognized employee association provided that the association does not advocate an illegal strike by public employees. The bill allows a public employer that chooses to meet and confer to recognize an association as the sole and exclusive bargaining agent for all covered employees other than department heads, firefighters, and police officers whose employment is covered by other provisions, provided the association submits a petition signed by a majority of the municipal employees it seeks to represent. The bill allows the association to petition for an election on the recognition of the association as sole and exclusive bargaining agent, and it includes provisions for the conduct of such elections. The bill also requires the municipality to designate a team to represent the public employer as its sole and exclusive bargaining agent.

House Bill 2677 provides that a ratified agreement between a public employer and an association preempts any conflicting statute, executive order, local ordinance, or rule, and that it may not interfere with the right of a member of a bargaining unit to pursue certain allegations of discrimination. The bill allows voters in the municipality to call for the repeal of an agreement. If the governing body of the municipality does not repeal the agreement, the municipality is required to call a county election to determine whether to repeal the agreement.

**HOUSE BILL 2972**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Talton et al.  
**SENATE SPONSOR:** Gallegos

House Bill 2972 amends the Local Government Code to allow certain municipal public employers to recognize a police employee group as sole and exclusive bargaining agent for all police officers in the municipality, excluding the department head and assistant department

heads, unless recognition is withdrawn by a majority of those officers. The bill provides for the election of an employee group seeking recognition as a bargaining agent upon the group's submission of a petition signed by 40 percent of the police officers eligible to vote in such an election, and it requires the public employer's chief executive officer to designate a team to represent the employer as its sole and exclusive bargaining agent for issues related to the police department.

House Bill 2972 adds that an employee group also deals with benefits other than pension benefits and deletes or repeals provisions relating to the election of a majority bargaining agent, the creation of a bargaining team, and negotiations among those parties.

**HOUSE BILL 3603**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Capelo  
**SENATE SPONSOR:** Bernsen

House Bill 3603 amends the Local Government Code to remove certain references to fire fighters' and police officers' relief or retirement funds. The bill allows the paid line of duty illness or injury leave and return to duty for fire fighters and police officers in a municipality that has adopted provisions for municipal civil service to be covered under a civil service pension fund that is not restricted to fire fighters or police officers.

**HOUSE JOINT RESOLUTION 2**  
**FOR ELECTION:** 11-5-02

**HOUSE AUTHOR:** Chisum et al.  
**SENATE SPONSOR:** Madla

House Joint Resolution 2 proposes a state constitutional amendment to authorize a county commissioners court to declare the office of constable in a precinct dormant if at least seven years have elapsed since the end of the term of the person who was last elected or appointed, and if during that time either no one was elected or someone was elected but failed to assume the duties or meet the qualifications of the office. Under the amendment, the records of a constable's office that is declared dormant are transferred to the county clerk. The amendment establishes a procedure by which the office may be reinstated by vote of the commissioners court or by calling a reinstatement election in the precinct. A reinstatement election is mandatory on receipt of a petition signed by at least 10 percent of the precinct's qualified voters.

**HOUSE JOINT RESOLUTION 85**  
**FOR ELECTION:** 11-6-01

**HOUSE AUTHOR:** Bosse  
**SENATE SPONSOR:** Lindsay

The Texas Constitution prohibits state employees and other individuals who receive compensation, either directly or indirectly, from state funds from also receiving compensation for serving on the governing body of a school district, city, town, or other local government. House Joint Resolution 85 proposes a constitutional amendment to allow active and retired school teachers and retired school administrators to receive compensation for such service.

**SENATE BILL 188**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay  
**HOUSE SPONSOR:** Elkins

Senate Bill 188 amends the Government Code to entitle a state employee who is an emergency medical services volunteer to a maximum of five days per year leave of absence without salary deduction to attend certain training. A state agency or institution of higher education may also grant the employee paid leave to respond to emergency situations, if the agency or institution has an established policy for granting such leave.

**SENATE BILL 379**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Gallegos

**HOUSE SPONSOR:** Farrar

Senate Bill 379 amends the Transportation Code to authorize certain transportation authorities in which a municipality has more than 1.5 million people to meet and confer with a recognized peace officer association provided that the association does not advocate an illegal strike by public employees. The bill requires an authority that chooses to meet and confer to recognize an association of peace officers as the sole and exclusive bargaining agent for all of the peace officers employed by the authority, other than department heads and assistant heads, provided that the association has submitted a petition signed by a majority of those peace officers and an election has determined that the association represents a majority of the peace officers.

Senate Bill 379 provides that a ratified agreement between an authority and a peace officers association preempts any conflicting statute, local ordinance, executive order, civil service provision, or rule, and that it may not interfere with the right of a member of a bargaining unit to pursue certain allegations of discrimination. The bill allows voters in the authority service area petition to call for the repeal of an agreement. If the authority does not repeal the agreement, the county commissioners court is required to call a county election to determine whether to repeal the agreement.

**SENATE BILL 557**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Carona

**HOUSE SPONSOR:** Tillery

Senate Bill 557 amends the Local Government Code to allow a municipality with a population of one million or more that has not adopted a municipal civil service system to establish a system under which compensation is paid or compensatory time off is allowed for overtime worked by certain officers and employees of the municipality's police department.

**SENATE BILL 587**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Christian

Senate Bill 587 amends the Government Code to remove certain impediments to the rehiring of retired state employees by state agencies. It repeals compensation caps for such retirees, whether rehired as an agency employee or as a contractor, and repeals a provision that previously suspended annuity payments if a retiree was reemployed for more than nine months in a single fiscal year. The bill requires an agency, as part of its strategic planning, to conduct a strategic staffing analysis and develop a workforce plan to address critical staffing and training needs, including the need for experienced employees to educate potential successors. The state auditor is responsible for developing guidelines for the staffing analyses and workforce plans.

**SENATE BILL 609**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Ritter

Senate Bill 609 amends the Government Code to provide that a state employee who is a peace officer commissioned by the Department of Public Safety and who is required to work on a national or state holiday that falls on a Saturday or Sunday is entitled to compensatory time off at the rate of one hour for each hour worked on the holiday, except as provided by other state law.

**SENATE BILL 738**

**EFFECTIVE:** 5-3-01

**SENATE AUTHOR:** Bivins

**HOUSE SPONSOR:** Chisum

Senate Bill 738 amends the Local Government Code to allow a member of the governing body of a municipality to serve as a volunteer for certain organizations that provide municipal health, safety, or welfare protection services, even if they are funded or supported by the municipality, provided that the governing body of the municipality adopts a resolution allowing such service. The bill also amends a chapter heading to make general provisions affecting municipal governing bodies apply to the governing body of any municipality.

**SENATE BILL 799**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** Craddick

Senate Bill 799 amends the Government Code to require state agency employee exit interviews to be conducted electronically by means of a questionnaire on the state auditor's Internet site. The state auditor must consult with the comptroller and state agency representatives designated by the comptroller in developing the questionnaire. Questionnaire responses are confidential, and the exit interview must allow the employee alone to describe the reason for leaving employment. The bill requires a quarterly report by the state auditor to each agency that conducts exit interviews using the questionnaire. Biennially in advance of the legislative regular session, the auditor must submit to the governor and specified legislative leaders a summary report of exit interview findings.

**SENATE BILL 846**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Cain

**HOUSE SPONSOR:** Naishtat

Senate Bill 846 amends the Local Government Code to restrict the use of payroll deductions requested by an employee of a municipality with a population of more than 10,000 for payment of membership dues to pay dues only to a bona fide employees' association that does not claim the right to strike. The bill also requires the governing body of a municipality with a population of more than 50,000 to make the payroll deduction for payment of such dues if requested in writing by the employee and if the municipality permits deductions for purposes other than deductions for charity, health insurance, or taxes or other deductions required by law.

**SENATE BILL 1140**

**EFFECTIVE:** 5-24-01

**SENATE AUTHOR:** Carona et al.

**HOUSE SPONSOR:** Hunter

State law prohibits a private employer from dismissing a permanent employee who is a member of the state military forces just because the employee is ordered into duty or training. It is a legal defense, however, if circumstantial changes while the employee is absent make a resumption of employment impossible or unreasonable. Senate Bill 1140 amends the Government Code to clarify that the burden of proof to demonstrate such impossibility or unreasonableness rests with the employer. It prohibits the employer from delaying or trying to defeat a reemployment obligation by demanding documentation that is nonexistent or not readily available when the employee notifies the employer of the employee's release from military service and intent to return to the job.



**SENATE BILL 1176**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Gallegos et al.

**HOUSE SPONSOR:** Talton

Senate Bill 1176 amends the Local Government Code provisions relating to the disposition of certain personnel records to cover any records related to disciplinary actions or charges of misconduct against certain firefighters and police officers rather than just records of overturned disciplinary actions or an unsustained complaint. The bill requires the department's human resources director, rather than the department head, to order that records of a disciplinary action be expunged from the individual's personnel files if the action was entirely overturned on appeal. The bill does not require that records of the internal affairs division be expunged. The bill requires a department to maintain an investigatory file relating to an overturned disciplinary action or any charge of misconduct, regardless of whether the charge is sustained, only in a file created for the department's use, and restricts the release of information in those files or documents related to a charge of misconduct only to another law enforcement agency or fire department or to the office of a district or U.S. attorney. The bill also allows the department to forward certain documents relating to a disciplinary action to the director of firefighters' and police officers' civil service for inclusion in a personnel file only if disciplinary action was actually taken and the document at least summarizes the relevant facts.

Senate Bill 1176 allows a department to use a supervisory intervention procedure or a policy and procedure inquiry to modify a police officer's behavior through counseling, training, classes, or other reeducation efforts, which are not considered disciplinary actions, and establishes provisions for the disposition and use of records pertaining to such supervisory intervention procedures or policy and procedure inquiry.

**SENATE BILL 1496**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Barrientos

**HOUSE SPONSOR:** Danburg

Senate Bill 1496 abolishes the Child Care Development Board and amends the Government Code to transfer to the General Services Commission its key duties and responsibilities relating to the provision of child care services to state employees. Other powers are deleted entirely rather than transferred, and certain consultation powers are assumed by the Child Care Advisory Committee, the appointment of which moves to the commission. Discretionary appointees to the advisory committee from the United Way of Texas and the Texas Association for the Education of Young Children are replaced by two representatives of nonprofit organizations involved with the delivery or support of child care services. A conforming Labor Code amendment eliminates Child Care Development Board representation on the Work and Family Policies Committee.

**SENATE BILL 1800**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Danburg

Senate Bill 1800 amends the Government Code and Penal Code to allow a lieutenant governor who succeeds a predecessor as governor to transfer his or her lieutenant governor's records to the governor's office without committing an offense for tampering with governmental records or for removing, altering, or destroying public information. The change applies retroactively, as well as to transfers occurring on or after the bill's effective date. Transferred records from the lieutenant governor's office must be maintained, and listed on the records retention schedule, separately and distinctly from records of the governor's office.



## RETIREMENT SYSTEMS AND BENEFITS

### **HOUSE BILL 927**

**EFFECTIVE:** 9-1-01

House Bill 927 repeals a section of the Government Code to eliminate the requirement that disability retirees of the Teacher Retirement System of Texas who are less than 60 years old submit an annual earnings report to the system.

**HOUSE AUTHOR:** Hill

**SENATE SPONSOR:** Bivins

### **HOUSE BILL 1428**

**EFFECTIVE:** 1-1-02

House Bill 1428 amends the Government Code to authorize generally a member of a public retirement system participating in the proportionate retirement program to reestablish service credit previously canceled in another participating retirement system. (Those systems are the Employees Retirement System of Texas, the Teacher Retirement System of Texas, the Judicial Retirement System of Texas Plans One and Two, the Texas County and District Retirement System, the Texas Municipal Retirement System, the City of Austin Employees Retirement System, and, for some purposes, the general municipal employee and fire and police systems of the City of El Paso.)

**HOUSE AUTHOR:** Longoria

**SENATE SPONSOR:** Barrientos

### **HOUSE BILL 1569**

**EFFECTIVE:** See below

House Bill 1569 amends provisions relating to the benefits of a firefighters' relief and retirement fund in certain municipalities. The bill makes several changes to provisions relating to the deferred retirement option plan (DROP): it extends from 7 to 10 years the maximum period of participation in a DROP during which payroll deductions may be credited to a member's DROP account, increases the monthly benefit at retirement for DROP participants by two percent of the amount of the member's original benefit for every full year of participation, and authorizes death or disability benefits to be paid to a qualified member who participates in the DROP program or to the member's eligible survivors. In addition, a DROP participant who postponed making a DROP election at an earlier date is authorized to participate in a Back-DROP, in which the member's account is recomputed to have an amount equal to the amount that it would have had if the member had elected to participate in the DROP on an earlier date.

**HOUSE AUTHOR:** Yarbrough

**SENATE SPONSOR:** J. E. Brown

House Bill 1569 also increases the monthly benefits payable to certain retired and disabled members, creates a proportional retirement program for the retirement fund's members, and increases from \$4,000 to \$5,000 the lump-sum payments that the board is required to pay to certain members and eligible survivors. The bill lowers from 50 to 48 the minimum age that certain members must have reached for benefits to be increased annually, and it removes the requirement that a member complete 30 years of service to qualify for such increases. Finally, the bill sets the amount of the aggregate supplemental benefit amount from which supplemental benefits are to be paid to retired members and eligible survivors at \$5 million, regardless of the fund's value or rate of return or the impact of the payment on the contribution rates of participating municipalities.

The provisions of the bill are effective September 1, 2001, except for provisions relating to the proportional retirement program, which take effect October 1, 2001.

**HOUSE BILL 1573**

**EFFECTIVE:** 5-11-01

**HOUSE AUTHOR:** Thompson

**SENATE SPONSOR:** Gallegos

House Bill 1573 repeals and readopts provisions relating to the retirement system for the general municipal employees of Houston. The bill provides benefit improvements for members, retirees, and survivors by increasing the benefit percentage for certain groups; increases the maximum benefit accrual percentage; increases the annual cost-of-living adjustment; allows reinstatement of service covered by a lump-sum payment; and permits reemployed retirees to purchase credited service for certain otherwise ineligible service. The bill also makes certain administrative changes to lengthen periods in which to file benefit claims.

**HOUSE BILL 1747**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McCall et al.

**SENATE SPONSOR:** Zaffirini

House Bill 1747 amends the Texas Local Fire Fighters Retirement Act to continue the office of fire fighters' pension commissioner until September 1, 2011, to increase the terms of the fire fighters' pension commissioner from two to four years, and to implement standard sunset provisions that are applied to all agencies. The bill also amends the Texas Statewide Emergency Services Retirement Act to require that one of the six trustees on the state board of trustees of the Texas statewide emergency services personnel retirement fund be a representative of emergency services personnel.

The change in the term of the fire fighters' pension commissioner is contingent on voter approval of the proposed constitutional amendment providing for a four-year term and takes effect when the amendment is approved.

**HOUSE BILL 1888**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Tillery

**SENATE SPONSOR:** R. West

House Bill 1888 amends the Texas Local Fire Fighters Retirement Act to require the fire fighters' pension commissioner to classify and coordinate the reports of the various boards of trustees of fire fighters' retirement systems and to verify retirement applications submitted by the boards.

**HOUSE BILL 2122**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Tillery

**SENATE SPONSOR:** Armbrister

House Bill 2122 amends the Texas Statewide Emergency Services Retirement Act to specify that six members, rather than all nine members, of the state board of trustees of the Texas statewide emergency services personnel retirement fund be active members of the fund and that the five members of a local board of trustees who represent a participating department be active members. The bill also authorizes the state board of trustees to appoint an outside investment manager and makes minor technical changes to the act.

**HOUSE BILL 3147**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Smith et al.

**SENATE SPONSOR:** Van de Putte

House Bill 3147 amends the Government Code to authorize certain retirees of the Teacher Retirement System of Texas to be employed as principals or assistant principals in Texas public schools without losing retirement benefits.

**HOUSE BILL 3333**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Woolley  
**SENATE SPONSOR:** Whitmire

House Bill 3333 amends the Government Code to make stocks, bonds, obligations, and any other investment product not prohibited under Section 457 or 401(k) of the Internal Revenue Code permissible investments in a deferred compensation plan for public officers and employees.

**HOUSE JOINT RESOLUTION 1**  
**FOR ELECTION:** 11-6-01

**HOUSE AUTHOR:** McCall et al.  
**SENATE SPONSOR:** Zaffirini

House Joint Resolution 1 proposes a state constitutional amendment to specify that if the legislature provides for a fire fighters' pension commissioner, the commissioner's term of office is four years.

**SENATE BILL 273**  
**EFFECTIVE:** See below

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Tillery et al.

Senate Bill 273 amends provisions relating to the Teacher Retirement System of Texas to authorize a member to purchase up to three years of extra service credit if the member has at least seven years of membership service credit and to increase the standard service retirement benefit multiplier from 2.2 to 2.3 percent for each year of service credit. The bill also increases the minimum monthly benefits available to survivors, authorizes retirees employed as bus drivers to avoid suspension of their annuities, authorizes the board of trustees of a school district to determine an acute shortage area for which retired teachers may be hired without an annuity suspension, and shortens the period for remittance of employer and member deposits and insurance premiums by school districts to the system. The bill requires the system to offer annuity and investment products that meet federal tax requirements to school district employees and provides an annuity increase to retirees of 6 percent plus 4.5 percent.

Senate Bill 273 takes effect September 1, 2001, except that provisions relating to bus drivers and the determination of acute shortage areas take effect June 15, 2001, certain provisions relating to annuity and investment products for school district employees take effect June 1, 2002, and certain other provisions relating to annuity and investment products or to the remittance of deposits take effect September 1, 2002.

**SENATE BILL 292**  
**EFFECTIVE:** See below

**SENATE AUTHOR:** Armbrister  
**HOUSE SPONSOR:** Telford

Senate Bill 292 amends provisions relating to the Employees Retirement System of Texas to increase the multiplier in the retirement benefit formula from 2.25 percent to 2.3 percent for each year of service, to authorize a beneficiary to use a deceased member's accumulated sick and annual leave to qualify for making a death benefit plan selection, and to provide that an annuitant may authorize the system to deduct a fee for membership in certain state employee organizations from the annuity payment. The bill authorizes the purchase of not more than 60 months of extra credit by persons who have at least 120 months of membership credit, requires the system to adopt ethics provisions for investment managers and consultants, provides a cost-of-living increase for retirees, and increases the requirement prospectively for participation in the uniform group insurance program as a retiree from 3 to 10 years as an employee participant. The bill makes other housekeeping changes.

Senate Bill 292 takes effect September 1, 2001, except for provisions for purchasing extra service credit and providing a retiree cost-of-living increase, which take effect January 1, 2002.

**SENATE BILL 302**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** McCall

Senate Bill 302 amends the Government Code to continue the State Pension Review Board until September 1, 2013, and to implement a number of standard sunset provisions that are applied to all agencies. The bill also requires the board to adopt a form to be submitted by the public retirement systems it oversees to assist the board in efficiently determining the actuarial soundness of the systems.

**SENATE BILL 372**

**EFFECTIVE:** 1-1-02

**SENATE AUTHOR:** Barrientos et al.

**HOUSE SPONSOR:** Longoria

Senate Bill 372 amends the Government Code to authorize members of certain public retirement systems participating in the proportionate retirement program to reestablish service credit previously canceled in another retirement system that also participates in the program, and it sets forth the circumstances and establishes uniform application and contribution requirements for such transactions. The bill also includes certain recently retired visiting judges in provisions relating to annuity increases and provides that a member of the Judicial Retirement System of Texas Plan One ceases making contributions to the plan on accruing 20 years of service credit.

**SENATE BILL 477**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Ritter

Senate Bill 477 amends the Government Code to increase the maximum service credit a member of the Teacher Retirement System of Texas may establish for out-of-state service from 10 to 15 years.

**SENATE BILL 522**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Kuempel

Senate Bill 522 amends the Government Code provisions governing the Texas Municipal Retirement System. The bill authorizes a person to simultaneously be a member of the retirement system and of another state or local retirement system. A retiree who retires on a date other than December 31 may earn prorated interest on prior service credit or updated service credit for a partial year. The bill extends the option to obtain credit for prior service to higher education campus security personnel.

The bill provides that a retiree's account valued at not more than \$10,000 is payable in a lump sum. The bill authorizes a surviving spouse to leave a member's contributions on deposit until the date the member would have retired. The bill specifies that the board of trustees may allow parties to qualified domestic relations orders to receive partial lump-sum distributions. The bill gives municipalities the option to offer five-year vesting. The bill sets forth procedures for selecting optional service retirement annuities by beneficiaries, surviving spouses, surviving children, or an executor if the member dies without making such a selection or naming a beneficiary and authorizes retirees who marry after retirement to change their annuity selection.

Finally, the bill allows the board of trustees to select an investment manager to make short-term investments and lend securities, makes certain technical changes to conform with federal Internal Revenue Code provisions relating to limitations on benefit payments, and repeals a provision relating to an optional benefit for the beneficiary of a vested employee. The bill takes effect January 1, 2002, except for provisions relating to five-year vesting, which take effect September 1, 2001.

**SENATE BILL 523**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Kuempel

Senate Bill 523 amends the law governing the Texas County and District Retirement System. The bill broadens provisions permitting multiple retirement system membership, creates a benefit eligibility option authorizing retirement at any age after 20 years of service, authorizes retirement from one employer while continuing employment with another, and removes the forfeiture of annuity payments during a retiree's reemployment by the same employer. The bill also increases the lump-sum retiree supplemental death benefit from \$2,500 to \$5,000, allows employers to correct service errors more than four years old, creates an exemption from the late-reporting penalty, and makes other administrative changes.

Senate Bill 523 takes effect December 31, 2001, except for provisions relating to the correction of errors and penalties for late reporting, which take effect September 1, 2001.

**SENATE BILL 593**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Barrientos

**HOUSE SPONSOR:** Naishtat

Senate Bill 593 amends provisions relating to the police officer retirement systems in Austin. The bill reduces the amount of creditable service members must have in order to be eligible for retirement at any age or to participate in the deferred retirement option plan from 25 to 23 years. The bill also authorizes the board of the retirement system to change the age and length-of-service requirements for service retirement and participation in the deferred retirement option plan under certain circumstances. The bill authorizes a member participating in the option plan to elect to receive partial payments instead of a single lump-sum payment.

**SENATE BILL 708**

**EFFECTIVE:** 10-1-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Puente

Senate Bill 708 amends provisions relating to the retirement system for firefighters and police officers in San Antonio. The bill shortens the probationary period before a new firefighter or police officer becomes a member of the system. The bill eliminates a scheduled increase in members' contributions that was to have taken effect October 1, 2001, and changes the benefit formula to increase retirement annuities for certain future retirees, while reducing benefits for certain other future retirees. The bill also shortens the service that can be considered under the deferred retirement option plan and raises the floor below which a retiree's disability retirement annuity may not be reduced because of income from other employment.

The bill authorizes the board to distribute a 14th pension check to retirees and beneficiaries in a fiscal year in which fund investments are determined to have exceeded a certain projected yield. The bill also makes changes in cost-of-living increases and death benefit annuities and authorizes surviving spouses to elect to receive a portion of a death benefit in a lump-sum payment in certain circumstances.

The bill also makes other administrative and technical changes in the act.

**SENATE BILL 790**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Barrientos

**HOUSE SPONSOR:** Naishtat

Senate Bill 790 amends provisions relating to firefighters relief and retirement funds in cities with populations between 450,000 and 500,000. The bill authorizes the board of trustees of such a fund to accept gifts, grants, or bequests of money or securities from any source for the use and benefit of the fund. The bill requires any change in the three percent multiplier for normal service retirement to apply also to members who terminate employment with a fire

## Retirement Systems and Benefits

department after accruing 10 years of service and later retire; authorizes a monthly benefit for the designated beneficiary of certain unmarried retirees or members, providing for the actuarial adjustment of the benefit if the beneficiary is 10 or more years younger than the retiree or member; and increases the amount of an annual cost-of-living adjustment that may be made without a majority vote of the board of trustees from one half of one percent to one percent of the member's benefit. The bill extends the period during which a member may elect to participate in the deferred retirement option plan from five to seven years and conforms provisions relating to limits on the amount of annual benefit payments to the Internal Revenue Code. Finally, the bill authorizes a member to elect to receive an optional retirement annuity that is approved by the board of trustees and that is payable after a member's death either throughout the life of a designated beneficiary or for the remainder of a fixed number of monthly payments if the retiree dies before all of those payments are made.

**SENATE BILL 802**  
**EFFECTIVE:** 5-7-01

**SENATE AUTHOR:** Gallegos  
**HOUSE SPONSOR:** Bailey

Senate Bill 802 amends the Local Government Code to conform provisions relating to salary reductions of county employees to federal law. The changes allow county employees to take advantage of federal income tax savings that result from pretax salary reductions for the financing of certain benefit options under qualified benefit programs.



## STATE TAXES AND TAX ADMINISTRATION

### **HOUSE BILL 82**

**EFFECTIVE:** 10-1-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Duncan

House Bill 82 amends the Tax Code to exempt from the sales and use tax the first \$5,000 of the total receipts from taxable items sold in a calendar year by a qualified student organization that is affiliated with an institution of higher learning. Receipts from sales at one-day monthly events that are exempt under current law do not count toward the \$5,000.

### **HOUSE BILL 244**

**EFFECTIVE:** 5-21-01

**HOUSE AUTHOR:** D. Ellis

**SENATE SPONSOR:** Staples

House Bill 244 amends the Tax Code to exempt from the sales and use tax a boat or boat motor that is bought or used by a volunteer fire department or other volunteer emergency service organization that fights fires, answers fire alarms, or provides emergency medical services if the volunteer organization is the sole user of the equipment.

### **HOUSE BILL 445**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Goodman et al.

**SENATE SPONSOR:** Harris

House Bill 445 amends the Tax Code to authorize a municipality to adopt a one-fourth of one percent sales and use tax to dedicate to municipal street maintenance, if approved by voters. Unless reauthorized at an election, the dedicated sales tax expires on the fourth anniversary of the date of its effectiveness. The bill sets a deadline for the municipality to notify the comptroller of the pending expiration of a tax.

### **HOUSE BILL 602**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Zbranek

**SENATE SPONSOR:** Bernsen

House Bill 602 amends the Health and Safety Code to authorize voters in a hospital district, all or a majority of the territory of which is located in one or more counties each with a population of 75,000 or less, to adopt a sales and use tax to raise additional revenue to pay the district's indebtedness and maintenance and operating expenses. The bill makes conforming changes to the Tax Code.

### **HOUSE BILL 1022**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McCall

**SENATE SPONSOR:** Sibley

House Bill 1022 amends the Tax Code to require a municipality or municipally designated entity, before spending revenue derived from the municipal hotel occupancy tax, to specify in a list to the city secretary or the secretary's designee each scheduled activity, program, or event that is funded by the tax and that directly enhances and promotes tourism and hotel and convention activity. The bill does not prevent a municipality or delegated entity from subsequently adding an activity or event to the list if it promotes tourism and hotel and convention activity, nor does it prevent setting aside tax revenue in a reserve fund for supporting planned activities, future events, and facility improvements. House Bill 1022 does not affect the level of funding or use of a local hotel occupancy tax relating to the arts or for historical restoration and preservation.

**HOUSE BILL 1098**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Bonnen

**SENATE SPONSOR:** Duncan

House Bill 1098 amends Tax Code provisions relating to the applicability of the sales and use tax to materials that are produced by web offset or rotogravure printing processes. It establishes a rebuttable presumption that if the post office distributes printed materials to recipients other than the purchaser who buys them from the printer, then they are for use in Texas, and the printer must collect the tax, if the purchase occurs in Texas or the materials are produced at a Texas printer's facility. The bill establishes procedures by which the purchaser may overcome the presumption by issuing to the printer an exemption certificate that states that the printed materials are for multistate use and that the purchaser agrees to pay all taxes that are due to this state. An exemption certificate relieves the printer of the obligation to collect taxes, but the printer is still required to file a special use tax report.

**HOUSE BILL 1241**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Counts

**SENATE SPONSOR:** Duncan

The Tax Code allows the sale of dyed tax-free diesel fuel, or of undyed diesel fuel to be used for an agricultural purpose, absent any collection of a motor fuel tax provided the fuel is not resold. Purchasers must supply signed statements that include certain identification numbers issued by the comptroller. House Bill 1241 amends the code to clarify the type of agricultural purposes that qualify for such sales. The bill also increases from 3,000 to 7,400 gallons the amount that may be purchased tax-free in a single transaction, amends the 10,000-gallon monthly maximum on tax-free diesel purchases so as to apply the maximum only to dyed diesel fuel, and sets a monthly maximum of 25,000 gallons of diesel fuel, applicable to fuel purchased for agricultural purposes or for consumption by the purchaser in oil or gas production.

**HOUSE BILL 1285**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Brimer

**SENATE SPONSOR:** Moncrief

House Bill 1285 amends the Tax Code to require the comptroller on request to provide a municipality with the aggregate total of sales and use tax the municipality received during the preceding or current calendar year by each person doing business in an area that is defined as part of an interlocal agreement, tax abatement agreement, reinvestment zone, tax increment financing district, revenue sharing agreement, enterprise zone, neighborhood empowerment zone, or other similar agreement, zone, or district, or any area defined by the municipality for the purpose of economic forecasting. The comptroller may not disclose individual tax payments made by persons doing business in an area, and must refuse a request that involves three or fewer persons doing business in a defined area unless the comptroller receives permission from each of the persons. The information received by a municipality is confidential and may be used only for economic forecasting or to assist the municipality in determining revenue sharing under a revenue sharing agreement or other similar agreement.

**HOUSE BILL 1447**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Oliveira et al.

**SENATE SPONSOR:** Van de Putte

Under previous law, a corporation that undertakes certain research and development activities may apply for a credit against the franchise tax, the amount of which is doubled in a strategic investment area. House Bill 1447 amends the Tax Code to expand the definition of "strategic investment area" to include a defense economic readjustment zone.

**HOUSE BILL 1845**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Oliveira

**SENATE SPONSOR:** Van de Putte

House Bill 1845 amends the Tax Code to adopt the Simplified Sales and Use Tax Administration Act, relating to the collection of sales and use taxes on taxable interstate purchases. The bill provides for participation by Texas delegates in multistate discussions, and it authorizes and directs the comptroller to participate with other states in the development of an agreement to simplify and modernize the administration of the sales and use tax and reduce the burden of tax compliance for all sellers and types of commerce. It authorizes the comptroller, acting jointly with other states, to establish certain standards relating to sellers, agents who perform their tax functions, and software providers.

The bill, however, prohibits the comptroller from entering into an agreement unless it meets various listed requirements. The agreement is an accord among individual cooperating sovereigns, does not invalidate Texas law, and benefits only the member states and no one else legally except as established by Texas law. It is not the basis for a lawsuit against the state or a political subdivision. Other provisions cover the liability of sellers, their agents, and software providers.

**HOUSE BILL 2378**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Kuempel

**SENATE SPONSOR:** Armbrister

Under previous law, a person commits an offense if the person affixes a tax stamp to a cigarette package that violates federal trademark or copyright law, contains alterations to packaging language, fails to comply with federal labeling requirements, has been labeled for export, or has been imported illegally in violation of specified federal law. House Bill 2378 amends the Tax Code to expand the offense to include cigarette packages in noncompliance with other federal laws relating to ingredient submission and the import of previously exported products. The bill provides that an offense is committed only if a person knowingly affixes a tax stamp inappropriately and amends the Penal Code to make the violation a Class A misdemeanor. The bill allows a seller, distributor, or manufacturer of cigarettes who sustains direct economic or commercial injury as a result of inappropriate tax stamp affixation to seek injunctive relief. It requires the comptroller to provide tax stamps so as to identify by number or mark the person who affixes a stamp to a particular package of cigarettes. A cigarette distributor, in addition to other required information, must keep copies of customs certificates for all imported cigarettes to which the distributor has affixed a tax stamp.

**HOUSE BILL 2413**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Ritter

**SENATE SPONSOR:** Zaffirini

House Bill 2413 amends the Tax Code to provide that the commercial business location where cigarettes, cigars, or other tobacco products are stored or kept cannot be a residence or a unit in a public storage facility. The bill requires a permit holder who is authorized to sell or distribute such products to designate in the permit application a permanent place of business to keep records relating to the tobacco products if the permit holder's place of business is a vending machine.

**HOUSE BILL 2758**

**EFFECTIVE:** 6-16-01

The Tax Code authorizes a county hotel occupancy tax but generally provides that the county tax does not apply to a hotel in a municipality that applies a municipal hotel occupancy tax to the hotel. House Bill 2758 amends the code to allow a county that has a population of more than 200,000 and borders the Neches River to impose a county hotel occupancy tax on a hotel even if the hotel is subject to a municipal hotel occupancy tax. In such a county, if the county also borders the Gulf of Mexico, the bill sets the maximum rate for the county tax at two percent of the room rate.

**HOUSE AUTHOR:** Ritter et al.

**SENATE SPONSOR:** Bernsen

**HOUSE BILL 2833**

**EFFECTIVE:** 7-1-01

House Bill 2833 amends the Tax Code to provide that a person acting as a trustee in the foreclosure sale of real property under a lien created by a mortgage, deed of trust, or security instrument is not providing a taxable service for purposes of sales and use taxes.

**HOUSE AUTHOR:** Grusendorf

**SENATE SPONSOR:** Jackson

**HOUSE BILL 3140**

**EFFECTIVE:** 1-1-02

House Bill 3140 amends the Tax Code to expand the definition of “agricultural processing,” as it relates to the eligibility for franchise tax credits for certain job creation activities. The definition as expanded includes additional categories and product classes from the 1987 Standard Industrial Classification Manual published by the federal Office of Management and Budget.

**HOUSE AUTHOR:** Swinford

**SENATE SPONSOR:** Haywood

**SENATE BILL 63**

**EFFECTIVE:** 1-1-02

Senate Bill 63 amends the Tax Code to establish a franchise tax credit, subject to certain conditions, for a corporation that hires a blind or disabled person who, when hired, is a recipient of social security disability insurance benefits or is eligible for supplemental security income benefits on the basis of disability or blindness. The credit applies to hirings beginning 2002, if the position is located or based in Texas and the employee remains continuously employed with the corporation in a Texas position for at least six months. Also, for the credit to apply, the employee must work an average of at least 20 hours a week, earn at least the minimum wage, and receive the same benefits as the employer’s other workers. The credit is 10 percent of the employee’s wage for the first two years of employment in a Texas position. However, the total credit claimed for each privileged period may not exceed 50 percent of the net franchise tax owed for that period.

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** McCall

**SENATE BILL 640**

**EFFECTIVE:** 5-3-01

Senate Bill 640 amends the Tax Code to require taxpayers who paid \$100,000 or more in a category of state taxes during the preceding fiscal year to electronically submit their tax payments if the comptroller anticipates that the taxes paid will be at least that amount during the current fiscal year. The bill also requires electronic filing by those taxpayers of reports on sales and use taxes, oil and gas severance taxes, and international fuel agreements. The bill contains waiver and penalty provisions with respect to the electronic reporting.

**SENATE AUTHOR:** Duncan

**HOUSE SPONSOR:** McCall

**SENATE BILL 848**

**EFFECTIVE:** 4-20-01

**SENATE AUTHOR:** R. Ellis

**HOUSE SPONSOR:** Junell

Senate Bill 848 requires the comptroller to transfer the accumulated interest on protested taxpayer payments, which unlike the payments themselves, has been held in a suspense account, on a pro rata basis to the credit of the appropriate funds or accounts into which the protested taxes, fees, and penalties are allocated by other law. The bill amends the Government Code to credit new interest of this nature to the general revenue fund.

**SENATE BILL 1037**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** R. Ellis

**HOUSE SPONSOR:** Junell

Senate Bill 1037 amends the Tax Code to authorize the comptroller to establish a program in which a taxpayer may hire a certified public accountant not employed by the comptroller to conduct an audit to determine the taxpayer's liability for sales and use taxes. The rules of the audit program must include eligibility requirements for taxpayer participation, training requirements and qualifications for the accountant, and safeguards to protect the confidentiality of information used in the audit. Unless the audit or other information available to the comptroller discloses fraud or wilful evasion of the tax, the comptroller may not assess a penalty and may waive all or part of the accrued interest on the amount of taxes shown by the audit to be due.

**SENATE BILL 1123**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Hartnett

Senate Bill 1123 amends the Tax Code and various other provisions of state law to clarify and strengthen enforcement and collection relating to state and state-administered taxes. The bill increases the security amounts required of sellers and retailers with respect to sales and use taxes, and of permit holders with respect to mixed beverage taxes. It revises significantly the criminal penalty provisions and penalty amounts applicable to sales taxes and motor vehicle taxes. New provisions address tax liability in the case of business acquisitions involving fraud or sham transactions. Additional changes relate to recordkeeping, investigations and audits, delinquency notifications, tax liens, the dissolution or withdrawal from the state of certain businesses, the administration of motor fuel taxes, and other matters.

**SENATE BILL 1125**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Hartnett

Senate Bill 1125 is an omnibus bill that makes technical changes to the Local Government Code, Government Code, Tax Code, Health and Safety Code, Occupations Code, and other laws relating to taxes and fees administered by the comptroller. The bill takes effect September 1, 2001, except for certain provisions relating to sales and use taxes, motor vehicle taxes, cigarette and tobacco product taxes, gas production taxes, and the Texas Racing Act, which take effect October 1, 2001, and provisions relating to franchise taxes, which take effect January 1, 2002.

**SENATE BILL 1497**

**EFFECTIVE:** 8-1-02

**SENATE AUTHOR:** R. Ellis

**HOUSE SPONSOR:** Oliveira

Senate Bill 1497 amends the Tax Code and Health and Safety Code to provide that sourcing of charges for mobile telecommunications services is governed by the federal Mobile Telecommunications Sourcing Act. It establishes that charges for such services that are billed

by or for a customer's home service provider are subject to taxes, charges, and fees by the taxing jurisdictions that encompass the customer's place of primary use with respect to the services. An effect of the bill is to define where state and local sales and use taxes, and emergency service fees, are to be applied. The bill contains various procedures for the correction of billing errors, the use of supportive electronic databases to assist home service providers, and the administration generally of Tax Code law.

**SENATE BILL 1689**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. Ellis

**HOUSE SPONSOR:** Y. Davis

Senate Bill 1689 amends the Tax Code to clarify the inapplicability of the franchise tax to certain payers of insurance premium taxes. It provides specifically that farm mutuals, local mutual aid associations, and burial associations are not subject to the franchise tax. Also, an insurance organization performing management or accounting activities on behalf of a nonadmitted captive insurance company that is required to pay a gross premium receipts tax during a tax year is exempt from the franchise tax for that same tax year. The bill clarifies that a business loss for franchise tax purposes can be carried forward only by the corporation that incurred the loss and cannot be transferred to or claimed by any other entity, including the survivor of a merger if the loss was incurred by the corporation that did not survive the merger.

**SENATE BILL 1690**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** R. Ellis

**HOUSE SPONSOR:** Y. Davis

Senate Bill 1690 amends the Insurance Code to clarify the tax liability and exemptions of insurance organizations, companies, and carriers, including title insurance companies and agents, each of which are subject to premium taxes. The bill provides that beyond such taxes, such entities may not be not required to pay any additional tax that is levied in proportion to gross premiums except as provided by the Insurance Code or Labor Code. The bill provides that the exemption from other taxes in proportion to gross premiums may not be construed to prohibit the levy and collection of other state or local taxes, such as property taxes. It deletes similar provisions that exempted insurance entities from paying occupation or gross receipts taxes.



## TRANSPORTATION, HIGHWAYS, AND MOTOR VEHICLES

### **HOUSE BILL 15**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Corte

**SENATE SPONSOR:** Madla

House Bill 15 amends the Transportation Code to provide for the issuance of specially designed license plates for motor vehicles with a manufacturer's rated carrying capacity of two tons or less that are regularly operated for noncommercial use by or for the transportation of a person with a permanent disability. The provision replaces one that limited such license plates to motorcycles, passenger cars, and light trucks.

### **HOUSE BILL 116**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Najera et al.

**SENATE SPONSOR:** Truan

House Bill 116 amends the Transportation Code to require the Department of Public Safety to develop a selective service consent statement as a part of the application for an original, renewal, or duplicate driver's license or personal identification certificate. The consent statement must include a place to consent or decline to register with the United States Selective Service System and must state the benefits and penalties associated with consenting or declining to register. The bill requires the department to forward to the Selective Service System only the information of an applicant consenting to registration.

### **HOUSE BILL 149**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Wohlgemuth et al.

**SENATE SPONSOR:** Carona

House Bill 149 amends the Transportation Code to expand the list of persons whose vehicles may be issued a specially designed license plate honoring valorous peace officers to include a brother, sister, adopted child, or stepchild of a peace officer killed in the line of duty.

### **HOUSE BILL 299**

**EFFECTIVE:** 6-17-01

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Shapleigh

House Bill 299 amends the Transportation Code to authorize the Texas Transportation Commission to establish a daytime speed limit of 75 miles per hour on a part of the highway system that is located in a county with a population density of less than 10 persons per square mile. The speed limit applies to a vehicle other than a truck tractor, trailer, or semitrailer, or a truck not classified as a light truck or light truck pulling a trailer.

### **HOUSE BILL 396**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Wise et al.

**SENATE SPONSOR:** Gallegos

House Bill 396 amends the Transportation Code and Family Code to provide a list of documents or acceptable alternatives that may be used to establish proof of identity and in lieu of a social security number when applying for an original driver's license. The bill amends the Election Code to provide an exception to the requirement that the Department of Public Safety provide to each person applying for a driver's license at the department's offices a voter registration application form. The bill prohibits the department from providing a voter registration application form to a person who establishes proof of identity using certain documents issued by another country unless the person also presents acceptable proof that the person is a United States citizen.

Transportation, Highways, and Motor Vehicles

**HOUSE BILL 489**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Pickett

**SENATE SPONSOR:** Lucio

House Bill 489 amends the Transportation Code to clarify the definition of “junked vehicle” under the public nuisance laws to provide that a junked vehicle is a vehicle without a valid license plate or motor vehicle inspection certificate that is also wrecked, dismantled or partially dismantled, discarded, or inoperable.

**HOUSE BILL 495**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Smith et al.

**SENATE SPONSOR:** Moncrief

House Bill 495 amends the Transportation Code to change the definition of “antique vehicle” under the junked vehicle public nuisance law to mean a passenger car or truck that is at least 25 years old, rather than 35 years old.

**HOUSE BILL 642**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Flores et al.

**SENATE SPONSOR:** Shapiro

House Bill 642 amends the Transportation Code to remove the requirement that the Texas Department of Transportation issue duplicate original certificates of title for motor vehicles with liens as evidence of title to a motor vehicle and to authorize the use of vehicle registration receipts as sufficient to evidence title to a motor vehicle. The bill requires the department to adopt rules to account for the abolition of duplicate original certificates of title.

**HOUSE BILL 651**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** P. King

**SENATE SPONSOR:** Haywood

House Bill 651 amends the Transportation Code to allow daytime travel by an all-terrain vehicle over a distance of not more than 25 miles on a public street, road, or highway, other than an interstate or limited-access highway, if the transportation relates to the use of or specified activities involving agricultural products. The operator must hold a driver’s license, the vehicle’s headlights and taillights must be illuminated, and the operator must attach to the back of the vehicle a triangular orange flag atop a pole eight feet long. The director of the Department of Public Safety has the duty to adopt standards and specifications relating to the color, size, and mounting position of the flag. Code provisions regarding helmet and eye protection, safety certification, and other vehicular restrictions do not apply to all-terrain vehicle travel of this nature.

**HOUSE BILL 674**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Elkins et al.

**SENATE SPONSOR:** Lindsay

House Bill 674 amends the Transportation Code to authorize a municipality or county to adopt an ordinance or order allowing the operator of a vehicle to stop, stand, or park a passenger car or light truck on a portion of a sidewalk that extends across a private driveway under certain conditions.

**HOUSE BILL 811**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McReynolds

**SENATE SPONSOR:** Shapiro

House Bill 811 amends the Transportation Code to require the Texas Department of Transportation to issue specially designed license plates for passenger cars and light trucks that bear the words “Special Olympics Texas.” The bill amends the Health and Safety Code to

establish a new account into which a portion of the license plate fee will be deposited for distribution by the Texas Department of Mental Health and Mental Retardation to pay for costs associated with training and with area and regional competitions of the Special Olympics Texas.

**HOUSE BILL 996**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Coleman

**SENATE SPONSOR:** R. Ellis

House Bill 996 amends the Transportation Code to provide that a municipality may aid in the enforcement of an ordinance regulating the parking of vehicles by designating an employee to immobilize vehicles and remove immobilized vehicles from public roadways in the municipality.

**HOUSE BILL 1128**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Rangel

**SENATE SPONSOR:** Lucio

House Bill 1128 amends the Transportation Code to provide that the fee for a monthly registration period for a truck-tractor or commercial motor vehicle that transports seasonal agricultural products is computed at a rate of one-twelfth the annual registration fee that is set for commercial motor vehicles used primarily for farm purposes, multiplied by the number of months in the registration period specified in the application.

**HOUSE BILL 1138**

**EFFECTIVE:** 1-1-02

**HOUSE AUTHOR:** Longoria

**SENATE SPONSOR:** Truan

House Bill 1138 amends the Transportation Code to provide that a proposal guaranty required by the Texas Department of Transportation as a condition of bidding for a contract may be in the form of a cashier's check, a money order, a bid bond issued by a surety, or any other method approved by the department.

**HOUSE BILL 1368**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Callegari et al.

**SENATE SPONSOR:** Barrientos

House Bill 1368 amends Transportation Code provisions relating to motor vehicle registration to allow a vehicle owner to pay registration fees for a designated period of 12, 24, or 36 months. That option previously applied only to newer passenger cars or light trucks that previously had not been registered in Texas or elsewhere. The bill requires the Texas Department of Transportation to develop a registration system that allows the registration, in the county of the owner's residence or principal place of business, of an entire fleet, or the registration in one county of fleet vehicles that are operated most regularly in that county. It requires that the statement accompanying an application for the registration of a vehicle used by a nonprofit disaster relief organization, indicating that the vehicle has not been used for any purpose other than emergencies, be signed by an officer of the organization rather than by the county sheriff as provided in previous law.

**HOUSE BILL 1378**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** McReynolds

**SENATE SPONSOR:** Zaffirini

House Bill 1378 amends the Transportation Code to exempt a motorized mobility device that is designed for the transportation of persons with physical disabilities from vehicle registration requirements and to define "motorized mobility device." House Bill 1378 provides that a person operating a motorized mobility device or a nonmotorized wheelchair is considered to be a pedestrian, and it prohibits the person from using a roadway if an adjacent sidewalk is accessible to the person.

**HOUSE BILL 1535**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Y. Davis  
**SENATE SPONSOR:** R. Ellis

House Bill 1535 amends the Transportation Code to require the Texas Department of Transportation to develop an electronic lien system for motor vehicle titling that allows a security interest to be perfected, assigned, discharged, and canceled electronically, instead of by record maintained on a certificate of title. The department is required to distribute procedures for using the system to county assessor-collectors, financial institutions, and other potential motor vehicle lienholders. The bill provides that participation in the electronic lien system is voluntary.

**HOUSE BILL 1544**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Uher et al.  
**SENATE SPONSOR:** Moncrief

House Bill 1544 revises laws relating to the release of information from motor vehicle accident reports and information; motor vehicle records, including driver's license and vehicle title and registration information; and certain other communications. Penal Code provisions establish a Class B misdemeanor offense for obtaining accident information, emergency communications information, dispatch log information, a towing record, or a 9-1-1 service provider record and using it for direct solicitation of business or employment for pecuniary gain. For driver's license and other motor vehicle records, amendments to the Transportation Code eliminate an individual's option to prohibit public access, but also eliminate any release, redisclosure, or resale of personal information for bulk distribution for surveys, marketing, or solicitations. The bill establishes a misdemeanor offense for a violation of the redisclosure or resale provisions and provides that violation of a rule or conviction of an offense relating to release of motor vehicle record personal information makes the violator or offender ineligible for otherwise permissible disclosures from such records. Disclosure of a person's photographic image for law enforcement purposes and disclosure of personal information to prevent, detect, or protect against identity theft or fraud are not prohibited. The bill establishes fees for magnetic tapes, and weekly tape updates, from disclosable driver's license records. It increases the fee for a copy of an accident report from \$4 to \$6.

**HOUSE BILL 1621**  
**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Coleman  
**SENATE SPONSOR:** Gallegos

House Bill 1621 amends the Transportation Code to require the principal municipality in each metropolitan rapid transit authority, regional transportation authority, and county mass transit authority to appoint at least one member to the authority's board who will represent the interests of the transportation disadvantaged. The bill requires municipal transit department boards to consider the interests of the transportation disadvantaged in making decisions. The bill defines "transportation disadvantaged" to mean the elderly, persons with disabilities, and low-income individuals.

**HOUSE BILL 1664**  
**EFFECTIVE:** 5-14-01

**HOUSE AUTHOR:** Alexander  
**SENATE SPONSOR:** J. E. Brown

House Bill 1664 amends Transportation Code provisions relating to dealer's and manufacturer's vehicle license plates to clarify certain definitions, transfer related rulemaking powers from the Texas Department of Transportation's governing body to its Motor Vehicle

Board, and to make other technical changes. The bill provides that the responsibility of a vehicle dealer to apply in the name of the purchaser for the registration and certificate of title of a vehicle sold does not apply to a vehicle with a gross weight in excess of 11,000 pounds.

**HOUSE BILL 1665**

**EFFECTIVE:** 5-18-01

**HOUSE AUTHOR:** Alexander

**SENATE SPONSOR:** J. E. Brown

House Bill 1665 makes miscellaneous changes to the Texas Motor Vehicle Commission Code relating to the regulation by the Motor Vehicle Board of motor vehicle manufacturers, distributors, dealers, lessors, and other parties. The bill amends conflict-of-interest provisions relating to board members. It amends the general powers of the board to enforce the code and hear contested cases, and it establishes certain time limits applicable to board actions and proceedings. The bill authorizes the issuance of duplicate licenses and provides that a request for an application for a dealer's license is confidential. Additional provisions relate to dealership sales, the determination of a dealer's vehicle inventory costs, and the clarification of the vehicle make for ambulances and fire-fighting units.

**HOUSE BILL 1678**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Bosse

**SENATE SPONSOR:** Cain

House Bill 1678 amends Transportation Code provisions relating to nonrepairable and salvage motor vehicles. The bill prohibits an out-of-state buyer from purchasing a salvage motor vehicle or a nonrepairable motor vehicle in this state unless the person has been issued a license by the Texas Department of Transportation that authorizes the purchase. It modifies the definitions of "out-of-state buyer" and "salvage vehicle agent," and it amends what must be stated on the face of a certificate of title for nonrepairable and rebuilt salvage motor vehicles. The bill authorizes a salvage motor vehicle dealer to sell a late model salvage motor vehicle to an individual and prohibits a person who holds a nonrepairable motor vehicle certificate of title for a vehicle from rebuilding the vehicle.

House Bill 1678 takes effect September 1, 2001, except for the out-of-state buyer's license provision, which takes effect March 1, 2002.

**HOUSE BILL 1679**

**EFFECTIVE:** 5-16-01

**HOUSE AUTHOR:** Bosse

**SENATE SPONSOR:** Cain

House Bill 1679 amends the Transportation Code to provide that a tow truck operator does not need a permit to exceed the weight limits of public highways when towing a vehicle or vehicle combination if the towing is needed to remove disabled, abandoned, or accident-damaged vehicles and the operator is towing directly to the nearest authorized facility.

**HOUSE BILL 1681**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Bosse et al.

**SENATE SPONSOR:** Cain

House Bill 1681 amends the Transportation Code to extend to all political subdivisions of the state the authority to regulate tow trucks that operate in their jurisdiction. The bill expands the definition of "consent tow" to include any tow of a motor vehicle that is initiated by a person who has possession, custody, or control of the vehicle, and it clarifies that the term does not include a tow initiated by a peace officer investigating a traffic incident involving the vehicle.



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**HOUSE BILL 1683**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Goolsby et al.

**SENATE SPONSOR:** Cain

House Bill 1683 amends the Transportation Code to permit a transportation authority to guarantee payment of the authority's bonds by pledging funds committed to the authority by the federal government. The bill also allows a subregional board in a subregion that has a principal city with a population of 800,000 or more to adopt a budget policy that provides for a two-year budget with annual reviews as needed.

**HOUSE BILL 1697**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** D. Ellis

**SENATE SPONSOR:** Ogden

House Bill 1697 applies, in a county with a population of 65,000 or less, to an outdoor sign that is erected or maintained by a nonprofit county agricultural fair or a public or private school or institution of higher learning. The bill amends the Transportation Code to provide that the sign may include the logo or emblem of an entity that sponsors the fair, or that provides significant funding to the school or institution of higher learning, if the logo or emblem occupies less than 25 percent of the area of the sign.

**HOUSE BILL 1718**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Y. Davis

**SENATE SPONSOR:** Cain

House Bill 1718 amends the Transportation Code to modify the manner in which the governor and a county commissioners court appoint the board of directors of a regional tollway authority and to change the composition of the board.

**HOUSE BILL 1739**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Martinez Fischer

**SENATE SPONSOR:** Van de Putte

House Bill 1739 amends the Transportation Code to provide that a judge, when placing on probation a defendant who is accused of violating certain laws involving the restraint of a child in a motor vehicle, must require the defendant to successfully complete a specialized driving safety course approved by the Texas Education Agency under the Texas Driver and Traffic Safety Education Act that encourages the use of child passenger safety seat systems. The bill requires a municipality or county to send to the comptroller 50 percent of the fines collected for violations of child restraint provisions for use by trauma centers and increases the maximum fine for a violation to not less than \$100 or more than \$200.

**HOUSE BILL 1762**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Green

**SENATE SPONSOR:** Armbrister

House Bill 1762 amends the Transportation Code to authorize the Department of Public Safety to allow the holder of a Texas driver's license or identification certificate to apply for the issuance of a duplicate license or certificate by mail, by telephone, over the Internet, or by other electronic means, and to allow a Texas driver's license holder to submit a request for certain information by mail, by telephone, over the Internet, or by other electronic means. The bill deletes the provision requiring a person applying for a corrected driver's license or certificate to provide satisfactory proof to the department that the driver's license or certificate was lost or destroyed.

The bill also amends the Government Code to authorize the department to adopt rules regarding the method of payment of any fee or charge that the department imposes or collects.



**HOUSE BILL 1831**

**EFFECTIVE:** 6-14-01

**HOUSE AUTHOR:** Pickett

**SENATE SPONSOR:** Harris

House Bill 1831 amends the Transportation Code to provide for the issuance by the Texas Department of Transportation of “Texans Conquer Cancer” special license plates and to set a statutorily specified rather than administratively determined fee amount for YMCA special license plates. The bill amends the Health and Safety Code and Education Code to create general revenue accounts into which a portion of the Texans Conquer Cancer and YMCA license plate fees are to be channeled for related spending purposes. The bill requires the Texas Cancer Council to appoint an advisory committee to assist the council in setting guidelines for the expenditure of money in the Texans Conquer Cancer account. Other provisions authorize the department to enter into an interlocal contract with one or more local governments.

**HOUSE BILL 1996**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Chavez et al.

**SENATE SPONSOR:** Shapleigh

House Bill 1996 designates Loop 375 between Zaragoza Avenue and Santa Fe Street in El Paso County as the Cesar Chavez Border Highway.

**HOUSE BILL 2124**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Noriega

**SENATE SPONSOR:** Lindsay

House Bill 2124 amends the Transportation Code to authorize an owner of a fleet of vehicles to consolidate the registration of a fleet as an alternative to the separate registration of each motor vehicle in the fleet. It requires the Texas Department of Transportation to develop a system that allows the registration, in the county of the owner’s residence or principal place of business, of an entire fleet, or the registration in one county of fleet vehicles that are operated most regularly in that county.

**HOUSE BILL 2173**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Krusee

**SENATE SPONSOR:** Ogden

House Bill 2173 amends the Transportation Code to authorize a county commissioners court or the governing body of a local authority to make a presumption that, in a prosecution for an offense involving the stopping, standing, or parking of an unattended vehicle, the registered owner of the vehicle is the person who committed the offense at the time and place the offense occurred.

**HOUSE BILL 2204**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Gutierrez et al.

**SENATE SPONSOR:** Moncrief

House Bill 2204 amends the Government Code to require accident reports published by the Department of Public Safety to include information regarding the number of accidents involving injury to, death of, or property damage to a bicyclist or pedestrian.

The bill amends the Transportation Code to require the department to establish and administer a safe routes to school program to distribute certain federal funds to political subdivisions for projects to improve safety in and around school areas. The bill sets forth projects eligible to receive money and how the money may be allocated.

The bill also requires a bicyclist to ride as close as practicable to the right edge of the roadway unless the bicyclist is riding in an outside lane that is less than 14 feet in width and does not have a designated bicycle lane adjacent to the lane or is too narrow for a bicycle and a motor vehicle to safely travel side by side. House Bill 2204 defines “electric bicycle” and

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provides that the department or a local authority may not prohibit the use of an electric bicycle on a highway that is used primarily by motor vehicles but may prohibit that use on a highway used primarily by pedestrians.

**HOUSE BILL 2217**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Hawley

**SENATE SPONSOR:** Fraser

House Bill 2217 amends the Transportation Code to authorize the Texas Department of Transportation to issue a certificate of title for certain farm semitrailers with a gross weight of more than 4,000 pounds.

**HOUSE BILL 2230**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** McReynolds

**SENATE SPONSOR:** Ogden

House Bill 2230 amends the Transportation Code to increase from \$500 to \$1,000 the minimum amount of property damage resulting from a motor vehicle accident that authorizes a peace officer to investigate and file charges relating to the accident and requires a law enforcement officer or an operator of a vehicle involved in an accident to file a written report regarding the accident with the Department of Public Safety.

**HOUSE BILL 2243**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Bosse

**SENATE SPONSOR:** Gallegos

House Bill 2243 amends provisions of the Vehicle Storage Facility Act relating to the disposal of abandoned vehicles by vehicle storage facilities and fee and notification requirements. The bill adds to the information required to be contained in a published notice sent by an operator of a vehicle storage facility to an owner of a vehicle that has been accepted for storage and requires that only one notice be published for an abandoned nuisance vehicle. The bill also establishes procedures for disposing of vehicles and fees charged for the cost of sending additional notices and for the storage of vehicles longer than 25 feet. The bill authorizes an operator of a vehicle storage facility to collect any fee required to be submitted to a law enforcement agency or a governmental entity.

**HOUSE BILL 2263**

**EFFECTIVE:** 6-13-01

**HOUSE AUTHOR:** Danburg

**SENATE SPONSOR:** Gallegos

House Bill 2263 amends the Government Code to require the Texas Department of Transportation, in consultation with the Texas Historical Commission, to publish a guide listing the historical markers along Texas roadways. The department must assign identifying numbers to each marker, use certain information in creating the guide, erect signs one mile preceding each historical marker that indicates the identifying number of the marker, and work with the commission to ensure that there is no duplication between publications currently available through the commission or other sources.

**HOUSE BILL 2313**

**EFFECTIVE:** Vetoed

**HOUSE AUTHOR:** Bosse

**SENATE SPONSOR:** Gallegos

House Bill 2313 amends provisions of the Transportation Code relating to abandoned vehicles to change certain procedures that law enforcement agencies and vehicle storage facilities must follow to dispose of abandoned nuisance vehicles.

The bill defines “abandoned nuisance vehicle” and “vehicle storage facility” and allows a vehicle storage facility to apply to the Texas Department of Transportation for the disposal of an abandoned nuisance vehicle after notification to the appropriate law enforcement authorities. The bill exempts a law enforcement agency from the requirement to send a notice to the owner of the vehicle on receipt of notification from a storage facility of the intent to dispose of an abandoned nuisance vehicle.

**HOUSE BILL 2334**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Zbranek et al.

**SENATE SPONSOR:** Staples

House Bill 2334 designates U.S. Highway 69 between Interstate Highway 10 in Beaumont and Loop 287 in Lufkin as the Big Thicket National Preserve Parkway.

**HOUSE BILL 2440**

**EFFECTIVE:** 6-11-01

**HOUSE AUTHOR:** Krusee et al.

**SENATE SPONSOR:** Barrientos

The Transportation Code allows certain metropolitan rapid transit authorities to hold a subsequent rail plan referendum in the event that a proposition to operate a fixed rail transit system receives less than the majority of votes cast in the initial referendum. House Bill 2440 amends the code to require an authority that holds a subsequent referendum to hold the referendum at the general election in November of an even-numbered year.

**HOUSE BILL 2522**

**EFFECTIVE:** 6-15-01

**HOUSE AUTHOR:** Wilson

**SENATE SPONSOR:** Armbrister

House Bill 2522 amends the Transportation Code to require the Texas Department of Transportation, in consultation with the State Aircraft Pooling Board, to establish a state airport in Central Texas that is open to the general public and to contract with a private entity or a county or municipality for the long-term management, operation, and maintenance of the facility. The bill provides that the department may only use federal matching funds, federal grants, in-kind contributions, private sector funds, nonprofit grants, and local government funding for the establishment of an airport in Central Texas.

**HOUSE BILL 2616**

**EFFECTIVE:** 6-16-01

**HOUSE AUTHOR:** Solis

**SENATE SPONSOR:** Lucio

House Bill 2616 amends the Transportation Code to prohibit the Texas Transportation Commission from converting the Queen Isabella Causeway in Cameron County to a turnpike project or transferring it to a regional tollway authority.

**HOUSE BILL 2663**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Grusendorf

**SENATE SPONSOR:** Armbrister

House Bill 2663 amends provisions of the Code of Criminal Procedure and the Transportation Code relating to the issuance of a license or permit for certain sex offenders to operate a motor vehicle or commercial motor vehicle. The bill requires a registered sex offender to apply for a commercial driver’s license or learner’s permit not later than 30 days after release or notification of the requirement and to apply annually for renewal of the license or permit. The fee for a commercial driver’s license or learner’s permit issued to an offender is \$20. The bill prohibits such a license from being renewed before the 60th day preceding the expiration date.

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The bill authorizes the Department of Public Safety to issue a driver's license instruction permit or hardship license to an offender for a fee of \$20 and provides that such a permit or license must include a photograph of the offender. An instruction permit, hardship license, or provisional license issued to an offender is exempt from the provisions regarding an annual expiration date. The bill removes provisions prohibiting the department from accepting renewal by mail of certain licenses if the license holder has been convicted of a moving violation or an offense that mandates automatic suspension of the license, but retains the prohibition against a registered sex offender's ability to register by mail or electronic means. The bill provides that a disabled veteran is not exempt from the fees for a driver's license if the veteran is also an offender.

### **HOUSE BILL 2787**

**EFFECTIVE:** See below

**HOUSE AUTHOR:** Geren

**SENATE SPONSOR:** J. E. Brown

House Bill 2787 amends the Education Code to prohibit certain public institutions of higher education from issuing a permit to a student for driving or parking a motor vehicle on institutional property unless the institution has provided written notice to the student concerning requirements for vehicle emissions inspections or that failure to register the vehicle or to display a current and appropriate inspection certificate may violate state law. An institution of higher education that maintains a campus police force is required to adopt procedures to enforce vehicle inspection laws for vehicles on the campus. The bill requires the Department of Public Safety to adopt rules providing for vehicle emissions inspections of motor vehicles not registered in this state.

House Bill 2787 takes effect September 1, 2001, except for provisions relating to a public institution of higher education providing written notice to a student concerning requirements for vehicle emissions inspections, which take effect January 1, 2002.

### **HOUSE BILL 3071**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Chisum

**SENATE SPONSOR:** Shapiro

House Bill 3071 amends the Transportation Code to establish procedures for personnel of the Department of Public Safety to enter an inspection station during normal business hours to conduct an investigation, inspection, or audit of the station or inspector in order to determine compliance with certain provisions regulating inspection stations and inspectors. The bill prohibits an immediate family member of a person whose certificate has been suspended or revoked from being granted a certificate if the location of the family member's business is the same as that of the person whose certificate is suspended or revoked, unless it is proven that the person under suspension has no involvement in the business. The bill prohibits the department from suspending, revoking, or denying all certificates of a person who holds more than one certification based on a suspension, revocation, or denial of one of that person's certificates without proof of culpability related to a prior action. The bill requires the department to develop a penalty schedule based on the severity and frequency of certain violations, and to adopt rules regarding the handling and investigation of complaints against an employee or agent of the department who investigates the compliance of an inspection station or inspector.

### **HOUSE BILL 3076**

**EFFECTIVE:** 9-1-01

**HOUSE AUTHOR:** Smithee

**SENATE SPONSOR:** Bivins

House Bill 3076 designates the portion of Business United States Highway 287 in the municipal boundaries of Amarillo as the L. P. "Pete" Gilvin Memorial Highway.

**HOUSE BILL 3359**

**EFFECTIVE:** 9-1-01

House Bill 3359 designates a part of U.S. Highway 90 in Bexar County from Interstate Highway Loop 410 to Farm-to-Market Road 1518 as the 90th Infantry Division Memorial Highway.

**HOUSE AUTHOR:** Corte et al.

**SENATE SPONSOR:** Madla

**HOUSE BILL 3433**

**EFFECTIVE:** 6-15-01

House Bill 3433 designates the portion of United States Highway 259 Relief Route from 4/10 mile south of the northern Kilgore municipal boundary to 7/10 mile south of the southern Kilgore municipal boundary as the Charles K. Devall Memorial Highway.

**HOUSE AUTHOR:** Merritt

**SENATE SPONSOR:** Shapiro

**HOUSE BILL 3441**

**EFFECTIVE:** Vetoed

House Bill 3441 amends the Transportation Code to provide that the registration period for specially designed license plates issued to certain government officials is effective for 12 consecutive months or until January 31, rather than March 31, or whichever period is shorter. Other provisions relate to the eligibility of state judges for such license plates.

**HOUSE AUTHOR:** Gallego

**SENATE SPONSOR:** Madla

**SENATE BILL 4**

**EFFECTIVE:** See below

Senate Bill 4 amends the Transportation Code to authorize the Texas Transportation Commission to issue long-term and short-term obligations, secured by money in the Texas Mobility Fund, to pay for the costs of constructing, reconstructing, acquiring, and expanding state highways and providing publicly owned toll roads and other transportation projects; to pay for the costs of creating debt service reserve accounts; to pay interest on obligations; to refund or cancel outstanding obligations; and to pay the commission's costs of issuance. The bill prohibits the commission from issuing long-term or short-term obligations without the comptroller's certification that the amount of money required to be on deposit in the fund will be equal to at least 110 percent of the requirements to pay the principal and interest on the proposed obligations during that year. The commission is also prohibited from issuing obligations before it has developed a strategic plan that outlines how the money will be used and how the state will benefit from use of the fund.

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** Brimer et al.

Senate Bill 4 takes effect on the date the constitutional amendment proposed by Senate Joint Resolution 16 takes effect and only if Senate Bill 342, 77th Legislature, Regular Session, 2001, is enacted and becomes law. If the amendment is not approved by the voters or if Senate Bill 342 does not become law, the bill has no effect.

**SENATE BILL 113**

**EFFECTIVE:** 9-1-01

Senate Bill 113 amends the Transportation Code to provide that a person commits an offense if the person transports in a passenger vehicle a child who is younger than four years of age or less than 36 inches in height who is not secured in a child passenger safety seat system, or a child who is at least four years of age but younger than 17 years of age without being secured by a safety belt. The bill provides an additional defense to prosecution for a safety belt violation if the person is operating a commercial vehicle registered as a farm vehicle that does

**SENATE AUTHOR:** Moncrief et al.

**HOUSE SPONSOR:** Goolsby



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not have a gross weight, registered weight, or gross weight rating of 48,000 pounds or more. Senate Bill 113 also makes it a Class A misdemeanor for a person to install an airbag that does not meet all applicable federal safety regulations.

**SENATE BILL 148**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** B. Turner

Senate Bill 148 amends the Transportation Code to require a peace officer who stops or issues a notice to appear relating to certain intoxication and alcoholic beverage offenses to a person who has a driver's license issued by the United States Department of State, or who claims consular immunities, to record certain information and report it to the officer's law enforcement agency. The agency is required to contact the United States Department of State to verify the information and to forward certain information to the Bureau of Diplomatic Security Office of Foreign Missions of the state department within five days of the incident.

**SENATE BILL 183**

**EFFECTIVE:** 5-18-01

**SENATE AUTHOR:** Fraser

**HOUSE SPONSOR:** Keffer

Senate Bill 183 designates Farm-to-Market Road 604 from State Highway 351 in Shackelford County to U.S. Highway 83 in Taylor County as the Atlas ICBM Highway.

**SENATE BILL 192**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio et al.

**HOUSE SPONSOR:** Pickett

Senate Bill 192 amends the Transportation Code to require the Texas Department of Transportation to include in its unified transportation program projects on the state highway system that are related to access to ports of entry located on the border with the United Mexican States. Inclusion of ports of entry in state highway planning and funding is also required of a metropolitan planning organization that has a port of entry within its jurisdiction. The bill requires the department to fund projects from money other than North American Free Trade Agreement discretionary funds.

**SENATE BILL 195**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lucio et al.

**HOUSE SPONSOR:** Pickett

Senate Bill 195 amends the Transportation Code to require the Texas Transportation Commission to establish the Border Trade Advisory Committee to define and develop a strategy and make recommendations to the commission for addressing the highest priority border trade transportation challenges. In determining action to be taken on the recommendations, the bill requires the commission to consider the importance of trade with the United Mexican States, potential sources of infrastructure funding at border ports, and the value of trade activity in the Texas Department of Transportation's districts adjacent to the border with Mexico. The bill authorizes the commission to adopt rules governing the Border Trade Advisory Committee.

**SENATE BILL 217**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Fraser

**HOUSE SPONSOR:** Hilderbran et al.

Senate Bill 217 amends the Transportation Code to authorize the governing body of certain municipalities to extend any traffic rule applicable to a road owned by a municipality, or a county in which the municipality is located, to a subdivision in which the roads are privately owned or maintained and that is located in a municipality with a population of 300 or more. The bill provides that the governing body may extend the traffic rules only if petitioned by 25



percent of the property owners residing in the subdivision or if requested by the governing body of the entity that maintains the roads. A municipality may require the owners of property in the subdivision to pay all or part of the cost of extending and enforcing the traffic rules in the subdivision, including the costs associated with the placement of traffic control devices.

**SENATE BILL 220**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Shapiro et al.

**HOUSE SPONSOR:** Alexander

Senate Bill 220 amends provisions of the Transportation Code relating to the regulation and enforcement of vehicle weight limitations and safety standards. The bill provides that a load limit proposed by a county commissioners court for a road or bridge may be established only with the concurrence of the Texas Department of Transportation. It defines “single axle weight” and “tandem axle weight” as the terms relate to the maximum weight of a vehicle or combination of vehicles permitted to be operated on a public highway without a special permit, adds a new subsection relating to the weight carrying capacity on the sidewalls of tires, and deletes the “low pressure tire” and “high pressure tire” measurements of the maximum weight allowed.

Senate Bill 220 requires a person who weighs cargo, other than timber or another agricultural product in its natural state, to keep a written record of the weight of the cargo and certain other information prescribed by the department and establishes that the failure to maintain a weight record is a Class C misdemeanor. The bill provides that a vehicle, regardless of a permit to operate with excess axle or gross weight, is not authorized to be operated on federal highways or on bridges if it exceeds established weight limits, except in the case of a bridge that provides the vehicle operator with the only public access from an origin or to a destination.

Senate Bill 220 requires the department to develop and maintain a database on roadside vehicle inspection reports for defects on any intermodal equipment and requires the database to include all citations involving intermodal equipment issued by certified inspection officers. The bill provides that a sheriff or deputy sheriff of certain counties may become certified inspection officers, enabling them to detain on a highway or port of entry a commercial motor vehicle for a safety inspection.

This bill takes effect September 1, 2001, except the provision that makes the failure to maintain a weight record an offense, takes effect October 1, 2001.

**SENATE BILL 224**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh et al.

**HOUSE SPONSOR:** Noriega

Senate Bill 224 amends the Transportation Code to require the Texas Department of Transportation to initiate efforts to meet with the department’s counterparts from bordering Mexican states at least semiannually to discuss transportation and infrastructure issues.

**SENATE BILL 232**

**EFFECTIVE:** 5-21-01

**SENATE AUTHOR:** Harris et al.

**HOUSE SPONSOR:** Goolsby

Senate Bill 232 designates a portion of Interstate Highway 30 between Interstate 35E in Dallas and Interstate 35W in Fort Worth as the Tom Landry Highway.

**SENATE BILL 342**

**EFFECTIVE:** See below

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** Alexander

Senate Bill 342 amends the Transportation Code to authorize the Texas Department of Transportation to spend money from any available source to participate in the cost of the acquisition, construction, maintenance, or operation of a public or private toll facility on terms and conditions established by the Texas Transportation Commission. The bill provides that the commission may require the department to repay money the department spent in participating in the cost of a public or private toll facility, and it limits the money that may be spent by the department each federal fiscal year to not more than 30 percent of the obligation authority under the federal-aid highway program that is distributed to this state in that year. It provides that the Texas Turnpike Authority division of the department and a regional tollway authority may be required by the department to repay the money provided for a project from toll revenue or other sources established by the commission. Senate Bill 342 authorizes the Texas Turnpike Authority division of the department, or a successor agency, to enter into development agreements on four toll facility projects before March 1, 2004.

Senate Bill 342 authorizes the commission to create a regional mobility authority and grant or loan funds for the purposes of constructing, maintaining, and operating a turnpike project in a region of this state, except in a county already part of a regional tollway authority or certain other related projects. The commission is authorized to convert a segment of the free state highway system to a turnpike project and transfer that segment to a regional mobility authority.

Senate Bill 342 takes effect on the date the constitutional amendment proposed by Senate Joint Resolution 16 takes effect, and only if Senate Bill 4 is enacted and becomes law. If the amendment is not approved by the voters or if Senate Bill 4 does not become law, the bill has no effect. The bill provides that on the effective date of the bill, the board of directors of the Texas Turnpike Authority division of the department is abolished and all powers, duties, obligations, rights, contracts, leases, records, employees, and real or personal property of the board are transferred to the Texas Transportation Commission. All unspent and unobligated appropriations and other funds transferred to the commission as a result of the abolishment of the board are transferred to the Texas Mobility Fund on the effective date of Senate Bill 4.

**SENATE BILL 354**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Coleman

Senate Bill 354 amends Transportation Code provisions relating to the powers of a local government corporation and competitive bidding requirements. The bill provides that a local government corporation, created for the promotion and development of public transportation facilities and systems, is subject to all state law related to the design and construction of projects, including the procurement of design and construction services, that applies to the local government that created the corporation. If a local government corporation is created by multiple local governments that have different threshold contract amounts at which competitive bidding is required, the lowest amount applies to the corporation. Senate Bill 354 exempts from competitive bidding requirements a corporation created by a municipality to develop a convention center hotel project, a water treatment and distribution facility or the expansion of treatment facilities, or an area within a tax increment reinvestment zone. The board of a local government corporation must submit to the comptroller and to the local government that created the corporation, not later than February 1 of each year, a report stating the corporation's purpose, its total annual revenues and expenditures, and a summary of its activities, including any bonds issued and capital projects undertaken.

**SENATE BILL 399**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Duncan  
**HOUSE SPONSOR:** Y. Davis

Previous law made it illegal to operate an open bed pickup truck or an open flatbed truck, or to draw an open flatbed trailer, at a speed exceeding 35 miles per hour with a child younger than 12 years of age in the truck or trailer bed. The law established a defense to prosecution in cases of emergency. Senate Bill 399 amends the Transportation Code to change the age threshold to 18, delete any reference to the speed of the vehicle, and clarify that compliance or noncompliance with the prohibition is not admissible evidence in a civil trial. The bill establishes additional defenses to prosecution, including operating or towing the vehicle in a parade or on a beach, transporting farmworkers from one field to another, operating the only vehicle owned by members of a household, or operating a vehicle in a hayride permitted by the local law enforcement agency.

**SENATE BILL 406**  
**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Cain  
**HOUSE SPONSOR:** Hawley

Senate Bill 406 amends state law relating to the preservation of rail facilities by the Texas Department of Transportation. The bill establishes the abandoned rail account in the state highway fund for use by the department in preserving abandoned railroads and rail rights-of-way. It requires the department, on notification of an owner's intent to abandon or discontinue rail service, to coordinate with the appropriate governing body in which the line is located as to whether the line should be acquired by the department or any other actions should be taken to provide for continued rail service. The bill authorizes the department to preserve, acquire, lease, or sell rail facilities, rights-of-way, or other real property to continue rail service. It may expend funds from the abandoned rail account for (1) studies to determine the viability of rail facilities for continued rail transportation services; (2) the acquisition of rail facilities; and (3) the relocation of utility facilities, lines, and equipment.

Senate Bill 406 provides that the changes in state law do not authorize the department to regulate, operate, or maintain rail facilities. It prohibits a rural rail transportation district from abandoning a rail line that has received state funds, unless the abandonment is approved by the Texas Transportation Commission. The bill requires the commission to adopt rules to implement its provisions.

**SENATE BILL 407**  
**EFFECTIVE:** 4-9-01

**SENATE AUTHOR:** Cain et al.  
**HOUSE SPONSOR:** Pickett

Senate Bill 407 amends the Transportation Code to authorize a public entity, including a municipality, county, district, authority, agency, department, board, or commission, that is authorized by law to construct, maintain, or finance a qualified transportation project to borrow money from the state infrastructure bank. The money borrowed must be segregated from other funds of the public entity and may only be used for purposes related to a qualified project.

**SENATE BILL 409**  
**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Cain et al.  
**HOUSE SPONSOR:** Bosse

Senate Bill 409 amends state law relating to the powers and duties of the Texas Turnpike Authority division of the Texas Department of Transportation. The bill amends the definition of "turnpike project"; expands the list of costs associated with construction to include the cost of acquisition and appraisals, legal expenses, and expenses related to the initial operation of the turnpike project; and allows costs incurred before bonds were issued to be reimbursed by

proceeds from the sale of bonds. Senate Bill 409 authorizes an authority to provide for roadway maintenance, toll revenue collection, or traffic operations, all of which previously required approval from the Texas Transportation Commission, and to adopt rules establishing speed limits and maximum allowable vehicle and load weight limits for turnpike projects. It authorizes an authority, with the concurrence of the commission, to form or use a transportation corporation to promote and develop turnpike projects.

Senate Bill 409 authorizes the board of the authority, with the concurrence of the commission, to condemn real property that is necessary or convenient to mitigate an environmental effect that directly results from a turnpike project or necessary to provide proper drainage and ground slope for a turnpike project. The bill provides that the commission may request the authority to conduct a feasibility study for any proposed turnpike project. It authorizes the use of bonds to reimburse the department to pay for certain costs incurred before the issuance of bonds, including feasibility studies, allows the placement of telecommunication facilities and equipment on a turnpike project right-of-way to generate revenue, and establishes procedures for a public utility, on request from the authority, to relocate or remove its utility facilities from a turnpike project.

**SENATE BILL 416**

**EFFECTIVE:** 6-14-01

**SENATE AUTHOR:** Ogden et al.

**HOUSE SPONSOR:** Alexander

Senate Bill 416 amends the Transportation Code to authorize the Texas Department of Transportation to pay a fee to an appropriate public agency or private entity, if authorized by the applicable regulatory authority, in lieu of acquiring or agreeing to manage property for the mitigation of an adverse environmental impact that is a direct result of a state highway improvement project. Previously limited to contracts with the Parks and Wildlife Department, the bill expands the entities with whom the department may contract for the management of such property to include any public or private entity.

**SENATE BILL 454**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Alexander

Senate Bill 454 amends the Transportation Code to provide that a person who drives or tows a vehicle through a toll collection facility without paying the proper toll commits a misdemeanor punishable by a fine not to exceed \$250. An exception applies to authorized emergency vehicles. A registered owner who receives a notice of nonpayment is exempt from a violation if the vehicle has been leased or rented or if ownership was transferred to another person before the violation occurred. The bill authorizes the Texas Department of Transportation to use automated enforcement technology, including photo and video surveillance, to aid in collecting tolls and enforcing toll violations.

**SENATE BILL 456**

**EFFECTIVE:** 6-15-01

**SENATE AUTHOR:** J. E. Brown et al.

**HOUSE SPONSOR:** Eiland et al.

Senate Bill 456 designates Farm-to-Market Road 528 in the city of Friendswood as the Ralph L. Lowe Parkway.

**SENATE BILL 465**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Shapleigh et al.

**HOUSE SPONSOR:** Gutierrez

Senate Bill 465 establishes the Border Port of Entry Authority Task Force to study the viability of creating border port of entry authorities to facilitate the transportation and other movement of goods through El Paso County. The task force is required to submit a report of its findings and recommendations to the legislature no later than January 15, 2003.

**SENATE BILL 487**

**EFFECTIVE:** 5-8-01

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** Hamric

Senate Bill 487 amends the Transportation Code to require the Texas Transportation Commission to establish rules for a bidder for a state highway improvement project to submit a bid guaranty using an electronic funds transfer, a check, including an electronic check, a money order, an escrow account, a trust account, a credit card, or another method the commission determines is suitable.

**SENATE BILL 545**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** R. Lewis

Senate Bill 545 amends the Transportation Code to alter the venue for a suit by a county to recover from a defendant damages to a road or highway caused by the operation of an overweight vehicle and the transport of oversize or overweight commodities. The bill deletes references relating to a defendant who is a corporation or partnership, and a defendant who is a corporation or partnership that does not have a principal place of business in Texas, and it provides counties the option to file suit in the county where the damage occurred.

**SENATE BILL 569**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Cain et al.

**HOUSE SPONSOR:** G. Lewis

Senate Bill 569 amends provisions of the Transportation Code relating to the use of certain revenue and the rights and responsibilities of municipalities that have territory within the boundaries of certain airports. The bill defines “nonconstituent municipality” to mean a municipality that has territory within the boundaries of an airport that is governed by a joint board for which the constituent agencies are populous home-rule municipalities. It requires that a joint board include in its membership a nonvoting member of a nonconstituent municipality, and requires a nonconstituent municipality to pay to the constituent agencies each year a prescribed amount of excess airport revenue, which is generated from ad valorem and sales and use taxes and other taxes and fees.

Senate Bill 569 prohibits a person from developing a retail establishment in an area of a nonconstituent municipality that is separated from the airport passenger terminal buildings by a controlled access highway without the consent of the joint board and the nonconstituent municipality; this section expires August 31, 2021.

**SENATE BILL 577**

**EFFECTIVE:** 1-1-02

**SENATE AUTHOR:** Bivins et al.

**HOUSE SPONSOR:** Driver et al.

Senate Bill 577 amends the Transportation Code to establish a graduated driver’s licensing system. The bill prohibits the Department of Public Safety from issuing a Class A, B, or C driver’s license, other than a hardship license, to an applicant under 18 years of age unless the applicant has held an instruction permit or hardship license for at least six months preceding the date of the application. The bill prohibits a person under 18 years of age, during the six-month period following the issuance of the license, from operating a motor vehicle after



midnight or before 5 a.m. unless it is necessary for the driver to attend or participate in employment or school-related activities or because of a medical emergency, or with more than one passenger in the vehicle under 21 years of age who is not a family member. The bill increases from 18 to 21 the minimum age of the person who supervises a driver with an instruction permit and occupies the front passenger seat.

Except under certain conditions, the bill prohibits a person under 17 years of age who holds a restricted motorcycle license or moped license, during the six-month period following the issuance of the license, from operating a motorcycle or moped after midnight or before 5 a.m. or unless the person is in sight of the person's parent or guardian.

The bill prohibits a peace officer from stopping a vehicle or detaining an operator for the sole purpose of determining whether the operator of the vehicle violated these provisions.

**SENATE BILL 586**

**EFFECTIVE:** 6-13-01

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** Alexander

Senate Bill 586 amends the Education Code to establish the Center for Transportation Safety as a component of the Texas Transportation Institute, a member of The Texas A&M University System, for the purpose of conducting programs of research, education, and technology transfer to support the state's role in improving the safety of roadways in the state. The center is authorized to enter into interagency contracts and agreements, and it may contract with local, state, county, federal, and private entities for work under the center's programs.

**SENATE BILL 648**

**EFFECTIVE:** 5-11-01

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Counts

Senate Bill 648 authorizes the Automobile Theft Prevention Authority to establish advisory committees to advise it on any matter under the jurisdiction of the authority.

**SENATE BILL 671**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** Kuempel

Senate Bill 671 amends the Transportation Code to authorize the Department of Public Safety to require the holder of a canceled or disqualified driver's license to surrender the license to the department. The bill creates a Class B misdemeanor offense for failure or refusal to surrender a suspended, canceled, revoked, or disqualified driver's license after it has been demanded by the department.

**SENATE BILL 730**

**EFFECTIVE:** Vetoed

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Thompson et al.

Senate Bill 730 amends the Transportation Code and the Code of Criminal Procedure to require a peace officer, except under certain circumstances, to issue a citation that contains a written notice to appear before a magistrate, instead of taking a person before the magistrate, if the person is charged with a traffic offense that is a Class C misdemeanor and the person displays an unexpired driver's license, permit, or personal identification certificate. The bill provides that a notice to appear issued for certain traffic offenses must inform a defendant of the right to successfully complete a driving safety course or a motorcycle operator training course and sets forth provisions regarding notice of that right.

The bill authorizes a judge at the judge's discretion and during the deferral period to require a defendant to complete a driving safety course or another course as directed by the judge. The bill also provides that, for certain offenses that are within the jurisdiction of a justice or



municipal court that involve the operation of a motor vehicle, the judge shall require the defendant to successfully complete a driving safety course or a course under the motorcycle operator training and safety program if the defendant performs specified requirements. The bill requires the court to enter a judgment on the defendant's plea of no contest or guilty at the time the plea is made, defer imposition of the judgment, and allow the defendant a specific amount of time to complete and show proof of completing a driving safety course or motorcycle operator training course, in addition to other documentation. If a defendant fails to appear or does not show good cause for the defendant's failure to comply with these requirements, the court is required to enter an adjudication of guilt and impose sentence.

These provisions do not apply to an offense committed in a construction or maintenance work zone when workers are present or to a person who holds a commercial driver's license and commits certain violations.

**SENATE BILL 777**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Barrientos

**HOUSE SPONSOR:** Thompson

Senate Bill 777 amends the Transportation Code to provide that the notarized written statement or prescription of a physician that is required to accompany a person's application for a disabled parking placard may also be issued by a licensed podiatrist if the application is for a person with a mobility problem caused by a disorder of the foot.

**SENATE BILL 886**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** Gallego

Senate Bill 886 amends provisions of the Transportation Code relating to motor vehicle size and weight limitations and to the operation of commercial motor vehicles. The bill prohibits a county court or district court from granting an occupational license for operating a commercial motor vehicle to persons whose license has been suspended for certain offenses. It authorizes the Department of Public Safety to issue a commercial driver's license with endorsements authorizing the driving of a school bus, and it requires the department to follow federal law in notifying the licensing authority of another state that a person to whom it issued a commercial driver's license has been convicted of violating a state traffic law.

Senate Bill 886 provides that an employer may not knowingly require the driver of a commercial vehicle to violate any law that regulates the operation of a motor vehicle at a railroad grade crossing. It expands the reasons for which a person may be disqualified from driving a commercial motor vehicle for certain periods of time to include committing a number of violations within a certain period of time, committing violations at a railroad grade crossing, causing the death of a person, or driving while the license is revoked, suspended, or canceled.

Senate Bill 886 defines "single axle weight" and "tandem axle weight" as the terms relate to the maximum weight of a vehicle or combination of vehicles permitted by the Texas Transportation Commission to be operated on a public highway without a special permit. The bill adds a new subsection relating to the weight carrying capacity marked on the sidewalls of tires and deletes the "low pressure tire" and "high pressure tire" measurements of the maximum weight allowed. It provides that the legal maximum length of a semitrailer or trailer operating in certain combinations does not include the length of the towing device, authorizes a commercial motor vehicle operator to shift a load to eliminate excess axle weight before being assessed a penalty, and provides that certain vehicles transporting raw wood products may have a maximum gross weight of 80,000 pounds. Senate Bill 886 makes conforming and nonsubstantive changes to various related provisions.

**SENATE BILL 888**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** Alexander

Senate Bill 888 amends the Transportation Code to authorize a noncommissioned employee of the Department of Public Safety who is certified to weigh vehicles and supervised by an officer of the department, in any port of entry between Texas and Mexico or at a fixed-site facility, to weigh a vehicle, require a vehicle to be weighed, or require a vehicle to be driven to the nearest weigh scale. If a noncommissioned employee weighs a vehicle and determines that an enforcement action is needed, only a supervising officer may take the action.

**SENATE BILL 889**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Ogden

**HOUSE SPONSOR:** Alexander

Senate Bill 889 amends the Transportation Code to provide that the surety bond required for the operation of certain overweight vehicles be carried on the vehicle when on a public highway and be presented to a weight enforcement officer on request. Failure to comply with either requirement is a misdemeanor punishable by a fine not to exceed \$200. The bill provides that it is a defense to prosecution that a person charged with a violation produces a surety bond that was valid at the time of the offense. If the bond is verified by the court, the charge is dismissed.

**SENATE BILL 896**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** Hamric et al.

Senate Bill 896 amends the Local Government Code to create the special county road assistance program for support of the county road system. The program is funded by gasoline taxes from the county and road district highway fund. The bill requires the comptroller on or before October 15 of each year to distribute money appropriated to the program to counties under a newly created funding mechanism established by the bill for the program. Senate Bill 896 also amends the Transportation Code to prohibit the comptroller from depositing tax receipts or other money to the credit of the county and road district highway fund, except as provided by the gasoline tax allocation law.

**SENATE BILL 907**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Shapleigh et al.

**HOUSE SPONSOR:** Hawley

Senate Bill 907 requires the Texas Department of Transportation to conduct a study of strategic deployment routes and other highways and intermodal facilities critical to the mission of the military in this state. As part of the study, the department must identify the routes, highways, and intermodal facilities most often used by the military or that may be needed for future missions. The department is required not later than January 1, 2003, to submit a report to the governor and the legislature detailing the results of the study.

**SENATE BILL 925**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** J. E. Brown et al.

**HOUSE SPONSOR:** J. Moreno

Senate Bill 925 amends the Water Code to authorize a district or port authority to make a purchase or enter into a contract valued at \$25,000 or more by any procurement method available to a school district under the Education Code. The authorization given to a district or port authority does not apply to a purchase or a contract for the construction of highways,

public roads, public streets, bridges, water supply projects, water plants, wastewater plants, or electric generation facilities, and it does not apply to contracts when the district or port authority is constructing a project for another political subdivision.

**SENATE BILL 1061**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Lindsay

**HOUSE SPONSOR:** Janek

Senate Bill 1061 amends the Transportation Code to allow the board of a metropolitan rapid transit authority in which the principal municipality has a population of more than 1.2 million to call an election to determine the voters' will regarding the board's exercise of its discretionary powers or any issues that the board is authorized to decide. The bill requires the board to specify the ballot proposition in a called election and provides that the proposition is approved if a majority of the votes favor it.

**SENATE BILL 1078**

**EFFECTIVE:** 6-16-01

**SENATE AUTHOR:** Barrientos

**HOUSE SPONSOR:** Alexander

Senate Bill 1078 amends the Transportation Code to change the date on which the management and business operations of the Texas Department of Transportation are independently audited from 2001 to 2007 and each 12th year after 2007.

**SENATE BILL 1089**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Truan

**HOUSE SPONSOR:** Burnam

Senate Bill 1089 amends the Transportation Code to expand the eligibility of persons who may be issued a "Vietnam Veteran" license plate to those persons who served in the United States armed forces in the Republic of Vietnam during the period beginning on February 28, 1961, and ending on May 7, 1975.

**SENATE BILL 1128**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Bernsen et al.

**HOUSE SPONSOR:** Coleman

Senate Bill 1128 amends provisions of the Transportation Code relating to billboards and scenery along highways. The bill requires the Texas Department of Transportation to consider certain factors when developing transportation projects that involve the construction, reconstruction, rehabilitation, or resurfacing of a highway, other than a maintenance resurfacing project. It prohibits a person from erecting an off-premise sign that is adjacent to and visible from certain federal and state highways and establishes civil penalties for violations. This prohibition does not affect a municipality's ability to regulate a sign on certain roadways within the corporate limits or extraterritorial jurisdiction of the municipality.

Senate Bill 1128 establishes provisions for a person to reerect, reconstruct, repair, or rebuild an off-premise sign that is adjacent to and visible from certain federal and state highways that is blown down, destroyed, taken down, or removed if the cost is not more than 60 percent of the cost of erecting at the same location a new off-premise sign of the same size, type, and construction. The bill requires the department to study current regulations affecting billboards in this state, including vegetation control regulations, and the feasibility of adopting a scenic byways program in accordance with federal law and to submit the findings to the legislature not later than January 1, 2003.

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**SENATE BILL 1154**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Hawley

Senate Bill 1154 amends the Transportation Code to require the Texas Department of Transportation to provide on the department's website a listing of the highway construction contracts awarded by the Texas Transportation Commission. The listing must include the funding program source contract awardee and each department transportation district in which the contract will be performed.

**SENATE BILL 1162**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Truan

**HOUSE SPONSOR:** Seaman et al.

Senate Bill 1162 amends the Transportation Code to make it an offense for a person to operate a vehicle on a sand dune seaward of the dune protection line, except on a roadway designated by a subdivision of the state. The bill defines "vehicle" as a device designed to transport persons or property that is self-propelled or propelled by external means.

**SENATE BILL 1213**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Gutierrez

Senate Bill 1213 amends the Transportation Code to require the Department of Public Safety, for each original, renewed, or duplicate driver's license issued to a person who is under 21 years of age, to indicate "Under 21" on the face of the license and orient the information on the license to clearly distinguish it from one that is issued to a person who is 21 years of age or older.

**SENATE BILL 1214**

**EFFECTIVE:** 6-17-01

**SENATE AUTHOR:** Madla

**HOUSE SPONSOR:** Hawley

Senate Bill 1214 amends the Transportation Code to provide that competitive bidding requirements do not apply to the disposition of real property interest by a municipality if the land is part of an air navigation facility that is a former military installation and the disposition is part of a plan to redevelop the facility as an airport-related industrial park or community.

Senate Bill 1214 amends the Local Government Code to authorize a defense base development authority to create a nonprofit airport facility financing corporation to provide financing to pay the costs of an airport facility and to exercise the powers granted to a local government for the financing of facilities to be located on airport property. The bill grants an authority that issues bonds the same powers granted to the governing body of an issuer of bonds with regard to the issuance of obligations and the execution of credit agreements.

**SENATE BILL 1353**

**EFFECTIVE:** 9-1-01

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Noriega et al.

Senate Bill 1353 amends the Transportation Code to provide for the purchase of additional "Legion of Valor" and "Former Prisoner of War" license plates by certain veterans and requires an annual fee of \$3 for the first set of plates and \$15 for each additional set of plates, plus the regular registration fees. A person who registers one or more vehicles is entitled to only one exemption from the issuance fees.

**SENATE BILL 1367**

**EFFECTIVE:** 9-1-01

Senate Bill 1367 amends the Transportation Code to provide that a person commits an offense if the person transports in a passenger car or light truck a child who is younger than 5 years of age and less than 36 inches in height who is not secured in a child passenger safety seat system, or a child who is at least 5 years of age but younger than 15 years of age or who is younger than 5 years of age and at least 36 inches in height who is not secured by a safety belt.

**SENATE AUTHOR:** Van de Putte

**HOUSE SPONSOR:** Hamric

**SENATE BILL 1371**

**EFFECTIVE:** 9-1-01

Senate Bill 1371 amends the Transportation Code to authorize a political subdivision to contract with the Department of Public Safety to provide information to the department in order to deny the renewal of a driver's license for a person who fails to pay or satisfy a fine or court cost involving any offense that a justice or municipal court has jurisdiction of under state law, and it requires the political subdivision to notify the department when the payment of the fine or cost has been resolved. The bill requires a person who fails to appear for a complaint or citation or to pay or satisfy a fine or court cost to pay an administrative fee of \$30 for each violation.

**SENATE AUTHOR:** J. E. Brown

**HOUSE SPONSOR:** Hamric

**SENATE BILL 1563**

**EFFECTIVE:** 9-1-01

Senate Bill 1563 amends the Transportation Code to require the Texas Department of Transportation to issue specially designed Texas Commission for the Deaf and Hard of Hearing license plates for passenger cars and light trucks. A portion of the license plate fee may be appropriated only to the commission for direct services programs, training, and education.

**SENATE AUTHOR:** Shapleigh

**HOUSE SPONSOR:** Naishtat

**SENATE BILL 1680**

**EFFECTIVE:** 5-18-01

Senate Bill 1680 amends the Transportation Code to give a county auditor the authority it previously lacked to audit disbursements from the promotion and development fund of a navigation district.

**SENATE AUTHOR:** Jackson

**HOUSE SPONSOR:** J. Davis

**SENATE BILL 1831**

**EFFECTIVE:** 6-13-01

Senate Bill 1831 designates State Highway 225 between Loop 610 in Houston and State Highway 146 in La Porte as the Texas Independence Highway. The bill designates Park Road 1836 between State Highway 134 and the San Jacinto Battleground as the Juan N. Seguin Boulevard and designates the interchange between State Highway 225 and Loop 610 in Houston as the Juan N. Seguin Memorial Interchange.

**SENATE AUTHOR:** Gallegos

**HOUSE SPONSOR:** Noriega

**SENATE JOINT RESOLUTION 16**

**FOR ELECTION:** 11-6-01

Senate Joint Resolution 16 proposes a constitutional amendment to create the Texas Mobility Fund to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways, turnpikes, toll roads, toll bridges, and other public transportation projects. The amendment authorizes the legislature to dedicate to the fund a portion of one or more specific sources of revenue, including taxes not otherwise dedicated by the constitution.

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** Brimer et al.

## Transportation, Highways, and Motor Vehicles

It authorizes the Texas Transportation Commission to issue and sell obligations and other public securities and to enter into related credit agreements, secured by a lien on all or part of the money on deposit in the fund, and, if authorized by law, to guarantee the payment of any obligations and credit agreements issued and executed by pledging the full faith and credit of the state.

**SENATE JOINT RESOLUTION 37**  
**FOR ELECTION:** 11-6-01

**SENATE AUTHOR:** Lucio et al.  
**HOUSE SPONSOR:** Flores

Senate Joint Resolution 37 proposes a constitutional amendment providing for the authorization of the issuance of general obligation bonds in an amount not to exceed \$175 million to provide financial assistance to counties for roadways to serve border colonias. The amendment authorizes the Texas Transportation Commission, in its discretion and in consultation with the office of the governor, to determine what constitutes a border colonia for purposes of selecting the counties and projects that may receive assistance.



## CHAPTER 2

### PROPOSED CONSTITUTIONAL AMENDMENTS

In the 2001 Regular Session, the 77th Legislature passed 20 joint resolutions proposing amendments to the state constitution. Nineteen of those propositions will be offered for ratification on the November 6, 2001, election ballot, and the remaining proposition, House Joint Resolution 2, will be offered for ratification on the November 5, 2002, election ballot.

Listed below are the authors, sponsors, and captions of each of the 20 joint resolutions. A summary of each joint resolution may be found in Chapter 1 of this publication.

#### For November 6, 2001, Election

##### **HOUSE JOINT RESOLUTION 1**

**HOUSE AUTHOR:** McCall et al.  
**SENATE SPONSOR:** Zaffirini

Proposing a constitutional amendment providing for a four-year term of office for the fire fighters' pension commissioner.

##### **HOUSE JOINT RESOLUTION 5**

**HOUSE AUTHOR:** Solomons  
**SENATE SPONSOR:** Shapleigh

Proposing a constitutional amendment prescribing requirements for imposing a lien for work and material used in the construction, repair, or renovation of improvements on residential homestead property and including the conversion and refinance of a personal property lien secured by a manufactured home to a lien on real property as a debt on homestead property protected from a forced sale.

##### **HOUSE JOINT RESOLUTION 44**

**HOUSE AUTHOR:** Flores  
**SENATE SPONSOR:** Lucio

Proposing a constitutional amendment authorizing the legislature to authorize taxing units other than school districts to exempt certain travel trailers from ad valorem taxation.

##### **HOUSE JOINT RESOLUTION 45**

**HOUSE AUTHOR:** Tillery et al.  
**SENATE SPONSOR:** Shapiro

Proposing a constitutional amendment to require the governor to call a special session for the appointment of presidential electors under certain circumstances.

##### **HOUSE JOINT RESOLUTION 47**

**HOUSE AUTHOR:** Madden et al.  
**SENATE SPONSOR:** Shapiro

Proposing a constitutional amendment authorizing the cancellation of an election to fill a vacancy in the legislature when a candidate is running unopposed.

##### **HOUSE JOINT RESOLUTION 52**

**HOUSE AUTHOR:** Cook  
**SENATE SPONSOR:** Armbrister

Proposing a constitutional amendment clearing land titles by relinquishing and releasing any claim of sovereign ownership or title to an interest in certain lands in Bastrop County.

Proposed Constitutional Amendments

**HOUSE JOINT RESOLUTION 53**

**HOUSE AUTHOR:** Cook  
**SENATE SPONSOR:** Armbrister

Proposing a constitutional amendment granting the legislature authority to release the state's interest in land that is held by a person in good faith under color of title.

**HOUSE JOINT RESOLUTION 75**

**HOUSE AUTHOR:** Mowery et al.  
**SENATE SPONSOR:** Shapiro

Proposing a constitutional amendment to eliminate obsolete, archaic, redundant, and unnecessary provisions and to clarify, update, and harmonize certain provisions of the Texas Constitution.

**HOUSE JOINT RESOLUTION 81**

**HOUSE AUTHOR:** Counts  
**SENATE SPONSOR:** J. E. Brown

Proposing a constitutional amendment providing for the issuance of additional general obligation bonds by the Texas Water Development Board.

**HOUSE JOINT RESOLUTION 82**

**HOUSE AUTHOR:** Counts et al.  
**SENATE SPONSOR:** Truan

Proposing a constitutional amendment authorizing the Veterans' Land Board to issue additional general obligation bonds and to use certain assets in certain funds to provide for veterans cemeteries.

**HOUSE JOINT RESOLUTION 85**

**HOUSE AUTHOR:** Bosse  
**SENATE SPONSOR:** Lindsay

Proposing a constitutional amendment to allow current and retired public school teachers and retired public school administrators to receive compensation for serving on the governing bodies of school districts, cities, towns, or other local governmental districts, including water districts.

**HOUSE JOINT RESOLUTION 97**

**HOUSE AUTHOR:** Junell et al.  
**SENATE SPONSOR:** R. Ellis

Proposing a constitutional amendment authorizing the issuance of general obligation bonds for construction and repair projects and for the purchase of needed equipment.

**SENATE JOINT RESOLUTION 2**

**SENATE AUTHOR:** Wentworth  
**HOUSE SPONSOR:** Hilderbran

Proposing a constitutional amendment authorizing the legislature to authorize the board of trustees of an independent school district to donate certain surplus district property of historical significance in order to preserve the property.

**SENATE JOINT RESOLUTION 6**

**SENATE AUTHOR:** Duncan et al.  
**HOUSE SPONSOR:** Gallego

Proposing a constitutional amendment authorizing the legislature to exempt from ad valorem taxation tangible personal property held at certain locations only temporarily for assembling, manufacturing, processing, or other commercial purposes.

**SENATE JOINT RESOLUTION 16**

**SENATE AUTHOR:** Shapiro

**HOUSE SPONSOR:** Brimer et al.

Proposing a constitutional amendment creating the Texas Mobility Fund and authorizing grants and loans of money and issuance of obligations for financing the construction, reconstruction, acquisition, operation, and expansion of state highways, turnpikes, toll roads, toll bridges, and other mobility projects.

**SENATE JOINT RESOLUTION 32**

**SENATE AUTHOR:** R. West

**HOUSE SPONSOR:** Solis

Proposing a constitutional amendment authorizing municipalities to donate outdated or surplus firefighting equipment or supplies to underdeveloped countries.

**SENATE JOINT RESOLUTION 37**

**SENATE AUTHOR:** Lucio et al.

**HOUSE SPONSOR:** Flores

Proposing a constitutional amendment authorizing the issuance of general obligation bonds or notes to provide financial assistance to counties for roadway projects to serve border colonias.

**SENATE JOINT RESOLUTION 47**

**SENATE AUTHOR:** Gallegos

**HOUSE SPONSOR:** J. Moreno

Proposing a constitutional amendment to authorize the legislature to exempt from ad valorem taxation raw cocoa and green coffee that is held in Harris County.

**SENATE JOINT RESOLUTION 49**

**SENATE AUTHOR:** Armbrister

**HOUSE SPONSOR:** Thompson

Proposing a constitutional amendment to promote uniformity in the collection, deposit, reporting, and remitting of civil and criminal fees.

**For November 5, 2002, Election**

**HOUSE JOINT RESOLUTION 2**

**HOUSE AUTHOR:** Chisum et al.

**SENATE SPONSOR:** Madla

Proposing a constitutional amendment authorizing a commissioners court of a county to declare the office of constable in certain precincts dormant and providing a procedure for reinstatement of the office.



**CHAPTER 3**  
**CHANGES TO STATE AGENCIES,  
GOVERNING BOARDS, AND INTERAGENCY  
AND ADVISORY PANELS**

**77th Legislature, Regular Session**

- C Newly created, mandated, or authorized
- X Abolished
- RC Replaces a previous entity (replacement, reorganization, or name change)
- RX Replaced by a new entity (replacement, reorganization, or name change)
- M Membership or composition change (excluding ethics or nondiscrimination provisions)
- E Expiration date change (sunset or other)
- ME Both membership and expiration date changes

Sunset and expiration dates in the last two columns are only those given expressly in the bill.

<b>Bill</b>	<b>Change</b>	<b>Entity (Parent Entity) / Bill Location</b>	<b>Sunset Review</b>	<b>Expires</b>
HB7	C X	Office of Rural Community Affairs / § 1 Center for Rural Health Initiatives / § 11	2007	
HB10	M	Texas Preservation Trust Fund Account Advisory Board (Texas Historical Commission) / § 4		
HB342	C	Asthma and Allergy Research Advisory Committee (Texas Department of Health) / §§ 2-3 (See also SB616.)		
HB453	C C	Agriculture Policy Board / § 1 Agriculture Policy Board Ad Hoc Advisory Committee / § 1		
HB456	C	Task Force on the Provision of Health Maintenance Tasks to Persons with Functional Disabilities in Independent Living Environments (Board of Nurse Examiners) / § 2		
HB757	C	Health Disparities Task Force (Texas Department of Health) / § 1		
HB768	RC RX	Interagency Coordinating Council for HIV and Hepatitis / § 1 HIV/AIDS Interagency Coordinating Council / § 1		

Changes to State Entities

HB808	M	Commission on Uniform State Laws / § 1		
HB892	C	Advisory Committee on the Texas Wine Marketing Assistance Program (Texas Department of Agriculture) / § 1.01		
HB906	ME	Coastal Coordination Council / §§ 4, 7	2013	
HB915	C	Interagency Council on Pharmaceuticals Bulk Purchasing / § 1		
HB1005	C	Interagency Work Group on Rules for the State Temporary Assistance and Support Services Program / § 1		
HB1056	M	General Investigating Committee, Texas House of Representatives / § 1		
HB1094	C	Advisory Panel on the State Prescription Drug Program (Health and Human Services Commission) / § 1		
HB1178	X	State Advisory Committee on Child-Care Programs (Texas Workforce Commission) / § 12		
HB1183	C	Advisory Committee on Surgical Assistants (Texas State Board of Medical Examiners) / § 1		
HB1478	RC RX	Children's Policy Council / § 1 Work Group on Children's Long-Term Care and Health Programs / § 1		
HB1636	E E	Office of Savings and Loan Commissioner / § 3 Savings and Loan Department / § 3	2013 2013	
HB1671	RC RX	The University of Texas School of Health Information Sciences at Houston / § 1 The University of Texas School of Allied Health Sciences at Houston / § 1		
HB1691	M C	Texas Council on Purchasing from People with Disabilities / § 1 Advisory Committee on Purchasing from People with Disabilities (Texas Council on Purchasing from People with Disabilities) / § 3		
HB1747	E M	Office of Fire Fighters' Pension Commissioner / § 2 State Board of Trustees of the Volunteer Fire Fighters' Relief and Retirement Fund / § 4	2011	
HB1763	ME	Finance Commission of Texas / §§ 3, 6	2013	
HB1831	C	Texans Conquer Cancer Advisory Committee (Texas Cancer Council) / § 3		



Changes to State Entities

HB1839	C	Joint Committee on Higher Education Excellence Funding / § 5		2003
HB1922	C	Privacy Task Force / § 2		2003
HB2061	C	Historical Representation Advisory Committee / § 2	2007	
HB2134	C	Advisory Committee on Emissions Testing (Texas Department of Transportation) / § 7		
HB2153	M	Board of Directors of the Texas Public Finance Authority / § 2		
HB2255	ME	State Securities Board / § 1.01	2013	
HB2262	M	Texas Optometry Board / § 2		
HB2310	E	State Soil and Water Conservation Board / § 10	2013	
HB2323	C C	Advisory Committee on Repayment of Law School Education Loans for Attorneys Who Serve Indigent Persons (Texas Higher Education Coordinating Board) / § 1 Advisory Committee on Repayment of Law School Education Loans for Attorneys Employed by Rural County Attorney or District Attorney Offices (Texas Higher Education Coordinating Board) / § 2		
HB2415	C	Advisory Committee on the Marketplace for Life Insurance (Texas Department of Insurance) / § 1		
HB2439	C	Inaugural Endowment Fund Committee / § 1		
HB2446	M	Advisory Council on Emergency Medical Services (Texas Department of Health) / § 2		
HB2494	C	Texas State Council for Interstate Adult Offender Supervision / § 1		
HB2498	C	Interim Committee on the Provision of Binational Health Benefit Plan Coverage / § 2		2002
HB2584	C	Commission on Geriatrics Study Requirement for Medical School (Texas Higher Education Coordinating Board) / § 1		2003
HB2600	C C E	Medical Quality Review Panel (Texas Workers' Compensation Commission) / § 1.02 Health Care Network Advisory Committee (Texas Workers' Compensation Commission) / § 2.01 Texas Workers' Compensation Commission / § 7.01	2005	

Changes to State Entities

HB2700	C	Telemedicine Advisory Committee (Health and Human Services Commission) / § 1 (See also SB1536.)		
HB2735	C	Licensed Court Interpreter Advisory Board (Texas Department of Licensing and Regulation) / § 1	2013	
HB2766	C	Advisory Committee on Repayment of Law School Education Loans for State Attorneys Employed by the Attorney General (Texas Higher Education Coordinating Board) / § 1		
HB2778	M	Unfunded Mandates Interagency Work Group / § 1		
HB2845	C	Fuel Cell Initiative Advisory Committee (State Energy Conservation Office, Texas Building and Procurement Commission) / § 2		
HB2869	C	Texas County Financial Data Advisory Committee / § 3		
HB2877	X C	Advisory Committee on the Bob Bullock Texas History Museum (State Preservation Board) / § 10 Collections Policy Review Committee (State Preservation Board) / § 1		
HB2879	C	Communities in Schools Advisory Committee / § 16		
HB2912	C C C E RC RX	Texas Environmental Health Institute / § 19.01 Joint Committee to Study the Establishment of an Office of Natural Resource Public Interest Counsel / § 18.12 Research Advisory Board (Texas Natural Resource Conservation Commission) / § 1.11 Texas Natural Resource Conservation Commission / § 1.02 Texas Commission on Environmental Quality / § 18.01 Texas Natural Resource Conservation Commission / § 18.01  (The name change from the last two entries does not take effect until 2004.)	2013	
HB2914	C C C	Product Development and Small Business Incubator Board (Comptroller) / § 19 Trust Company Investment Advisory Board (Comptroller) / § 27 Task Force to Evaluate Employee Compensation Systems / § 35		

Changes to State Entities

HB3067	M ME C	Health Professions Council / § 1.01 Texas Funeral Service Commission / §§ 1.04-1.05 Task Force on Information Resources and Legal Resources (Texas Funeral Service Commission) / § 2.06	2003	2003
HB3111	RC RX	Irrigator Advisory Council (Texas Natural Resource Conservation Commission) / § 15 Texas Irrigators Advisory Council (Texas Natural Resource Conservation Commission) / § 15		
HB3309	C	Southeast Texas Biotechnology Park Coalition / § 1		
HB3450	ME	Texas Interagency Council for the Homeless (Texas Department of Housing and Community Affairs) / §§ 3-4	repealed	
HB3451	E	Texas State Affordable Housing Corporation / § 2	2003	
HB3458	RC RX	Board of Directors of the Texas Mutual Insurance Company / § 1.01 Board of Directors of the Texas Workers' Compensation Insurance Fund / § 1.01	deleted	
HB3507	C C	Advisory Committee on the Teledentistry Pilot Program (Health and Human Services Commission) / § 2.03 Advisory Committee on the Alternative Dental Hygiene Training Program (State Board of Dental Examiners) / § 3.02		
HB3667	C	Advisory Committee on the Rural Volunteer Fire Department Insurance Program (Texas Forest Service) / § 1		
SB2	C C	Texas Water Advisory Council / § 1.01 Joint Committee on Water Resources / § 5.01 et seq.		2005 2003
SB5	C C	Texas Emissions Reduction Plan Advisory Board (Texas Natural Resource Conservation Commission) / § 1 Texas Council on Environmental Technology / § 1		
SB7	C	Task Force on Indigent Defense / § 14		
SB31	C C	Advisory Committee on Provision of Bacterial Meningitis Information to New Students (Texas Higher Education Coordinating Board) / § 1 Advisory Committee on Dissemination of Bacterial Meningitis Information (Texas Education Agency) / § 2		

Changes to State Entities

SB126	C	Advisory Panel on the Rural Communities Health Care Investment Program (Center for Rural Health Initiatives) / § 2		
SB187	C E	TexasOnline Authority / § 3 Task Force on a Common Intergovernmental Electronic System / § 4		2001
SB195	C	Border Trade Advisory Committee (Texas Department of Transportation) / § 1		
SB292	X	Group Benefits Advisory Committee (Employees Retirement System of Texas) / § 44		
SB301	E	Office for the Prevention of Developmental Disabilities / § 1	repealed	
SB302	E	State Pension Review Board / § 4	2013	
SB304	E	State Aircraft Pooling Board / § 1	2013	
SB305	E	Parks and Wildlife Department / § 3	2013	
SB309	E E	Texas Department of Economic Development / § 1.01 State Board of Dental Examiners / § 1.02 State Board of Barber Examiners / § 2.01 Texas Cosmetology Commission / § 2.02 Texas Veterans Commission / § 2.03 Veterans' Land Board / § 2.04 On-Site Wastewater Treatment Research Council / § 2.05 Texas Incentive and Productivity Commission / § 3.01 Risk Management Board / § 3.02 Texas Real Estate Commission / § 3.03 Texas Structural Pest Control Board / § 3.04 Polygraph Examiners Board / § 4.01 Texas Department of Human Services / § 5.01 Governing Board of the Texas School for the Blind and Visually Impaired / § 7.01 Governing Board of the Texas School for the Deaf / § 7.01 Real Estate Research Center / § 7.01 Texas National Research Laboratory Commission / § 7.01 Governor's Advisory Committee on Immigration and Refugees / § 7.01	2003 2003 2005 2005 2005 2005 2005 2005 2007 2007 2007 2007 2009 2011 removed removed removed removed removed	
SB310	E C	Railroad Commission of Texas / § 1 Oil-Field Cleanup Fund Advisory Committee (Railroad Commission of Texas) / § 32	2013	

SB311	RC RX M RC RX C	Texas Building and Procurement Commission / §§ 1.06-1.08 General Services Commission / §§ 1.06-1.08 Advisory Committee on the Telecommunications State Strategic Plan / § 4.02 Telecommunications Planning and Oversight Council / §§ 4.03-4.04 Telecommunications Planning Group / §§ 4.03-4.04 Contract Advisory Team / § 5.01	2013	
SB312	E RC RX C	Texas Water Development Board / § 2 Colonia Resident Advisory Committee (Texas Department of Housing and Community Affairs) / § 36 Colonia Advisory Committee (Texas Department of Housing and Community Affairs) / § 36 Colonia Initiatives Advisory Committee / § 37	2013	
SB314	E	Office of Banking Commissioner / § 3	2013	
SB317	E	Office of Consumer Credit Commissioner / § 4	2013	
SB322	ME C C	Texas Department of Housing and Community Affairs / §§ 1.03, 1.45 Manufactured Housing Board (Texas Department of Housing and Community Affairs) / § 1.29 Executive Award and Review Advisory Committee (Texas Department of Housing and Community Affairs) / § 1.18	2003	
SB326	C	Texas-Mexico Commerce and International Relations Initiative Unit / § 1		
SB342	X	Board of Directors of the Texas Turnpike Authority Division (Texas Department of Transportation) / § 10		
SB353	C C C C	Texas Engineering and Technical Consortium / § 1 Texas Engineering and Technical Consortium Advisory Committee / § 1 Coordinating Board Advisory Committee on Grants to Engineering and Computer Science Institutions (Texas Higher Education Coordinating Board) / § 1 Committee to Evaluate the Grant Program for Engineering and Computer Science Institutions / § 1		

Changes to State Entities

SB361	M	Interagency Council on Autism and Pervasive Developmental Disorders / § 1		
SB367	C C	Interagency Task Force on Ensuring Appropriate Care Settings for Persons with Disabilities (Health and Human Services Commission) / § 1 Guardianship Advisory Committee (Health and Human Services Commission) / § 5		
SB405	C	Texas Board of Professional Geoscientists / § 1	2013	
SB430	C	Texas School Safety Center Board / § 1		
SB465	C	Border Port of Entry Authority Task Force (Texas Department of Transportation) / §§ 1-9		2003
SB496	C	Advisory Committee on the Study of Barriers to Providing Binational Health Benefit Plan Coverage (Texas Department of Insurance and Texas Department of Health) / § 1		2002
SB535	E	Texas Department on Aging / § 2 The legislation also delays (§ 1) the replacement of the Texas Department on Aging and Texas Department of Health and Human Services by the Texas Department of Aging and Disability Services, as provided in Senate Bill 374, Acts of the 76th Legislature, Regular Session, 1999.	2006	
SB553	C	Task Force on Criminal Defendant Competency / § 1		2003
SB558	C	Drug Demand Reduction Advisory Committee / § 1		
SB571	M	“Go Texan” Partner Program Advisory Board (Texas Department of Agriculture) / § 7		
SB572	C C	Nursing Workforce Data Center (Board of Nurse Examiners) / § 12 Nursing Workforce Data Center Executive Committee (Board of Nurse Examiners) / § 12		
SB576	C C	University of North Texas Health Science Center at Fort Worth / § 1 University of North Texas at Dallas / § 1		
SB586	C	Center for Transportation Safety (The Texas A&M University System) / § 2		
SB616	C	Asthma and Allergy Research Advisory Committee (Texas Department of Health) / §§ 2-3 (See also HB342.)		2003



SB643	M	Medical Advisory Committee (Texas Workers' Compensation Commission) / § 3		
SB645	C	Steering Committee for Electronic Occupational Licensing Transactions (Department of Information Resources) / § 1		
SB665	C	Office of Early Childhood Coordination Advisory Committee (Health and Human Services Commission) / § 1		
SB714	C	Vehicle Protection Product Warrantor Advisory Board (Texas Department of Licensing and Regulation) / § 1		
SB757	C	State of Texas Anniversary Remembrance Day Medal Committee / § 1		
SB789	C	Advisory Committee on the Teledentistry Pilot Program (Texas Department of Human Services) / § 19		2002
SB858	M	Oyster Advisory Committee (Texas Department of Agriculture) / § 4		
SB877	C	WIC Program Advisory Committee (Texas Department of Health) / § 1		
SB940	C	Joint Admission Medical Program Council / § 1		
SB1043	C	Texas Poet Laureate, State Musician, and State Artist Committee / § 1		
SB1053	C	Advisory Committee on Funding Disparities in Health Programs (Health and Human Services Commission) / § 1		
SB1065	RC RX	South Texas Health Care System (Texas Department of Health) / § 5 South Texas Hospital (Texas Department of Health) / § 5		
SB1085	E	Advisory Committee on Inpatient Mental Health Services (Texas Department of Mental Health and Mental Retardation) / §§ 1-2		repealed
SB1166	C	Advisory Committee on Prescription Drug Order Waivers (Texas State Board of Medical Examiners) / § 2		
SB1282	C	Texas Port Transportation and Economic Development Advisory Committee (Texas Department of Economic Development) / § 1		

SB1299	C	Task Force on Rate-Setting Methodologies for the Medicaid Program and the State Child Health Plan Program (Health and Human Services Commission) / § 1		2005
SB1304	C	Advisory Committee on High-Risk Missing Persons Cases (University of North Texas Health Science Center at Fort Worth) / § 1		2006
SB1454	C	Texas Food for Health Advisory Council / § 1	2005	
SB1456	C	Pediatric Diabetes Research Advisory Committee (Texas Department of Health and Texas Diabetes Council) / §§ 1, 3		2003
SB1458	C C	Legislative Oversight Committee for Electronic Government Projects / § 1.01 Electronic Government Program Management Office Advisory Committee (Department of Information Resources) / § 1.01		2004
SB1475	X M M	Children's Trust Fund of Texas Council / §§ 8, 10 Child Fatality Review Team Committee / § 3 Child Abuse Program Evaluation Committee (Department of Protective and Regulatory Services) / § 5		
SB1496	X M M	Child Care Development Board / §§ 2, 16 Child Care Advisory Committee (Texas Building and Procurement Commission) / § 2 Work and Family Policies Advisory Committee (Texas Workforce Commission) / § 14		
SB1536	C	Telemedicine Advisory Committee (Health and Human Services Commission) / § 3 (See also HB2700.)		
SB1547	C	Investment Advisory Board (Comptroller) / § 1		
SB1799	X	Spindletop Centennial Celebration Commission / § 2		

## CHAPTER 4

### SUNSET LEGISLATION

The Texas Sunset Act, which is Chapter 325 of the Government Code, established the Sunset Advisory Commission to conduct comprehensive periodic reviews of state agencies. Every two years, the commission reviews a different group of agencies. Following the review, the commission recommends to the legislature whether the agencies should be continued, abolished, or modified in some way, recommends changes to make the continued agencies more efficient and effective, and prepares legislation to implement the recommendations. The legislature considers the legislation at the regular legislative session following the commission's review. Unless the legislature adopts legislation continuing a reviewed agency, the agency is abolished.

Not counting the Children's Trust Fund of Texas Council and the child support enforcement division of the office of the attorney general, which were the subjects of special-purpose reviews, there were 23 entities scheduled for sunset review in the interim preceding the 2001 session. One agency, the Texas Energy Coordination Council, will be abolished because of a lack of renewal legislation. Of the remaining 22 entities, 20 were addressed in separate bills, while Senate Bill 309 postponed the sunset dates of the remaining two agencies, rescheduled the future sunset dates of various other agencies, and mandated special-purpose reviews of the Texas Department of Health and the Texas Department of Human Services during the interim preceding the next legislative session. Captions of sunset bills are listed below, and summaries of the bills may be found in Chapter 1.

**HOUSE BILL 906**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the Coastal Coordination Council.

**HOUSE AUTHOR:** Bosse et al.

**SENATE SPONSOR:** Lucio

**HOUSE BILL 1636**

**EFFECTIVE:** 9-1-01

Relating to continuation and functions of the Savings and Loan Department and the regulation of certain financial institutions and businesses.

**HOUSE AUTHOR:** McCall et al.

**SENATE SPONSOR:** Sibley

**HOUSE BILL 1747**

**EFFECTIVE:** See below

Relating to the continuation and functions of the office of the fire fighters' pension commissioner and the membership of the board of trustees of the Texas statewide emergency services personnel retirement fund. Effective September 1, 2001, except for provisions giving the fire fighters' pension commissioner a four-year term, which would take effect on voter approval of the constitutional amendment proposed by House Joint Resolution 1.

**HOUSE AUTHOR:** McCall et al.

**SENATE SPONSOR:** Zaffirini

**HOUSE BILL 1763**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the Finance Commission of Texas and the regulation of certain financial institutions and businesses.

**HOUSE AUTHOR:** McCall et al.

**SENATE SPONSOR:** Sibley

**HOUSE BILL 2255**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the State Securities Board; providing penalties.

**HOUSE AUTHOR:** McCall et al.

**SENATE SPONSOR:** Harris

Sunset Legislation

**HOUSE BILL 2310**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the State Soil and Water Conservation Board and to the election of directors of local soil and water conservation districts.

**HOUSE AUTHOR:** Chisum et al.

**SENATE SPONSOR:** Zaffirini

**HOUSE BILL 2912**

**EFFECTIVE:** See below

Relating to the continuation and functions of the Texas Natural Resource Conservation Commission; providing penalties. Effective September 1, 2001, except for provisions relating to the consolidation of certain water quality fees, which take effect September 1, 2002, and except for provisions changing the name of the agency to the Texas Commission on Environmental Quality, which take effect January 1, 2004.

**HOUSE AUTHOR:** Bosse et al.

**SENATE SPONSOR:** Harris

**HOUSE BILL 3067**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the Texas Funeral Service Commission.

**HOUSE AUTHOR:** Chisum et al.

**SENATE SPONSOR:** Zaffirini

**HOUSE BILL 3450**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the Texas Interagency Council for the Homeless.

**HOUSE AUTHOR:** Gallego et al.

**SENATE SPONSOR:** Lucio

**HOUSE BILL 3451**

**EFFECTIVE:** 6-15-01

Relating to the continuation and functions of the Texas State Affordable Housing Corporation.

**HOUSE AUTHOR:** Gallego et al.

**SENATE SPONSOR:** Lucio

**SENATE BILL 301**

**EFFECTIVE:** 9-1-01

Relating to the continuation of the Office for the Prevention of Developmental Disabilities.

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Bosse et al.

**SENATE BILL 302**

**EFFECTIVE:** 9-1-01

Relating to the continuation of the State Pension Review Board and to functions performed by the board.

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** McCall

**SENATE BILL 303**

**EFFECTIVE:** 9-1-01

Relating to the functions of the State Commission on Judicial Conduct.

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Gallego et al.

**SENATE BILL 304**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the State Aircraft Pooling Board.

**SENATE AUTHOR:** Lucio

**HOUSE SPONSOR:** Bosse

**SENATE BILL 305**

**EFFECTIVE:** See below

Relating to the continuation and functions of the Parks and Wildlife Department. Effective September 1, 2001, except for certain provisions related to apportionment of land proceeds to park maintenance or improvement projects, which take effect on voter approval of the constitutional amendment proposed by House Joint Resolution 97.

**SENATE AUTHOR:** Harris et al.

**HOUSE SPONSOR:** Bosse et al.

**SENATE BILL 309**

**EFFECTIVE:** 9-1-01

Relating to the application of the sunset review process to certain governmental entities.

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Bosse

**SENATE BILL 310**

**EFFECTIVE:** See below

Relating to the continuation and functions of the Railroad Commission of Texas. Effective September 1, 2001, except for certain provisions related to bonding and other financial security requirements, which take effect September 1, 2004, and except for Section 25 on the same topic, which fails to become law because of certain contingency provisions in the bill.

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** Chisum et al.

**SENATE BILL 311**

**EFFECTIVE:** See below

Relating to the abolition of the General Services Commission; to the transfer of its functions to a newly created Texas Building and Procurement Commission; and to the operations of certain other state agencies having functions transferred from or associated with the General Services Commission, including the Department of Information Resources, the telecommunications planning and oversight council, the attorney general, the Legislative Budget Board, and the State Cemetery Committee. Effective September 1, 2001, except for various provisions taking effect January 1, 2002, January 1, 2003, January 31, 2003, and June 1, 2004.

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Gallego

**SENATE BILL 312**

**EFFECTIVE:** 9-1-01

Relating to the review and functions of the Texas Water Development Board and the improvement of certain water delivery infrastructure.

**SENATE AUTHOR:** Zaffirini

**HOUSE SPONSOR:** Chisum

**SENATE BILL 314**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the Texas Department of Banking and the regulation of certain financial institutions and businesses; providing an administrative penalty.

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** McCall

**SENATE BILL 317**

**EFFECTIVE:** See below

Relating to continuation and functions of the Office of Consumer Credit Commissioner and the regulation of certain financial businesses; providing a penalty. Effective September 1, 2001, except for certain provisions relating to the regulation of motor vehicle installment sales, which take effect September 1, 2002.

**SENATE AUTHOR:** Sibley

**HOUSE SPONSOR:** McCall

**SENATE BILL 322**

**EFFECTIVE:** 9-1-01

Relating to the continuation and functions of the Texas Department of Housing and Community Affairs and to other matters relating to housing or community development, including the creation of the Manufactured Housing Board; providing a penalty.

**SENATE AUTHOR:** Lucio et al.

**HOUSE SPONSOR:** Gallego et al.





## CHAPTER 5

### VETOED LEGISLATION

Of the legislation passed during the 2001 Regular Session, Governor Rick Perry vetoed 60 house bills and 22 senate bills. The governor also vetoed several items of appropriation in Senate Bill 1, the General Appropriations Act. A list of the vetoed legislation, with authors, sponsors, and captions, is followed by copies of the governor's veto proclamations. Summaries of the legislation may be found in Chapter 1.

#### A. List of Vetoed Measures

**HOUSE BILL 106**

**HOUSE AUTHOR:** Gutierrez  
**SENATE SPONSOR:** Zaffirini

Relating to restricting written reports required of public school classroom teachers.

**HOUSE BILL 141**

**HOUSE AUTHOR:** Wise  
**SENATE SPONSOR:** Van de Putte

Relating to the prosecution of and punishment for the offenses of kidnapping and aggravated kidnapping.

**HOUSE BILL 236**

**HOUSE AUTHOR:** Hinojosa et al.  
**SENATE SPONSOR:** R. Ellis

Relating to the applicability of the death penalty to a capital offense committed by a person with mental retardation.

**HOUSE BILL 259**

**HOUSE AUTHOR:** G. Lewis et al.  
**SENATE SPONSOR:** Armbrister

Relating to equal access to places of public accommodation.

**HOUSE BILL 393**

**HOUSE AUTHOR:** Maxey et al.  
**SENATE SPONSOR:** R. Ellis

Relating to certain nonprofit entities that provide health or long-term care or health benefit plans; providing a penalty.

**HOUSE BILL 396**

**HOUSE AUTHOR:** Wise et al.  
**SENATE SPONSOR:** Gallegos

Relating to the requirement that an applicant for a driver's license provide certain identification information to the Department of Public Safety and to the duty of the department to provide a voter registration application form to an applicant.

**HOUSE BILL 546**

**HOUSE AUTHOR:** Noriega et al.  
**SENATE SPONSOR:** Gallegos

Relating to judicial training.

Vetoed Legislation

**HOUSE BILL 660**

**HOUSE AUTHOR:** Seaman et al.  
**SENATE SPONSOR:** Van de Putte

Relating to career and technology education and training.

**HOUSE BILL 674**

**HOUSE AUTHOR:** Elkins et al.  
**SENATE SPONSOR:** Lindsay

Relating to stopping, standing, or parking a vehicle on a sidewalk.

**HOUSE BILL 947**

**HOUSE AUTHOR:** S. Turner  
**SENATE SPONSOR:** Duncan

Relating to the survival of a wrongful death suit on the death of the plaintiff.

**HOUSE BILL 964**

**HOUSE AUTHOR:** Dunnam  
**SENATE SPONSOR:** Van de Putte

Relating to the release of certain confidential information of a patient by the patient's physician.

**HOUSE BILL 1001**

**HOUSE AUTHOR:** Naishtat et al.  
**SENATE SPONSOR:** Zaffirini

Relating to the review of the reimbursement methodology for and resource needs of nursing facilities.

**HOUSE BILL 1004**

**HOUSE AUTHOR:** Naishtat  
**SENATE SPONSOR:** Zaffirini

Relating to the work or employment activities required under the temporary assistance for needy families program.

**HOUSE BILL 1006**

**HOUSE AUTHOR:** Naishtat  
**SENATE SPONSOR:** Zaffirini

Relating to exemptions and exceptions from work or employment activity requirements under the temporary assistance for needy families program.

**HOUSE BILL 1047**

**HOUSE AUTHOR:** Cook  
**SENATE SPONSOR:** Armbrister

Relating to the authority of electric cooperative corporations to receive indemnity from certain persons involved in mining lignite.

**HOUSE BILL 1113**

**HOUSE AUTHOR:** Goolsby  
**SENATE SPONSOR:** R. West

Relating to legislative leave time accounts for police officers in certain municipalities.

**HOUSE BILL 1117**

**HOUSE AUTHOR:** Goodman  
**SENATE SPONSOR:** Harris

Relating to petition requirements for an application for a place on the general primary election ballot for certain judicial candidates.

**HOUSE BILL 1148**

**HOUSE AUTHOR:** Cook  
**SENATE SPONSOR:** Armbrister

Relating to notice of proposed construction sent to the county commissioners court and others regarding, and the marking, location, and removal of, certain wireless communication facilities.

**HOUSE BILL 1415**

**HOUSE AUTHOR:** Farrar et al.  
**SENATE SPONSOR:** Armbrister

Relating to the duty of law enforcement agencies regarding records associated with certain defendants receiving deferred adjudication.

**HOUSE BILL 1506**

**HOUSE AUTHOR:** Yarbrough  
**SENATE SPONSOR:** Whitmire

Relating to security costs required of a person who contests certain alcoholic beverage license applications.

**HOUSE BILL 1514**

**HOUSE AUTHOR:** Junell et al.  
**SENATE SPONSOR:** Harris

Relating to the operation of certain commercial enterprises.

**HOUSE BILL 1515**

**HOUSE AUTHOR:** Janek  
**SENATE SPONSOR:** Bernsen

Relating to the recovery of damages by a parent, managing conservator, or guardian in a suit brought by a person who was younger than 18 at the time the cause of action accrued.

**HOUSE BILL 1585**

**HOUSE AUTHOR:** Gallego et al.  
**SENATE SPONSOR:** Staples

Relating to the completion of a sentence in a felony after revocation of parole, mandatory supervision, or conditional pardon and to the restoration of forfeited good conduct time.

**HOUSE BILL 1678**

**HOUSE AUTHOR:** Bosse  
**SENATE SPONSOR:** Cain

Relating to nonrepairable and salvage motor vehicles.

**HOUSE BILL 1680**

**HOUSE AUTHOR:** Bosse et al.  
**SENATE SPONSOR:** Whitmire

Relating to the regulation of certain extra job coordinators by the Texas Commission on Private Security.

**HOUSE BILL 1723**

**HOUSE AUTHOR:** Seaman et al.  
**SENATE SPONSOR:** Armbrister

Relating to the creation of a county employment development board in certain counties to develop programs for rural economic assistance for career training; authorizing a tax.

Vetoed Legislation

**HOUSE BILL 1862**

**HOUSE AUTHOR:** Eiland et al.  
**SENATE SPONSOR:** Van de Putte

Relating to the regulation and prompt payment of health care providers under certain health benefit plans; providing penalties.

**HOUSE BILL 1913**

**HOUSE AUTHOR:** Capelo  
**SENATE SPONSOR:** Shapleigh

Relating to termination of certain contracts by a preferred provider organization or health maintenance organization.

**HOUSE BILL 1994**

**HOUSE AUTHOR:** Marchant  
**SENATE SPONSOR:** Carona

Relating to certain charges included in a retail installment agreement.

**HOUSE BILL 2111**

**HOUSE AUTHOR:** Gallego  
**SENATE SPONSOR:** Duncan

Relating to the Office of Court Administration of the Texas Judicial System, the Judicial Committee on Information Technology, and the Texas Judicial Council.

**HOUSE BILL 2119**

**HOUSE AUTHOR:** Haggerty  
**SENATE SPONSOR:** Madla

Relating to the authorization and regulation of progressive bingo games.

**HOUSE BILL 2139**

**HOUSE AUTHOR:** Marchant  
**SENATE SPONSOR:** Carona

Relating to certain agreements under a retail installment contract for the purchase of a motor vehicle.

**HOUSE BILL 2265**

**HOUSE AUTHOR:** Villarreal  
**SENATE SPONSOR:** Shapleigh

Relating to the funding of child-care subsidies by the Texas Workforce Commission.

**HOUSE BILL 2273**

**HOUSE AUTHOR:** Y. Davis  
**SENATE SPONSOR:** Cain

Relating to the hours worked during a week by police officers in certain municipalities.

**HOUSE BILL 2287**

**HOUSE AUTHOR:** Edwards  
**SENATE SPONSOR:** Moncrief

Relating to the authority of a hospital to share with certain attending physicians reimbursements for services provided to patients under the medical assistance program.

**HOUSE BILL 2312**

**HOUSE AUTHOR:** Bosse  
**SENATE SPONSOR:** Cain

Relating to the resolution of certain contract claims against the state.

**HOUSE BILL 2313**

**HOUSE AUTHOR:** Bosse  
**SENATE SPONSOR:** Gallegos

Relating to the disposing of abandoned motor vehicles.

**HOUSE BILL 2430**

**HOUSE AUTHOR:** Naishtat et al.  
**SENATE SPONSOR:** Carona

Relating to a consumer assistance program for health benefit plan consumers.

**HOUSE BILL 2436**

**HOUSE AUTHOR:** Merritt  
**SENATE SPONSOR:** J. E. Brown

Relating to a requirement that the Bureau of Economic Geology of The University of Texas at Austin conduct a study of the East Texas Oil Field.

**HOUSE BILL 2484**

**HOUSE AUTHOR:** Wilson  
**SENATE SPONSOR:** Armbrister

Relating to the regulation of racing.

**HOUSE BILL 2495**

**HOUSE AUTHOR:** Haggerty  
**SENATE SPONSOR:** Armbrister

Relating to requiring a valet parking service to maintain financial responsibility; creating an offense.

**HOUSE BILL 2558**

**HOUSE AUTHOR:** Maxey et al.  
**SENATE SPONSOR:** Shapleigh

Relating to the amount of the fees established by the Texas State Board of Medical Examiners.

**HOUSE BILL 2676**

**HOUSE AUTHOR:** Truitt  
**SENATE SPONSOR:** Madla

Relating to the establishment of a domestic violence fatality review team in certain counties; providing a penalty.

**HOUSE BILL 2677**

**HOUSE AUTHOR:** Bailey et al.  
**SENATE SPONSOR:** Whitmire

Relating to the right of certain municipalities to maintain local control over wages, hours, and other terms of employment of certain municipal employees.

**HOUSE BILL 2706**

**HOUSE AUTHOR:** A. Reyna  
**SENATE SPONSOR:** Madla

Relating to a legislative leave time bank for certain peace officers and firefighters.

**HOUSE BILL 2723**

**HOUSE AUTHOR:** Raymond  
**SENATE SPONSOR:** Shapleigh

Relating to civil actions involving persons who file complaints with governmental agencies.

Vetoed Legislation

**HOUSE BILL 2786**

**HOUSE AUTHOR:** Noriega  
**SENATE SPONSOR:** Van de Putte

Relating to requiring the Texas Workforce Commission to assist the Texas National Guard in the implementation of certain youth job-training and mentoring programs.

**HOUSE BILL 2807**

**HOUSE AUTHOR:** Kitchen et al.  
**SENATE SPONSOR:** Barrientos

Relating to a demonstration project to extend Medicaid coverage to certain low-income individuals.

**HOUSE BILL 2809**

**HOUSE AUTHOR:** Wolens  
**SENATE SPONSOR:** Cain

Relating to statutory revision and statutory construction.

**HOUSE BILL 2839**

**HOUSE AUTHOR:** Dukes  
**SENATE SPONSOR:** Carona

Relating to energy efficiency programs developed by the energy office.

**HOUSE BILL 2853**

**HOUSE AUTHOR:** Bosse  
**SENATE SPONSOR:** Cain

Relating to information gathered and analyzed by the legislative council.

**HOUSE BILL 2878**

**HOUSE AUTHOR:** Goolsby  
**SENATE SPONSOR:** Carona

Relating to requirements for a private club registration permit under the Alcoholic Beverage Code.

**HOUSE BILL 3184**

**HOUSE AUTHOR:** Danburg  
**SENATE SPONSOR:** Lindsay

Relating to the contents of an application for an exemption from ad valorem taxation.

**HOUSE BILL 3185**

**HOUSE AUTHOR:** B. Turner et al.  
**SENATE SPONSOR:** Whitmire

Relating to certain personnel policies of the Texas Department of Criminal Justice.

**HOUSE BILL 3194**

**HOUSE AUTHOR:** Howard  
**SENATE SPONSOR:** J. E. Brown

Relating to the creation, administration, powers, duties, operation, and financing of the Fort Bend County Levee Improvement District Number 16 and to the authorization of bonds and the levy of taxes; providing civil penalties.

**HOUSE BILL 3305**

**HOUSE AUTHOR:** Martinez Fischer  
**SENATE SPONSOR:** Van de Putte

Relating to changing the deadlines and authority for ordering the election and filing for candidacy in political subdivision elections.



**HOUSE BILL 3348**

**HOUSE AUTHOR:** Counts  
**SENATE SPONSOR:** Haywood

Relating to the Texas Energy Resource Council; authorizing the imposition of an assessment on producers of oil, gas, and condensate.

**HOUSE BILL 3441**

**HOUSE AUTHOR:** Gallego  
**SENATE SPONSOR:** Madla

Relating to special license plates for certain government officials.

**HOUSE BILL 3483**

**HOUSE AUTHOR:** Ramsey  
**SENATE SPONSOR:** Sibley

Relating to the creation, powers, and duties of the Clean Coal Technology Council.

**HOUSE BILL 3670**

**HOUSE AUTHOR:** D. Jones  
**SENATE SPONSOR:** Duncan

Relating to the election and qualifications of directors of the Lubbock County Water Control and Improvement District No. 1.

**SENATE BILL 144**

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Gray

Relating to the qualifications for a provisional license to practice chiropractic.

**SENATE BILL 161**

**SENATE AUTHOR:** Zaffirini et al.  
**HOUSE SPONSOR:** Naishtat

Relating to authorizing transitional support services to former recipients of Temporary Assistance for Needy Families (TANF) benefits.

**SENATE BILL 173**

**SENATE AUTHOR:** Carona  
**HOUSE SPONSOR:** Hinojosa

Relating to the deposit and refund of cash with regard to a bond in a criminal case.

**SENATE BILL 279**

**SENATE AUTHOR:** Nelson  
**HOUSE SPONSOR:** Gray

Relating to sanctions imposed against, and confidential information regarding, certain facilities regulated by the Texas Department of Health.

**SENATE BILL 350**

**SENATE AUTHOR:** Truan et al.  
**HOUSE SPONSOR:** Oliveira

Relating to wage rates paid by or on behalf of certain school districts on public works projects.

**SENATE BILL 354**

**SENATE AUTHOR:** Lindsay  
**HOUSE SPONSOR:** Coleman

Relating to the powers of a local government corporation.

Vetoed Legislation

**SENATE BILL 424**

**SENATE AUTHOR:** Shapleigh  
**HOUSE SPONSOR:** Coleman

Relating to a state strategic health plan.

**SENATE BILL 512**

**SENATE AUTHOR:** Duncan et al.  
**HOUSE SPONSOR:** Gallego et al.

Relating to the investment and management of the permanent school fund.

**SENATE BILL 516**

**SENATE AUTHOR:** Madla  
**HOUSE SPONSOR:** Hawley et al.

Relating to creating the rural physician relief program and to licensing of physicians intending to practice in rural areas or other underserved or shortage areas.

**SENATE BILL 575**

**SENATE AUTHOR:** Staples  
**HOUSE SPONSOR:** Sadler

Relating to applicability of the Texas Youth Camp Safety and Health Act to facilities or programs operated by or on the campus of an institution of higher education.

**SENATE BILL 697**

**SENATE AUTHOR:** Wentworth  
**HOUSE SPONSOR:** Haggerty

Relating to the regulation of the practice of professional engineering.

**SENATE BILL 730**

**SENATE AUTHOR:** Harris  
**HOUSE SPONSOR:** Thompson et al.

Relating to the issuance of citations to persons arrested for certain misdemeanors and to the suspension of sentence and the deferral of adjudication in cases involving certain misdemeanor traffic offenses.

**SENATE BILL 769**

**SENATE AUTHOR:** Harris  
**HOUSE SPONSOR:** A. Reyna et al.

Relating to the requirement that certain information be provided in a suit affecting the parent-child relationship.

**SENATE BILL 791**

**SENATE AUTHOR:** Nelson  
**HOUSE SPONSOR:** Gray

Relating to the imposition of administrative, civil, and criminal penalties and the authorization of emergency license suspension for certain licensing programs regulated by the Texas Department of Health.

**SENATE BILL 846**

**SENATE AUTHOR:** Cain  
**HOUSE SPONSOR:** Naishtat

Relating to municipal payroll deductions.

**SENATE BILL 904**

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Ritter

Relating to the prosecution and punishment of criminal offenses relating to making certain false statements or reports.

**SENATE BILL 1156**

**SENATE AUTHOR:** Zaffirini et al.

**HOUSE SPONSOR:** Coleman et al.

Relating to the state Medicaid program.

**SENATE BILL 1210**

**SENATE AUTHOR:** R. West

**HOUSE SPONSOR:** Dunnam et al.

Relating to certain attorneys and law clerks employed by a court.

**SENATE BILL 1224**

**SENATE AUTHOR:** Harris

**HOUSE SPONSOR:** B. Turner

Relating to occupations regulated by the Texas Commission on Private Security.

**SENATE BILL 1411**

**SENATE AUTHOR:** Moncrief

**HOUSE SPONSOR:** Maxey et al.

Relating to dental services provided under the medical assistance program.

**SENATE BILL 1654**

**SENATE AUTHOR:** Bernsen

**HOUSE SPONSOR:** Dunnam

Relating to the provision of defense counsel to insureds by liability insurers; providing a civil penalty.

**SENATE BILL 1713**

**SENATE AUTHOR:** Van de Putte

**HOUSE SPONSOR:** Garcia

Relating to the carrying of weapons by peace officers and by special investigators.



## **B. Governor's Veto Proclamations**





PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 106 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Data on student performance, financial matters, school safety and other measures of educational improvement are vital, not only for the state, but for school districts as well. While the goal of House Bill No. 106 is laudable, this legislation would substantially undermine local control by limiting the authority of a school district to request information from teachers regarding issues affecting the operation of schools and the education of children. Local control of our public schools requires authority to be vested in the locally elected school board.

The objective of reducing paperwork and administrative burdens on teachers is already addressed in current law. Texas law contains provisions to reduce paperwork and limit the amount of reporting required of governmental entities. Texas has also made great strides in reducing the number of rules and regulations placed on school districts by eliminating duplicative and unnecessary requirements. Texas also leads the nation in the number of waivers granted under the federal Ed-Flex statute, which reduces regulatory requirements imposed by federal law.

Local officials are in the best position to determine what information is necessary for teachers to report.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTEST:  
*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. - O'CLOCK

JUN 17 2001

Secretary of State

June 17, 2001  
Austin, Texas



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 141 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 141 creates a legal problem by creating a new section in the offense of aggravated kidnapping that already is covered in existing law. The current law includes defenses that are not included in a new offense created by House Bill No. 141 and the illegal conduct is not distinguishable.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 236 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

I support legislation that improves Texas' criminal justice system, measures that make it fairer to defendants and that ensure justice is achieved – not just for defendants but victims as well. That is why I have signed legislation to provide for genetic testing in cases where it can resolve a question of guilt or innocence and legislation that established for the first time statewide standards for the appointment of defense attorneys for indigent defendants facing a death sentence. Both of those laws, I believe, protect victims and defendants.

To characterize House Bill No. 236 as a law to ban the execution of the mentally retarded is misleading. This legislation is not about whether to execute mentally retarded murderers. We do not execute mentally retarded murderers today. It is about who determines whether a defendant is mentally retarded in the Texas justice system.

Texas' criminal justice system already has numerous safeguards to ensure that defendants who have subaverage intellectual capacity and who also have significant impairments in adaptive functioning – components of the definition of mental retardation under Texas law – are not executed. Juries in Texas consider both of these factors, as well as others, when issues of mental defects – whether they be mental illness, retardation or other deficits – are raised at trial. They are considered in separate pretrial competency hearings in front of a jury, in the guilt-innocence phase of the actual trial, and again in the sentencing phase of a trial.

My opposition to this legislation focuses on a serious legal flaw in the bill. House Bill No. 236 would create a system whereby the jury and judge are asked to make the same determination based on two different sets of facts. In addition to fundamentally undermining confidence in the jury system, this provision could trigger innumerable retrials. Also of grave concern is the fact that the provision that sets up this legally flawed process never received a public hearing during the legislative process.

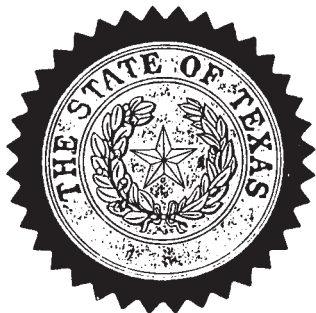
House Bill No. 236 would take the Texas criminal justice system down an unprecedented and unwise course by undermining the jury system in capital murder trials. It would do so by giving judges the power to overturn a jury's determination of whether a murderer is mentally retarded. And it would do so only when a defendant or defense attorney disagrees with a jury's conclusion.

Governor Rick Perry  
June 17, 2001

Veto Proclamation for H.B. No. 236  
Page 2

A cornerstone of Texas criminal jurisprudence is the principle that a jury is the proper and final decision-maker about the facts in a trial. Even when a criminal case is appealed, the courts recognize that a jury's decision about the facts of a case is presumed correct.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Caellar*

Henry Caellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
*1:40 pm* O'CLOCK

JUN 17 2001

\_\_\_\_\_  
Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 259 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 259 would create a cause of action that is duplicative of federal law. In addition, establishing a legally protected class based merely on personal interests, or even attire, would invite virtually any discernable group of individuals to seek similar special legal protections under Texas law.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 393 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 393 would require certain non-profit health care providers seeking to establish new business ventures to give published notice of their intent and to hold a public meeting seeking public comment.

Community support and involvement with non-profit health care providers is an important consideration but must be balanced against the interests of the mission of the non-profit entity. This bill does not adequately achieve that balance.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 396 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Existing Texas law and Texas Department of Public Safety rules already provide the means for foreign nationals who are in this country legally to obtain Texas drivers' licenses or, as with Mexico, to drive legally using their foreign-issued driver's licenses.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 546 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 546 would require the Texas Court of Criminal Appeals to mandate continuing education programs for all state judges on issues related to racial, cultural, and ethnic awareness. While such training is well-intended, the Court already has the authority to establish continuing education requirements and, indeed, has incorporated training on cultural awareness as part of the judicial training programs it provides. Furthermore, the Texas Constitution generally leaves decisions on such issues to the judiciary and the voters, not the legislature.

I believe the proper resolution to any dissatisfaction with judges rests with voters.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 660 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 660 attempts to enact through legislation what should be accomplished through the implementation of existing statutes and policies regarding career and technical education. While the intent of the legislation is based on the goal of improving educational opportunities for children, House Bill No. 660 has the potential to cause schools to move away from rigorous academic programs in favor of career pathways and the use of measures such as portable skills credentials. Positive career programs based on core academics and high educational standards can be established under current law through local control of education decisions and with the full consent of the parents of students in these programs.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 674 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 674 would permit counties or municipalities to adopt an ordinance allowing the operator of a car or light truck to park their vehicle on the portion of a sidewalk that extends over a private driveway. Current state law prohibits such action. I believe that current law should be maintained in order to ensure access and use of sidewalks throughout the State by persons with disabilities and others.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 947 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 947 would eliminate certain limitations on wrongful death actions. This bill is inconsistent with the traditional purposes of the Texas Wrongful Death Act.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 964 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 964 would expand the list of persons who may authorize the release of a decedent's medical records. The restrictions in current law appropriately protect the privacy interests of a decedent. This bill would allow numerous others to consent to the release of records without regard to the privacy interests and wishes of the decedent.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1001 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

The challenges facing the Texas nursing home industry require action, not study. Medicaid reimbursement rates for nursing facilities have been studied repeatedly over the past decade. The issues surrounding these rates are well known and do not need to be studied yet again, as House Bill No. 1001 would require.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

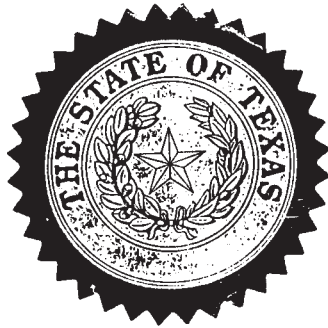
TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1004 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1004 would require the Texas Workforce Commission to adopt new rules on the types of work activities allowable under the Temporary Assistance for Needy Families (TANF) welfare-to-work program. This bill is unnecessary, as federal welfare laws and state rules provide adequate guidance on allowable TANF work activities.

Federal lawmakers will debate TANF reauthorization next year and may significantly rewrite the program to give states more flexibility. This bill would limit the state's options. Texas should reserve the right to analyze any future federal options when they become available to determine whether they support our state's goals.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK  
JUN 17 2001  
Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1006 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Texas can better address the unique needs of welfare recipients and assist more families to become independent from public assistance without House Bill No. 1006.

Both the Texas and federal welfare-to-work laws and initiatives emphasize the value of work for families striving to become independent of cash assistance offered through the Temporary Assistance for Needy Families (TANF) program. TANF clients must be encouraged to take advantage of free services through their local workforce development boards that can help them find and keep jobs. House Bill No. 1006 would codify a significant number of long-term TANF work exemptions. The goal of excusing from work requirements those people who truly cannot work can best be accomplished through flexible agency rules.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove and veto House Bill No. 1047 as passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1047 would exempt an electric cooperative corporation from the prohibition on certain indemnity agreements. This bill would validate certain existing indemnity agreements that are presently illegal. I object to the application of this legislation to the extent it applies to existing contracts. I believe there are more appropriate venues for resolving contract disputes than the Texas Legislature.

Since the Legislature, by its adjournment, prevented the return of House Bill No. 1047, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation in accordance with the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 28th day of May, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*

Henry Cuellar, Ph.D.  
Secretary of State

May 28, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
7:10 pm O'CLOCK

MAY 28 2001

Secretary of State





PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1113 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1113 would require police departments in certain cities to allow police officers to contribute leave or compensatory time each month to a pool for other officers to use to lobby the legislature. Pooling of time for this purpose is inappropriate.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1117 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1117 would impose a new petition requirement only on candidates for the Texas Supreme Court and the Texas Court of Criminal Appeals. Ballot access requirements for all statewide candidates should be the same.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1148 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1148 contains a legal prohibition against placing a cellular tower on a particular piece of property. This property is so narrowly defined as to only apply to a single individual and single parcel of land. Hence, this legislation appears to rise to the level of special legislation, which is prohibited by the Texas Constitution.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1415 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1415 would exempt from disclosure under the Public Information Act the criminal records of some offenders who receive deferred adjudication and successfully complete their probationary period. These records would be automatically sealed from public access five to ten years after the completion of a probationary period, depending on the severity of the crime.

The Public Information Act is an important tool in the checks and balances on government, and restrictions on citizens' access to government records should not be made lightly. The closure of criminal records is particularly worrisome because it may jeopardize public safety.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
SECRETARY OF STATE  
10:30 P.M. LOCK  
JUN 17 2001  
Secretary of State  
Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1506 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1506 would exempt state and federal officials from requirements related to posting security bonds for contesting beer license applications. City and county officials are currently exempt from posting such bonds, as they are best able to represent their constituents in these local disputes. No such exemption for state and federal officials is warranted.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1514 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1514 fails to recognize the unprecedented population growth our state has experienced and circumvents public nuisance laws that afford remedies for conflicts between commercial establishments that emit offensive odors or noises and neighboring residential properties.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1515 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1515 would create an exception to current statutes of limitation in personal injury actions. The rationale for tolling the statute of limitations for minor children until they become adults does not apply to their parents, who are legally capable of asserting their claims within the prescribed period. Moreover, this bill could have the effect of unconstitutionally reviving actions that already are barred by statutes of limitation.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1585 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1585 allows the restoration of good-time credits to felons who are returned to prison after their parole or mandatory supervision is revoked, shortening the length of time they would have to serve before becoming eligible for parole again. Forfeiture of good-time credits is an appropriate sanction for those who return to prison for violating the rules of their release. Providing the Board of Pardons and Paroles the discretion concerning time credits is appropriate to the decisions made by the Board and is covered in House Bill No. 1649, which I have signed.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1678 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1678 would create barriers to interstate commerce and create artificial market protections for Texas salvage dealers. The bill would create a new license for some companies that would cost twice as much as the license for others. This bill would also limit consumers' ability to purchase salvage vehicles from the dealer of their choice.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State

June 17, 2001  
Austin, Texas





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1680 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1680 would give a wide range of political subdivisions the authority to allow an employee to coordinate supplemental, off-duty jobs for fellow employees. The policy of using tax dollars to pay the salary of an individual whose primary responsibility is to arrange off-duty employment is troublesome.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1723 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1723 is unnecessary and redundant, allowing most Texas counties to create new workforce development boards, which would duplicate the job training and other functions currently administered through the state's 28 local workforce development boards.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1862 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1862 would erode the ability of a health plan to agree, through contract or otherwise, to settle contract disputes through alternative dispute resolution or binding arbitration. By eliminating the ability to include an alternative dispute resolution clause, this bill is likely to send more disputes to the courthouse for resolution, further delaying the payment of claims, driving up the cost of health insurance premiums, and increasing the number of uninsured Texans.

During the 76th Legislature, the legislature enacted measures requiring the prompt payment of physicians and health care providers by health plans, and created an unprecedented process enabling physicians to jointly negotiate with health plans. Joint negotiation was enacted, with my support, to strengthen the bargaining position of physicians with health plans to rectify through contract many of the issues that House Bill No. 1862 now seeks to address through statute. Final rules implementing these measures have only recently been adopted and deserve greater opportunity to achieve their intended results.

Other measures enacted during the most recent legislative session will also improve the implementation of and compliance with existing prompt pay laws. House Bill No. 2828 will tighten regulations and empower the Texas Department of Insurance to address delegated networks, which often serve as payment intermediaries between health plans and physicians or other health care providers.

However, unless significant improvements are soon realized and health plans demonstrate a strong commitment to prompt pay laws and to honoring their contractual relationships with physicians and health care providers, Texas may have to adopt stronger laws than those proposed in House Bill No. 1862.

To ensure compliance with our prompt pay laws, I am directing the Texas Department of Insurance to be more aggressive in assisting physicians and health care providers in claims disputes. The department will quickly reopen and strengthen existing prompt pay rules. Additionally, the department will continue its ombudsman program and seek feedback from health plans, physicians, and health care providers about additional measures that can be taken to expedite claims payment by health plans.

Governor Rick Perry  
June 17, 2001

Veto Proclamation for H.B. No. 1862  
Page 2

The department will present a report on these efforts in addition to recommendations for necessary action prior to the beginning of the next session.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:20 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 1913 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1913 would improperly preclude a preferred provider organization or health maintenance organization from immediately suspending or terminating the contract of a provider in cases of fraud or malfeasance or where the provider has been the subject of an action by a state licensing board that limits the provider's ability to practice.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove and veto House Bill No. 1994 as passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 1994 increases the permissible documentation fee from the current rate of \$50.00 to \$75.00. Documentation fees are not required by law. Rather, they are optional fees that may be charged to buyers to cover paperwork costs and other costs associated with closing a sale. The \$75.00 fee represents a 50 percent increase, a rate that I believe far exceeds any cost hikes automobile dealerships have faced in providing such services.

Since the Legislature, by its adjournment, prevented the return of House Bill No. 1994, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation in accordance with the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 28th day of May, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuslar*  
Henry Cuslar, Ph.D.  
Secretary of State

May 28, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
1:10 pm O'CLOCK

MAY 28 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2111 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2111 would place the primary administrative, budgeting, and management functions of the judicial branch under the control of legislative branch officials, violating the principle of separation of powers in the Texas Constitution.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2119 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2119 would authorize progressive bingo. This is a significant departure from existing legal charitable bingo games and, with its increased jackpots, could be seen as an invitation to expand gambling, which I oppose.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2139 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2139 would allow auto dealers to include the cost of a debt cancellation agreement in monthly payments on the purchase of a motor vehicle. Existing case law and Texas Department of Insurance rules have determined that debt cancellation agreements are tantamount to insurance policies. Under Texas law, insurance policies may be sold only by licensed insurance agents and the policies – including the rates charged – are regulated by the state. The sale of insurance without appropriate regulation by the Texas Department of Insurance is inappropriate.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2265 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2265 would limit the ability of local workforce development boards to set income-eligibility standards for subsidized child care that are based on local needs. The Texas Workforce Commission already has the authority to change child-care program eligibility requirements by rule when situations warrant. This change could prevent some existing beneficiaries from receiving subsidized child care.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2273 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2273 would undermine local control by specifically dictating in state statute the determination of the work week and overtime of police officers for the City of Dallas. Municipalities now have the authority to determine police officers' work weeks and overtime and the state should not dictate how Dallas exercises that authority. This decision is properly left to the local officials in Dallas.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2287 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2287 would alter the purpose of the Medicaid Disproportionate Share Hospital program, which is to assist hospitals serving a disproportionate share of low-income and Medicaid patients, beyond its original intent to include services provided by a doctor.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2312 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2312 seeks to clarify that the legislature retains the authority to waive sovereign immunity. House Bill No. 2312, however, contains a provision that nullifies the bill's good intentions and undermines the principle of sovereign immunity.

The troublesome provision would waive Chapter 2260 of the Civil Practice and Remedies Code if a contract fails to include references to dispute resolution, thereby waiving, among other things, the limits on monetary damages against the state. Although the intent of this provision is to provide an incentive to ensure that contracts with the state include language on dispute resolution, state law already requires the inclusion of such language. Parties to a contract do not need an incentive to follow state law.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2313 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2313 would allow salvage car dealers and others to dispose of vehicles deemed "abandoned nuisance vehicles" without adequate prior notice to the owners of the vehicles.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2430 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2430 was not sufficiently funded in the General Appropriations Act. The provisions of this bill can be achieved under existing law, should the legislature choose to fund the program.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2436 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

The East Texas Oil Field has been studied numerous times, and private enterprise reviews data from this field constantly. Texans do not need another study of this type conducted at taxpayers' expense.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
5:45 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



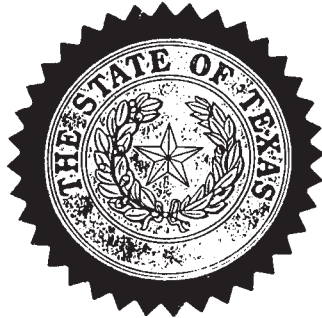
**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2484 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2484 would authorize the Texas Racing Commission to regulate certain amusement machines, which could include illegal gambling devices. Such regulation is outside of the intended scope of the Texas Racing Commission. Enforcement should remain with the Department of Public Safety, local prosecutors, and the Office of the Attorney General.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2495 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2495 would impose a significant financial burden on valet parking services by requiring them to maintain financial responsibility for damages arising from their operations. Texans have a choice whether to use valet parking services and may do so at their own risk.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2558 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2558 would continue the current licensing fees charged by the Texas State Board of Medical Examiners. The board, however, would be prohibited from spending the money on its intended purpose because the General Appropriations Act does not allow for such an expenditure.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2676 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 515, which I signed, provides a better framework than House Bill No. 2676 for the local review of adult fatalities, including those caused by domestic violence.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2677 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2677 creates meet-and-confer authority for all City of Houston employees. The decision whether the City of Houston should meet and confer with a city employees' union should be left to the people of Houston and not the state.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2706 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2706 would require certain counties to allow peace officers and fire fighters to contribute sick leave, vacation or compensatory time each month to a pool for others to use to lobby the legislature. Pooling of time for this purpose is inappropriate. The use of sick leave, which is granted to employees in case of injury or illness, for lobbying activities is particularly troublesome.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



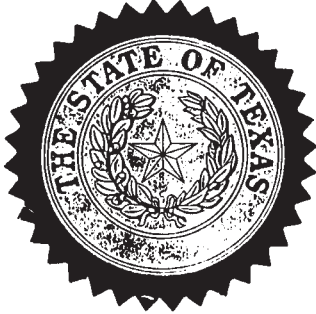
**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2723 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2723 is a radical departure from traditional concepts of our adversarial justice system and the role of the courts. It also creates new causes of action by holding lawyers liable for the accuracy of information provided to them by their clients.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

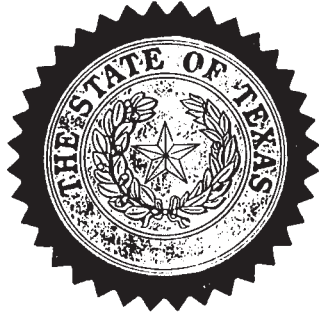
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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2786 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2786 would require Texas' network of local workforce development boards to implement and administer the National Guard's youth mentoring program at each workforce center. This bill would impose an unfunded mandate on local workforce boards, as the budget does not provide for either program operations or administration. Each local board should be free to select youth mentoring programs that meet local needs and fit within local budgets.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2807 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2807 would require a demonstration project to extend Medicaid coverage to certain low-income individuals to be developed and implemented concurrently with the anticipated reorganization of the Medicaid system. Additional duties, such as this demonstration project, would require the commission's supervision and labor. Over the next several months, the commission's primary focus must be on establishing sound and effective management of the Medicaid program.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

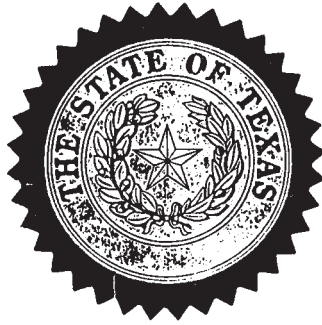
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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2809 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2809 would fundamentally alter the manner in which Texas courts interpret the written laws of Texas. Besides implicating separation of powers concerns, this bill would tend to make it more difficult for ordinary Texans to ascertain the laws they are bound to obey.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2839 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2839 would use the oil overcharge fund to establish the Texas Energy Assistance Loan Program. The oil overcharge fund was established to fund energy conservation programs for state agencies, higher education, public schools, and other units of local government. This legislation calls for an inappropriate use of the funds.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2853 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2853 would attempt to enable the Texas Legislative Council to gain access to personally identifiable information about Texas schoolchildren which is held by the Texas Education Agency. This type of information is made confidential by federal law. This legislation raises serious privacy concerns.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cueljar*  
Henry Cueljar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 2878 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 2878 is unnecessary and could hamper the ability of the Texas Alcoholic Beverage Commission to properly inspect the records of private clubs.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3184 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 3184 would make it more difficult for vulnerable Texas citizens, such as the elderly and disabled, to apply for homestead exemptions.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

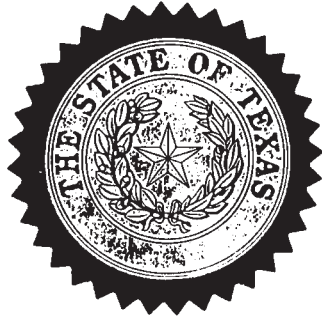
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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3185 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

The goals of House Bill No. 3185 are already being addressed by the Texas Board of Criminal Justice.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3194 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

The notice provisions as required by the Texas Constitution were not met.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State





PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3305 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 3305 would dramatically alter pre-election deadlines - such as deadlines for candidates to file or withdraw - for local government elections. This bill apparently is intended to aid local governments by allowing them more time to finalize candidates and measure eligibility issues in order that the ballot may be printed in time for early voting. I agree that this is a salutary goal worthy of further study and future consideration. Nonetheless, I believe that House Bill No. 3305, if implemented at this time, would likely create confusion and procedural "traps" for local governments, candidates, and voters that would outweigh any potential benefits.

Local governments will already be faced with important legal changes impacting their next elections. For example, the 77th Legislature recently enacted, and I signed, a comprehensive uniform election dates bill. While justified as means of reducing "turnout burnout" among voters, this legislation will cause many local governments to change the dates on which they hold elections. This disruption will be compounded by the fact that most local governments will be conducting their next elections for multi-member bodies under newly redistricted lines. I believe that local governments, candidates, and voters should have the opportunity to digest these important changes before any attempt by state government to mandate wholesale changes to pre-election deadlines.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.



*Rick Perry*  
Rick Perry  
Governor of Texas

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

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JUN 17 2001  
Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3348 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 3348 would create the Texas Energy Resource Council to be funded through an assessment on the market value of oil and gas. However, an appropriation was not made in the budget for this legislation.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17 day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3441 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

House Bill No. 3441 would unnecessarily preclude statewide elected judges from using state official license plates.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

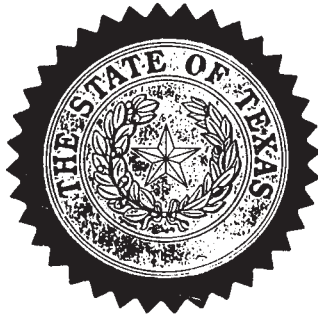
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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3483 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

The study of clean coal technology is an admirable goal, and Texas should do all it can to leverage federal funding for pilot projects. However, House Bill No. 3483, which would create the Clean Coal Technology Council, is an improper delegation of authority from the executive branch to the legislative branch. The goals of this legislation also could be achieved more effectively through existing entities, such as the Railroad Commission, the Public Utility Commission, or the Texas Natural Resource Conservation Commission.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3670 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

The notice provisions as required by the Texas Constitution were not met.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK  
**JUN 17 2001**  
Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

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**TO ALL TO WHOM THESE PRESENTS SHALL COME:**

Senate Bill 1, the General Appropriations Act, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for action. This bill would appropriate an estimated \$113.8 billion from all fund sources including \$61.7 billion from the General Revenue Fund for the fiscal biennium beginning September 1, 2001. Appropriations for fiscal years 2002 and 2003 reflect an average annual increase of 3.7% over the 2001 spending level.

The proposed state budget that I submitted to the Legislature contained my key priorities for the 2002-2003 biennium. These were:

**Meet Basic Needs, Including  
Fully Funding Medicaid Growth Projections**

**Improve Accessibility to and  
Quality of Public and Higher Education**

**Promote Health and Safety for  
Texas Citizens**

**Optimize Technology Use**

**Improve Transportation**

**Address Border Issues.**

This budget meets basic needs, including fully funding Medicaid growth projections, while providing funds for some new and necessary programs. We did a better job of maximizing federal dollars. And we accomplished our goals without accessing the state's Rainy Day Fund and without cutting funds to vital areas.

However, Senate Bill 1 does contain a few items of appropriation with which I do not agree. The budget spends every available dollar and then some. Other than the Rainy Day Fund, no cushion is provided to care for unforeseen issues or problems, such as the recent tragic Southeast Texas floods. The bill also contains provisions intended to obligate expenditure of funds beyond those the Comptroller is currently willing to certify as available. This tactic could limit the ability of the Seventy-eighth Legislature to address the state's needs in a fiscally responsible manner in 2004-2005.

Like my predecessors, I am also concerned that certain appropriations are made in a way that usurp the authority granted to the Governor in Article IV, Section 14, of the Texas Constitution to veto individual items of appropriation. This is accomplished by combining several distinct items of appropriation into one large item or through an attempt at lump-sum appropriations. As long as this practice continues, the governors of this State will be unable to exercise the fiscal responsibility envisioned in the State Constitution.

My item vetoes total \$75.1 million in certified appropriations and another \$480.8 million in appropriations contingent on certification of additional revenue. I hereby veto the following items from Senate Bill 1, Seventy-Seventh Legislature, Regular Session, 2001, and include a statement of my objections to each of those items.

Governor Rick Perry  
June 17, 2001

Veto Proclamation for S.B. No. 1  
Page 2

**Article II – Health and Human Services**

Health and Human Services Commission Page II-61

~~53. Contingent Appropriation to the Health and Human Services Commission. The appropriation to the Health and Human Services Commission under Strategies B.2.1, B.2.2, B.2.3, and B.2.4, has been reduced by \$269,840,001 in All Funds, including \$107,747,112 in General Revenue Match for Medicaid, and the Health and Human Services Commission is hereby authorized to defer its August 2003 premium payment to the National Heritage Insurance Company until September 2003 and the August 2003 payment will be paid from fiscal year 2004 appropriations. However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Health and Human Services Commission such amounts as may be necessary for payment of the August 2003 premium payment (estimated to be \$269,840,001 in All Funds, including \$107,747,112 in General Revenue Match for Medicaid) by August 31, 2003.~~

*This veto action deletes an appropriation contingent on the certification of additional revenue by the Comptroller. Deleting this appropriation may allow the Contingency Reserve authorized by Article IX, Section 10.06 to be funded instead. Such a reserve could be used to pay for the 25<sup>th</sup> month of Medicaid, but could also be used for other unforeseen circumstances, offering the state additional flexibility. Projected Medicaid expenses for the 2002-2003 biennium are fully funded in Article II and Article XII of the General Appropriations Act.*

Department of Human Services Page II-78

~~34. Contingent Appropriation to Texas Department of Human Services for Payment of August 2003 Nursing Home Payment. The appropriation shown above to the Texas Department of Human Services in this Act under Strategy A.1.4, has been reduced by \$134,760,919 in All Funds, including \$53,634,846 in General Revenue Match for Medicaid, and the Texas Department of Human Services is hereby authorized to defer its August 2003 nursing home payment until September 2003, and the August 2003 payment will be paid from fiscal year 2004 appropriations. However, after and contingent upon the Comptroller providing notice to the Legislative Budget Board and the Governor regarding a finding of fact by the Comptroller (at the time of certification or after certification of this Act) that sufficient revenue is estimated to be available, and following approval by the Legislative Budget Board and Governor, there is hereby appropriated to the Texas Department of Human Services such amounts as may be necessary for payment of the August 2003 nursing home payment (estimated to be \$134,760,919 in All Funds, including \$53,634,846 in General Revenue Match for Medicaid) by August 31, 2003.~~

*This veto action deletes an appropriation contingent on the certification of additional revenue by the Comptroller. Deleting this appropriation may allow the Contingency Reserve authorized by Article IX, Section 10.06 to be funded instead. Such a reserve could be used to pay for the 25<sup>th</sup> month of Medicaid, but could also be used for other unforeseen circumstances, offering the state additional flexibility. Projected Medicaid expenses for the 2002-2003 biennium are fully funded in Article II and Article XII of the General Appropriations Act.*

**Article III – Education**

Telecommunications Infrastructure Fund Board Page III-39

7. Contingency Appropriation: Senate Bill 1783. Contingent upon the enactment of Senate Bill 1783, Seventy-seventh Legislature, Regular Session, if available revenue in the Telecommunications Infrastructure Fund (TIF) in the 2002-03 biennium is less than the sum of appropriations from the TIF contained in this Act, the Telecommunications Infrastructure Fund Board's appropriations for the 2002-03 biennium shall be reduced by the difference.

Governor Rick Perry  
June 17, 2001

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Page 3

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

**Special Provisions Relating Only to State Agencies of Higher Education Page III-244**

**Sec. 52. Utility Funding Increase for Public Higher Education Institutions.** Contingent upon a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act, or after certification of this Act, that sufficient revenue is estimated to be available from the General Revenue Fund, and following approval by the Legislative Budget Board, there is hereby appropriated to the Comptroller of Public Accounts \$19,515,970 per fiscal year, or such amounts as may be available for the purpose of funding increased utility costs at public institutions of higher education. Distribution of any amounts authorized shall be based on the Texas Higher Education Coordinating Board's infrastructure funding formula.

*This veto action deletes a rider contingent upon the certification of additional revenue by the Comptroller.*

**Article VI –Natural Resources**

**Natural Resource Conversation Commission Page VI-30**

**40. Contingency Appropriation: Senate Bill 1541.** Contingent upon passage of Senate Bill 1541, or similar legislation relating to the permanent management of low-level radioactive waste, by the Seventy-seventh Legislature, Regular Session, the Natural Resource Conservation Commission is hereby appropriated any fee revenues generated to the Low-level Radioactive Waste Account No. 88 as a result of the bill's enactment (estimated to be \$1,245,000 for the 2002–03 biennium). This appropriation shall be used to implement the provisions of the bill.

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

**Article IX General Provisions**

**Sec. 10.16. Contingent Reduction Items.** Contingent upon a finding of fact by the Comptroller of Public Accounts at the time of certification of this Act that sufficient revenue is not available from the General Revenue Fund and special funds to certify the General Appropriations Act, the following amounts are hereby reduced, in priority order, from the listed entities:

- (a) Ten percent of Special Items for Institutions of Higher Education on a prorated basis.
- (b) Twenty-five percent of tuition revenue bond debt service authorized by the Seventy-seventh Legislature under Section 10.19 of this Article for Institutions of Higher Education on a prorated basis, excluding commitments made under the Office of Civil Rights agreement.
- (c) Twenty percent of General Revenue and General Revenue related Capital Budget Funding for all agencies, on a prorated basis.

The reduction authorized herein shall be implemented among the listed entities and items by the Comptroller of Public Accounts based on the amounts, timing, or other information to be determined by the Legislative Budget Board following the Comptroller's finding of fact. The provisions in this section are to be implemented prior to the action authorized under Section 10.05. "Contingency Appropriation Reduction" of Article IX of this Act. It is the intent of the Legislature that items reduced above be funded prior to any other contingency appropriations listed in this Act.

*This veto action deletes a rider that is no longer necessary. The Comptroller certified this Act without making any of the proposed reductions.*

**Sec. 10.17. Additional Appropriations Priorities Contingent on Availability of Revenue.** Contingent on the Comptroller certifying that sufficient revenue is available the following appropriations are made for the purposes specified:

- (a) ~~First, it is the intent of the Legislature that the Comptroller shall use any additional revenue to restore appropriation reductions previously made pursuant to Section 10.16 of this Article in~~



the following order:

- (1) it is the intent of the Legislature that the Comptroller shall restore any previous appropriation reductions made from the General Revenue and General Revenue related capital budget funding for all agencies on a prorated basis;
  - (2) after making any restoration as directed under Subdivision (1) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any appropriation reductions previously made related to tuition revenue bond debt service;
  - (3) after making any restorations as directed under Subdivision (1) of this Subsection (a) and (2) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any appropriation reductions previously made related to the Special Items for Institutions of Higher Education on a prorated basis; and
  - (4) after making any restorations as directed under Subdivision (1) of this Subsection (a), and then Subdivision (2) of this Subsection (a), and then Subdivision (3) of this Subsection (a), it is the intent of the Legislature that the Comptroller shall restore any across the board appropriation reductions made pursuant to Sections 10.05 or 10.16 of this Article;
- (b) Second, after restoring any reductions as provided under Subsection (a) of this Section any additional revenue is appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act;
- (c) Third, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section any additional revenue is appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act;
- (d) Fourth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section any additional revenue is appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article;
- (e) Fifth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section any additional revenue is appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article;
- (f) Sixth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section any additional revenue is appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act;
- (g) Seventh, after restoring any reductions as provided under Subsection (a) of this Section and

Governor Rick Perry  
June 17, 2001

Veto Proclamation for S.B. No. 1  
Page 5

funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act as provided under Subsection (f) of this Section there is appropriated any additional revenue to fund employee salary increases under Section 10.13 of this Article;

(h) Eighth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act as provided under Subsection (f) of this Section and funding any additional revenue to fund employee salary increases under Section 10.13 of this Article as provided by Subsection (g) of this section there is appropriated any additional revenue to be used for payment of medicaid payments previously deferred as provided by Rider 34 following the bill pattern of the Department of Human Services under Article II of this Act and as provided by Rider 53 following the bill pattern of the Health and Human Services Commission under Article II of this Act; and

(i) Ninth, after restoring any reductions as provided under Subsection (a) of this Section and funding any additional revenue appropriated to the Texas Higher Education Coordinating Board to be used for the Texas Grants II program as provided by Rider 55 under the bill pattern of the Texas Higher Education Coordinating Board under Article III of this Act under Subsection (b) of this Section and funding any additional revenue appropriated for junior college formula funding as provided by Section 51 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (c) of this Section and funding any additional revenue appropriated to be used for judicial salary increases as provided under Section 11.01 of this Article under Subsection (d) of this Section and funding any additional revenue appropriated to the appropriate agencies to fund contingent legislation under Part 11 of this Article under Subsection (e) of this Section and funding any additional revenue appropriated as provided to the Comptroller to be distributed to institutions of higher education as considered proper by the Texas Higher Education Coordinating Board for meeting higher than expected utility costs as provided under Section 52 of the Special Provisions Relating only to State Agencies of Higher Education under Article III of this Act under Subsection (f) of this Section and funding any additional revenue to fund employee salary increases under Section 10.13 of this Article as provided by Subsection (g) of this Section and funding any additional revenue to be used for payment of medicaid payments previously deferred as provided by Rider 34 following the bill pattern of the Department of Human Services under Article II of this Act and as provided by Rider 53 following the bill pattern of the Health and Human Services Commission under Article II of this Act as provided under Subsection (h) of this Section there is appropriated to the Comptroller revenue sufficient to fund the emergency contingency reserve under Section 10.06 of this Article.

Governor Rick Perry  
June 17, 2001

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Page 6

*This veto action deletes the appropriate sections of this rider to conform with other veto actions contained in this proclamation.*

**Sec. 10.41. Contingency Appropriation: Senate Bill 697.** Contingent upon the enactment of Senate Bill 697, or similar legislation relating to the regulation of the practice of professional engineering by the Seventy-seventh Legislature, Regular Session, the Board of Professional Engineers is hereby appropriated \$206,769 in fiscal year 2002 and \$142,296 in fiscal year 2003, out of the General Revenue Fund for the purpose of implementing that Act. Such appropriations are also contingent on the Board of Professional Engineers assessing fees sufficient to generate, during the 2002-03 biennium, \$349,065 in excess of \$4,282,000 (Object Code 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal year 2002 and 2003. The Board of Professional Engineers, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of the Board of Professional Engineers' minutes and other information supporting the estimated revenues to be generated for the 2002-03 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes..

*Senate Bill 697 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.*

**Sec. 10.49. Contingency Appropriation for Senate Bill 1622.** Contingent upon the enactment of Senate Bill 1622, or similar legislation relating to the regulation of amusement rides, by the Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated \$190,260 for fiscal year 2002 and \$160,110 for fiscal year 2003 out of the Mobile Amusement Ride Regulation Fund Account in General Revenue for the purpose of implementing that Act. Also contingent on the enactment of Senate Bill 1622, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated above is hereby increased by 2 for fiscal year 2002 and by 2 for fiscal year 2003. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1622.

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

**Sec. 10.63. Contingency Appropriation for Senate Bill 1586.** Contingent upon the enactment of Senate Bill 1586, or similar legislation relating to fees for copies of birth and death certificates, by the Seventy-seventh Legislature, Regular Session, the Department of Health is hereby appropriated \$2,371,001 in fiscal year 2002 and \$2,413,000 in fiscal year 2003 out of additional revenues collected pursuant to Senate Bill 1586 for the purpose of implementing that Act. In no event shall the amount expended out of, or transferred from, this appropriation exceed the amount of additional revenues generated pursuant to Senate Bill 1586. The additional revenues generated must be sufficient to cover the costs of the appropriation as well as any indirect costs associated with the implementation of the provisions of the bill.

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

**Sec. 10.67. Contingency Appropriation for Senate Bill 516.** Contingent upon the enactment of Senate Bill 516 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the creation of a rural physician relief program, the Texas Department of Health is hereby appropriated \$182,250 in fiscal year 2002 and \$243,000 in fiscal year 2003 from the new General Revenue-Dedicated account created under the provisions of the bill. The appropriation made above is contingent upon the department assessing fees sufficient to generate \$425,250 in revenue for the biennium. The Department of Health is hereby authorized to transfer the appropriations made pursuant to this provision to the appropriate strategy items of the department's bill pattern.

*Senate Bill 516 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.*

Governor Rick Perry  
June 17, 2001

Veto Proclamation for S.B. No. 1  
Page 7

Sec. 10.70. **Contingency Appropriation for House Bill 877.** Contingent upon enactment by the Seventy-seventh Legislature, Regular Session, of HB 877, or similar legislation relating to providing benefits to survivors of public safety workers killed in the line of duty, the Employees Retirement System is hereby appropriated an amount estimated to be \$1,496,980 in fiscal year 2002 and \$1,335,760 in fiscal year 2003 from the General Revenue Fund, ~~and an amount estimated to be \$992,520 in fiscal year 2002 and \$885,040 in fiscal year 2003 from the Compensation to Victims of Crime Fund No. 469~~ for the purpose of implementing the provisions of that legislation.

*Since the General Revenue funds listed in this rider are estimated amounts, they will be sufficient to pay for the implementation of House Bill 877; consequently, this veto action deletes the appropriation of Crime Victims Compensation funds for this purpose.*

Sec. 10.86. **Contingency Appropriation:** The following contingency appropriations apply to the Texas Department of Insurance and the Office of Public Insurance Counsel.

(c) **Contingency Appropriation for House Bill 2430.** Contingent upon the enactment of House Bill 2430, or similar legislation relating to a consumer assistance program for health benefit plan consumers, by the Seventy-seventh Legislature, Regular Session, the Office of Public Insurance Counsel is hereby appropriated \$100,000 for fiscal year 2002 and \$100,000 for fiscal year 2003 out of general revenue account 8042 Insurance Companies Maintenance Tax and Insurance Department Fee Object Code 3203 and 3215 for the purpose of implementing that Act. Also contingent upon the Texas Department of Insurance covering appropriations and applicable benefit costs, the "Number of Full-time Equivalent Positions (FTE) are increased by three in fiscal year 2002 and three in fiscal year 2003 in the Office of Public Insurance Counsel's bill pattern.

*House Bill 2430 was vetoed by the Governor; consequently, this veto action eliminates funding proposed for the implementation of that bill.*

Sec. 10.87. **Contingency Appropriation for House Bill 3064 and House Joint Resolution 97.** Contingent upon enactment of House Bill 3064, or similar legislation relating to the authorization of general obligation bonds, and the adoption and voter approval of House Joint Resolution 97, or similar legislation, in addition to amounts appropriated elsewhere in this Act, the following and other state agencies listed in House Joint Resolution 97, are hereby appropriated proceeds of the general obligation bonds or notes in the amounts specified below for construction and repair projects and equipment acquisitions for the fiscal year beginning September 1, 2002.

- (a) ~~Texas Historical Commission \$45,000,000.~~
- (b) Texas Department of Mental Health and Mental Retardation \$35,000,000
- (c) Equipment Acquisitions \$31,500,000
- (d) General Services Commission \$16,484,500
- (e) Adjutant General's Department \$3,038,252
- (f) Department of Agriculture \$45,000

TOTAL \$131,067,752

*The Texas Historical Commission received an appropriation from general revenue for the Courthouse Preservation program in Strategy A.1.5 on page 1-56 of this Act. This veto action deletes a duplicative appropriation of bond proceeds intended for the same purpose.*

Sec. 10.88. **Contingency Appropriation for Senate Bill 391.** Contingent upon the enactment of Senate Bill 391 or similar legislation relating to the automation of the compulsory motor vehicle inspection system, by the Seventy-seventh Legislature, Regular Session, the Department of Public Safety is hereby appropriated \$9,637,622 for fiscal year 2002 and \$9,926,750 for fiscal year 2003 out of the automated inspection system account in the General Revenue Fund for the purpose of implementing that Act. All revenues in excess of these amounts deposited into the automated inspection system account in the General Revenue Fund are hereby appropriated to the Department of Public Safety for the same purposes. In no event shall the amount expended out of, or transferred

Governor Rick Perry  
June 17, 2001

Veto Proclamation for S.B. No. 1  
Page 8

from, appropriations identified by this provision exceed the amount of additional revenues generated pursuant to Senate Bill 391. The department is hereby authorized to transfer the appropriation made pursuant to this provision to the appropriate strategy items listed in the department's bill pattern. Funds appropriated by this provision may be expended for capital budget purposes notwithstanding limitations on the capital budget found elsewhere in this Act.

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

**Sec. 10.94. Contingency Appropriation for Senate Bill 1198.** Contingent upon the enactment of Senate Bill 1198, or similar legislation relating to inspection, installation, repair, and maintenance of elevators, escalators, chairlifts, people movers, moving sidewalks, and related equipment, by the Seventy-seventh Legislature, Regular Session, the Department of Licensing and Regulation is hereby appropriated \$159,000 for fiscal year 2002 and \$155,352 for fiscal year 2003 out of General Revenue for the purpose of implementing that Act. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1198.

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

**Sec. 10.95. Contingency for House Bill 7.** Contingent upon enactment of House Bill 7 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to creating the Office of Rural Community Affairs, and on the date by which a majority of the members of the executive committee of the Office of Rural Community Affairs have taken office:

(a) All powers, duties, obligations, rights, appropriations and other funds of the Center for Rural Health Initiatives are hereby transferred to the Office of Rural Community Affairs and the Center for Rural Health Initiatives is abolished;

(b) All powers, duties, obligations, rights, contracts, leases, records, personnel, property, and unspent and unobligated appropriations and other funds of the Department of Housing and Community Affairs related to the federal community development block grant nonentitlement program and to the community affairs and community development program that provides information, advice, and training to officials of communities of less than 10,000 people, including appropriations relating to the indirect costs and general administrative support of those programs, are hereby transferred to the Office of Rural Community Affairs; and

(c) Administration of the Texas Capital Fund by the Department of Economic Development, by rule of the Department of Housing and Community Affairs is hereby administered by the Department of Agriculture; and a fund or account administered by the Department of Economic Development relating to the federal community development block grant nonentitlement program is hereby transferred to the Office of Rural Community Affairs.

Contingent upon enactment of House Bill 7 or similar legislation, the Comptroller of Public Accounts is directed to transfer to the Office of Rural Community Affairs the estimated amounts of \$93,996,953 in All Funds in fiscal year 2002 and \$93,996,245 in All Funds in fiscal year 2003, including approximately \$90,856,552 in All Funds in fiscal year 2002 and \$90,379,552 in All Funds in fiscal year 2003 from the Department of Housing and Community Affairs and approximately \$3,140,401 in All Funds in fiscal year 2002 and \$3,616,693 in All Funds in fiscal year 2003, transferred as a result of the abolishment of the Center for Rural Health Initiatives. The number of full-time equivalent positions transferred is sixty-four, including sixteen full-time-equivalent positions from the Center for Rural Health Initiatives and forty-eight full-time-equivalent positions from the Department of Housing and Community Affairs. The Legislative Budget Board is authorized to resolve any disputes concerning the transfers mentioned above relating to the Office of Rural Community Affairs.

An additional five full-time-equivalent positions associated with information technology will be transferred from the affected agencies for which cost estimates have been provided by the Department of Information Resources.

Also contingent upon enactment of House Bill 7 or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to creating the Office of Rural Community Affairs, the agency is appropriated \$1,000,000 in General Revenue in ~~each year~~ of the 2002-03 biennium. In addition to the full-time-equivalent positions mentioned above, the agency is hereby authorized five full-time equivalent positions in each year of the 2002-03 biennium. The salary for the Executive Director of the Office of Rural Community Affairs is hereby authorized to be \$85,000 in each year of the 2002-03 biennium.

*This veto action strikes one year of the appropriation of additional funds to the Office of Rural Community Affairs, limiting the new agency to \$1,000,000 for the 2002-03*



Governor Rick Perry  
June 17, 2001

Veto Proclamation for S.B. No. 1  
Page 9

*biennium. Since each of the programs transferred to the new agency receive administrative funding, \$1,000,000 is sufficient to cover transition expenses.*

Sec. 11.01. **Judicial Salaries.** The following courts and agencies are hereby appropriated out of the General Revenue Fund amounts for the purpose of providing salary increases of ~~\$3,416,369~~ in fiscal year 2002 and \$6,832,658 in fiscal year 2003 and additional benefits of ~~\$1,537,982~~ in fiscal year 2002 and \$3,167,353 in fiscal year 2003.

(a) Appropriated amounts are to be allocated as follows:

Supreme Court	<del>\$50,850</del>	\$ 101,700
Court of Criminal Appeals	<del>\$50,850</del>	\$ 101,700
First Court of Appeals, Houston	<del>\$48,312</del>	\$ 96,615
Second Court of Appeals, Fort Worth	<del>\$37,576</del>	\$ 75,145
Third Court of Appeals, Austin	<del>\$32,208</del>	\$ 64,410
Fourth Court of Appeals, San Antonio	<del>\$37,576</del>	\$ 75,145
Fifth Court of Appeals, Dallas	<del>\$69,784</del>	\$ 139,555
Sixth Court of Appeals, Texarkana	<del>\$16,104</del>	\$ 32,205
Seventh Court of Appeals, Amarillo	<del>\$21,472</del>	\$ 42,940
Eighth Court of Appeals, El Paso	<del>\$21,472</del>	\$ 42,940
Ninth Court of Appeals, Beaumont	<del>\$16,104</del>	\$ 32,205
Tenth Court of Appeals, Waco	<del>\$16,104</del>	\$ 32,205
Eleventh Court of Appeals, Eastland	<del>\$16,104</del>	\$ 32,205
Twelfth Court of Appeals, Tyler	<del>\$16,104</del>	\$ 32,205
Thirteenth Court of Appeals, Corpus Christi	<del>\$32,208</del>	\$ 64,410
Fourteenth Court of Appeals, Houston	<del>\$48,312</del>	\$ 96,615
Judiciary Section, Comptroller's Department, Strategy A.1.1 District Judge Salaries 1	<del>\$2,125,530</del>	\$ 4,251,060
Judiciary Section, Comptroller's Department, Strategy A.1.5 Professional Prosecutor Salaries 2	<del>\$686,475</del>	\$ 1,372,950
Judiciary Section, Comptroller's Department, Strategies A.1.4. and A.1.8 District Attorney and Felony Prosecutor Salaries	<del>\$73,224</del>	\$ 146,448
Subtotal, Salaries	<del>\$3,416,369</del>	\$ 6,832,658
Employees Retirement System Contribution to the Judicial Retirement System, Plan 1	<del>\$1,136,679</del>	\$ 2,337,012
Contribution to the Judicial Retirement System, Plan 2	<del>\$401,303</del>	\$ 830,341
Subtotal, JRS Contribution	<del>\$1,537,982</del>	\$ 3,167,353
TOTAL, Salaries and Benefits	<del>\$4,954,351</del>	\$ 10,000,011

(b) The additional funding shall increase salaries to the following amounts:

Chief Justice of the Supreme Court	\$ 120,650	\$ 126,300
Presiding Judge of the Court of Criminal Appeals	\$ 120,650	\$ 126,300
Justices of the Supreme Court	\$ 118,650	\$ 124,300
Judges of the Court of Criminal Appeals	\$ 118,650	\$ 124,300
Chief Justices of the Courts of Appeals	\$ 113,218	\$ 118,585
Justices of the Courts of Appeals	\$ 112,718	\$ 118,085
District Judges	\$ 106,785	\$ 111,870
District Attorneys (Professional Prosecutors Act)	\$ 106,785	\$ 111,870

Governor Rick Perry  
June 17, 2001

Veto Proclamation for S.B. No. 1  
Page 10

District Attorneys	\$ 85,428	\$ 89,496
County Attorney, Oldham County	\$ 56,928	\$ 60,996

*This veto action deletes the first year of the proposed increase in judicial salaries, bringing the total increase more in line with that proposed for state employees.*

Sec. 11.02. **Contingency for House Bill 2.** Contingent upon enactment of House Bill 2, or similar legislation by the Seventy-seventh Legislature, Regular Session, relating to the regulation of political contributions, political expenditures, and political advertising, the Texas Ethics Commission is hereby appropriated \$100,000 in fiscal year 2002 out of the General Revenue Fund for the revision of campaign finance filing guides and instructions, prescribing new forms, making modifications to the electronic filing software and databases, and distribution of new forms, instructions, and software. The appropriation made herein is contingent upon the Comptroller of Public Accounts certifying that funds will be available.

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

Sec. 11.04. **Contingency for Senate Bill 940.** Contingent upon enactment of Senate Bill 940, or similar legislation relating to the establishment of the Joint Admission Medical Program to assist certain economically disadvantaged students in preparing for and succeeding in medical school, by the Seventy-seventh Legislature, Regular Session, an amount of \$1,050,000 in fiscal year 2002 and \$3,124,000 in fiscal year 2003 in general revenue is hereby appropriated to implement the provisions of that legislation. The health-related institutions which participate in the Joint Admission Medical Program shall be allocated a proportionate amount of available funding based upon the provisions set forth in Senate Bill 940.

*HB 2879 appropriated funding for the implementation of Senate Bill 940; consequently, this rider is no longer necessary.*

Sec. 11.12. **Contingency Appropriation, New District Courts.** Contingent on the enactment of House Bill 3171, or similar legislation by the Seventy-seventh Legislature, Regular Session, the Judiciary Section, Comptroller's Department is hereby appropriated out of the General Revenue Fund \$106,785 in fiscal year 2002 and \$111,870 in fiscal year 2003 for each additional district court created effective September 1, 2001 and a pro rata amount out of the General Revenue Fund for each additional district court created with an effective date after September 1, 2001. (Estimated to be \$1,530,585). Also contingent on the enactment of House Bill 3171, or similar legislation, the "Number of Full-Time-Equivalent Positions (FTE)" for the Judiciary Section, Comptroller's Department is hereby increased by 1 FTE in fiscal years 2002 and 2003 for each district court created. (Estimated to be 7 FTEs).

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

Sec. 11.28. **Contingency Appropriation for House Bill 2513.** Contingent upon the enactment of House Bill 2513, or similar legislation relating to financial assistance for persons seeking certification as public school teachers, including revisions to the Teach for Texas Grant program, the State Board for Educator Certification is appropriated \$5,000,000 in General Revenue in each year of the 2002-2003 biennium for the Teach for Texas Alternative Certification Program and \$211,255 in fiscal year 2002 and \$135,255 in fiscal year 2003 for the purpose of implementing the Act; and the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the State Board for Educator Certification is hereby increased by 2.0 in fiscal year 2002 and 2.0 in fiscal year 2003.

Also contingent upon passage of the aforementioned legislation, the Higher Education Coordinating Board is appropriated \$3,000,000 in General Revenue in fiscal year 2002 and \$8,000,000 in General Revenue in fiscal year 2003 for the Teach for Texas Grant Program. Out of this appropriation, the Board may retain \$179,642 in each year 2002 and \$139,642 in fiscal year 2003 for administration of the program. Also contingent upon the enactment of House Bill 2513 or similar legislation, the "Number of Full-time Equivalent Positions" (FTE) figure indicated for the Higher Education Coordinating Board is hereby increased by 4.0 in fiscal year 2002 and 4.0 in fiscal year 2003.



Governor Rick Perry  
June 17, 2001

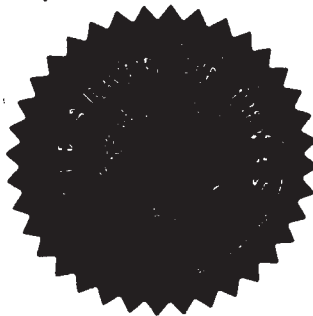
Veto Proclamation for S.B. No. 1  
Page 11

*This veto action deletes a rider that duplicates the provisions of another rider in this Act. Article IX, Sec. 11.20 provides funding for similar programs and activities.*

**Sec. 11.30. Contingent Appropriation for House Bill 3452.** Contingent upon the enactment of House Bill 3452 and the transfer of the funds in the Smart Jobs Trust Fund 891 to a new general revenue-dedicated account, the Texas Workforce Commission is hereby appropriated an amount from the new general revenue-dedicated account necessary to bring the balance of the Unemployment Compensation Fund from a deficit to the designated floor amount. The Texas Workforce Commission must have received authorization from the Legislative Budget Board and the Governor to access the amount requested for the appropriation to be available for transfer to the Unemployment Compensation Fund.

*This veto action deletes a rider that was contingent upon proposed legislation that did not pass.*

I have signed Senate Bill No. 1 together with this proclamation stating my objections to individual items of appropriation therein. In accordance with Article IV, Section 14 of the Texas Constitution, individual items of appropriation objected to shall be of no force or effect. The remaining portions of the bill shall be effective according to its terms. Since the Legislature by its adjournment has prevented the return of this bill, I am filing this bill and these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuella*  
Henry Cuella, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
11:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 144 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 144 was crafted inappropriately to except a group of chiropractors from health licensure. Licensure standards should be applied consistently.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 161 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 161 is unnecessary because Texas can already provide the services outlined in the legislation without additional statutory authority. The state already offers two critical transitional services to all those leaving the Temporary Assistance for Needy Families welfare-to-work program: child care and health insurance. Furthermore, this bill has considerable fiscal implications that were not funded in the state's budget.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'Clock

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 173 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 173 would prohibit persons from paying a percentage of a cash bond as local authorities now permit. Local authorities should decide the procedures they want to use for bonds.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 279 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 279 would repeal provisions enacted during the 76th Legislature which made confidential certain information gathered by the Texas Department of Health under subpoena or compiled in connection with a complaint and investigation. Information obtained through a subpoena should remain confidential.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 350 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 350 restates authority that school districts already have under current law to pay contractors at rates established by the locally elected board of trustees and is thus unnecessary.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 354 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 354 would deny local government corporations the ability to choose the least expensive and most effective procurement method.

There is evidence that design-build and build-operate approaches have saved time and money on certain public works projects with no loss of quality. Enactment of this bill would curtail local government corporations' effectiveness as economic development entities.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State







RECEIVED  
SECRETARY OF SENATE

'01 MAY 26 P6:32

OFFICIAL MEMORANDUM  
STATE OF TEXAS  
OFFICE OF THE GOVERNOR

MESSAGE

TO THE MEMBERS OF THE SENATE AND HOUSE OF REPRESENTATIVES  
OF THE SEVENTY-SEVENTH TEXAS LEGISLATURE, REGULAR SESSION:

Pursuant to Article IV, Section 14 of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove and veto Senate Bill No. 424 of the 77th Legislature, Regular Session, due to the following objections:

Senate Bill No. 424 requires the development of a statewide strategic health plan; however, the specific directions in this bill relate only to border health issues. I concur that these are issues that need the attention of the state. However, effective solutions should also involve the cooperation and the commitment of the United Mexican States. My disapproval of this bill is based upon the limited directives for the development of a strategic health plan and the failure to include a binational approach to developing the plan.

During the next fiscal year the Texas Department of Health will be undergoing a major reorganization. I will direct the department to develop proposals for the development of a state strategic health plan. The collection of the data directed in this bill is already a function of the respective agencies and should continue.

Since you remain gathered in regular session and continue to conduct formal business, I am delivering this disapproval message directly to you along with the official enrolled copy of the bill.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 26th day of May, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*

Henry Cuellar, Ph.D.  
Secretary of State

May 26, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
7:30 P.M. O'CLOCK

MAY 26 2001

*Henry Cuellar*  
Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 512 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 512 erodes the constitutional power of the State Board of Education. By establishing an investment advisory committee appointed by officers of the legislature and allowing the comptroller to have the power to void agreements entered into by the State Board of Education, Senate Bill No. 512 would alter the balance of power constitutionally vested in the board to make decisions regarding the Permanent School Fund.

The State Board of Education must remain vigilant in its efforts to act responsibly in all actions and avoid even the slightest appearance of impropriety, particularly with respect to the Permanent School Fund. In doing so, the Board should adopt ethics provisions similar to those in the proposed legislation and the Subcommittee on Finance should undertake its own actions to obtain expert advice on investment decisions.

The Chair of the State Board of Education and the Commissioner of Education are gubernatorial appointees. They have the constitutional and statutory authority necessary to enact many of the provisions of Senate Bill No. 512 to ensure fiduciary responsibility, sound investment practices, and the integrity of the investment process. It is by these means that the proposed changes to the practices and procedures of the State Board of Education should be addressed.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:  
*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State

June 17, 2001  
Austin, Texas



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 516 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 516 would compromise the integrity of the medical licensure act by allowing a person who failed one portion of the medical licensure exam to retake that portion up to six times if they agree to practice in a rural community with a population of less than 50,000. I support efforts to provide needed and qualified relief to rural physicians, but I cannot support the provision of substandard care to rural counties.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 575 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 575 would exempt certain programs from the Texas Youth Camp Safety and Health Act. The need for this exemption has not been demonstrated at this time.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cueljar*  
Henry Cueljar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 697 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 697 permits the imposition of a registration requirement and a fee on private-sector engineers who are currently exempt from licensing. The state should not take action that would exacerbate the current shortage of engineers in Texas.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuelar*  
Henry Cuelar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 730 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 730 limits a peace officer's authority to arrest for a traffic violation to four specific situations. Peace officers should retain their existing authority to use their discretion to arrest for a traffic violation.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 769 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 769 unintentionally conflicts with House Bill No. 596 by referring to provisions of the Family Code which House Bill No. 596 repeals. This conflict creates confusion as to the intent of the legislation and its application.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 791 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 791 would repeal provisions enacted during the 76th Legislature which made certain information gathered by the Texas Department of Health under subpoena or compiled in connection with a complaint and investigation confidential. Information gathered by a regulatory agency through subpoena should retain some degree of confidentiality.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 846 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 846 would undermine local control over municipal payroll deductions by mandating that certain municipalities provide for certain payroll deductions. Those municipalities currently have the authority to do so and the state should not require that they exercise that authority.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

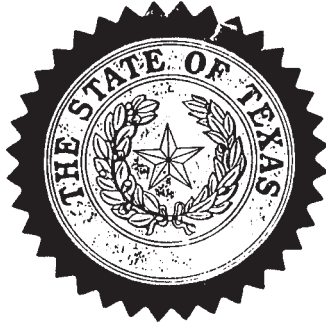
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TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 904 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 904 would discourage victims of family violence from reporting abuse and would undermine recent efforts to encourage these victims to seek the protection they need.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



PROCLAMATION  
BY THE  
Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1156 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

I support consolidating more of the Medicaid program at the Health and Human Services Commission. This consolidation, which is already authorized under existing law, will provide more oversight and greater opportunity for program efficiency. Therefore, I am directing the commission to proceed with the consolidation plans.

However, Senate Bill No. 1156 would also require numerous programmatic changes, including the development and implementation of several demonstration projects, that must be conducted concurrently with the reorganization. Over the next few months, the commission's primary focus must be on ensuring sound and effective management of the Medicaid program as well as implementing other legislation, such as simplifying eligibility and enrollment for children.

The commission may, after appropriate public hearing and complete fiscal analysis, also pursue proposals included within this bill that will improve the health of Texans, yield cost savings and increase program efficiency and effectiveness.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State

June 17, 2001  
Austin, Texas





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1210 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 1210 is overly broad, vague, and restricts the ability of judges across the state to hire qualified judicial clerks, who are instrumental to the functioning of courts.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1224 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 1224 attempts to improve public safety but is overly broad and would result in restraint of trade. Additionally, it would give bail bond companies the power to make arrests under certain circumstances.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1411 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 1411 is unnecessary as it contains provisions substantially similar to provisions included in House Bill No. 3507, which I have signed into law.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

JUN 17 2001

Secretary of State





**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1654 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Although Senate Bill No. 1654 is ostensibly aimed at protecting consumers, I am concerned that its practical effect will be to invite litigation, which, in turn, would ultimately increase costs to the very consumers it seeks to protect.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*

Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
10:30 P.M. O'CLOCK

**JUN 17 2001**

Secretary of State



**PROCLAMATION**  
BY THE  
**Governor of the State of Texas**

---

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 1713 passed by the Seventy-Seventh Texas Legislature, Regular Session, because of the following objections:

Senate Bill No. 1713 authorizes peace officers from other states to possess their weapons at any time and in any place in Texas, like Texas peace officers may, without consideration of reciprocity with other states.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 17th day of June, 2001.

*Rick Perry*  
Rick Perry  
Governor of Texas

ATTESTED BY:

*Henry Cuellar*  
Henry Cuellar, Ph.D.  
Secretary of State

June 17, 2001  
Austin, Texas

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
*10:20 P.M.* O'CLOCK

**JUN 17 2001**

Secretary of State



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