

HOUSE JOURNAL

EIGHTY-EIGHTH LEGISLATURE, REGULAR SESSION

PROCEEDINGS

SEVENTY-FOURTH DAY — SUNDAY, MAY 28, 2023

The house met at 1:36 p.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 2196).

Present — Mr. Speaker(C); Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Wilson; Wu; Zwiener.

Absent, Excused — Garcia; Shaheen.

Absent — Herrero; Walle.

The invocation was offered by the Reverend Jakob N. Hurlimann, chaplain, as follows:

Lord God, father of nations, in ages past you promised to send your spirit into the hearts of your people, and in these days have fulfilled that same promise. Grant that all who have dedicated themselves to service of you and to your people by gathering to enact legislation may receive a fresh outpouring of that same spirit. Grant unto them the gifts of that spirit, of wisdom, of understanding, counsel, of fortitude, knowledge, of piety, and fear of the Lord. We ask this through Christ our Lord. Amen.

The chair recognized Representative Troxclair who led the house in the pledges of allegiance to the United States and Texas flags.

LEAVES OF ABSENCE GRANTED

The following member was granted leave of absence for today because of illness:

Garcia on motion of Campos.

The following member was granted leave of absence for today because of important family matters:

Shaheen on motion of Patterson.

HR 2466 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 2466**, suspending the limitations on the conferees for **HB 9**.

HR 2470 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 2470**, suspending the limitations on the conferees for **HB 5344**.

HR 2439 - ADOPTED

(by Bryant, Rogers, Lambert, Ashby, and Slawson)

Representative Bryant moved to suspend all necessary rules to take up and consider at this time **HR 2439**.

The motion prevailed.

The following resolution was laid before the house:

HR 2439, In memory of former U.S. Congressman Charlie Stenholm of Granbury.

The chair recognized Representative Bryant who addressed the house, speaking as follows:

Today, I'm joined by Representatives Stan Lambert, Shelby Slawson, and Glenn Rogers—each of whom, at one time or another, have represented the home of the person whom we are gathering to honor. We are gathered here to memorialize the life and the career of a good friend of 50 years, a great Texan, and a true son of West Texas, former United States Congressman Charles Stenholm of Stamford—more recently of Granbury.

Congressman Charlie Stenholm was known nationally as a major architect of the nation's agricultural policy, both while in office and out of office. He was born in Stamford—Jones County—and grew up on the family farm in the Swedish Lutheran community of Ericksdahl. He graduated from Stamford High School, where he was active in sports and the Future Farmers of America. He participated on two state championship football teams and earned the highest FFA honor, the Lone Star Degree. As a graduate of Texas Tech, he taught school in Avoca, Texas, while helping his father grow cotton and wheat and raise cattle on the family farm. He then began his career in public policy as an advocate for the Rolling Plains Cotton Growers Association. Later, Charlie served as president

of the Texas Rural Electric Cooperative Association. In 1978, he was elected to represent the 17th Congressional District of Texas—a sprawling West Texas district, and one that gave him the opportunity in Congress to become an ardent champion of rural Texas. He played a key role in shaping and passing every farm bill during his 26 years of public service. In the 1980s, he helped formulate legislation that rescued the Farm Credit System from financial distress. In the 1990s, he assisted in drafting legislation that reorganized the U.S. Department of Agriculture. He worked across the aisle with Congressman Larry Combest of Lubbock to win passage of a farm bill that doubled subsidies for Texas agribusiness. They also worked together on many other rural and farm related pieces of legislation. Charlie was instrumental in reforming the Federal Crop Insurance System to better protect farmers and their families.

In the early 1980s, he helped garner democratic support for President Reagan's tax cuts. Charlie was a fervent advocate of a balanced budget. He was a conservative democrat, a founder of the Blue Dog Coalition, but he was well known for his ability to work across the aisle—always staying gentle, calm, and patient no matter how heated the discussion was. He had earned a well-deserved reputation for building bipartisan alliances on policy issues including agriculture, energy, budget, rural health care, and Social Security. Charlie often said, "Compromise is not a four-letter word." He valued the opinions of others, but he stood firmly by his principles even when inconvenient, even when politically risky. He remained very close to his commonsense upbringing, saying that whenever he strayed too far into a Washington mindset, he went home and spent some time on the farm. "I do my best thinking on the back of my tractor back home in Stamford," he was quoted as saying.

After public office, Charlie was a senior policy advisor for the OFW law firm and board member of the Concord Coalition and the Committee for a Responsible Budget. He moved to Granbury in 2010, where he gradually retired. During that time, he taught a weekly class on agriculture and energy policy at Tarleton State, attended Bible study, wrote news articles, tracked the weather, and spent time with his wife, Cindy, and the rest of his fine family. He was an individual that devoted his career to the advancement of farming and rural communities, and although he is deeply missed, his exceptional contributions will continue to resonate in the years to come.

Today, we offer our condolences to his wife, Cindy, and his children: Chris, Carey, and Courtney, and all the rest of his Stenholm family and his friends. We celebrate a life of service—a life well lived.

HR 2439 was unanimously adopted by a rising vote.

On motion of Representative Lambert, the names of all the members of the house were added to **HR 2439** as signers thereof.

HR 2371 - ADOPTED
(by Button)

Representative Button moved to suspend all necessary rules to take up and consider at this time **HR 2371**.

The motion prevailed.

The following resolution was laid before the house:

HR 2371, In memory of McCarley Jean Rutledge.

HR 2371 was unanimously adopted by a rising vote.

REMARKS ORDERED PRINTED

Representative Turner moved to print remarks by Representative Bryant on **HR 2439**.

The motion prevailed.

HR 617 - INTRODUCTION OF GUEST

The chair recognized Representative Hinojosa who introduced David Cabrera.

HR 2434 - ADOPTED
(by Burns)

Representative Burns moved to suspend all necessary rules to take up and consider at this time **HR 2434**.

The motion prevailed.

The following resolution was laid before the house:

HR 2434, Honoring retired Arlington assistant police chief Kevin Kolbye for his contributions to law enforcement.

HR 2434 was adopted.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for today because of important business in the district:

Herrero on motion of Martinez Fischer.

HR 2337 - ADOPTED
(by C. Bell)

Representative C. Bell moved to suspend all necessary rules to take up and consider at this time **HR 2337**.

The motion prevailed.

The following resolution was laid before the house:

HR 2337, Congratulating actor, artist, and advocate Buck Taylor on his 85th birthday.

HR 2337 was read and was adopted.

INTRODUCTION OF GUEST

The chair recognized Representative C. Bell who introduced Buck Taylor.

**HR 2328 - ADOPTED
(by Hinojosa)**

Representative Hinojosa moved to suspend all necessary rules to take up and consider at this time **HR 2328**.

The motion prevailed.

The following resolution was laid before the house:

HR 2328, Honoring Helen Kent-Davis for her 25 years of advocacy on women's and children's health issues in Texas.

HR 2328 was adopted.

**SCR 22 - ADOPTED
(Metcalf - House Sponsor)**

Representative Metcalf moved to suspend all necessary rules to take up and consider at this time **SCR 22**.

The motion prevailed.

The following resolution was laid before the house:

SCR 22, Authorizing the creation and appointment of joint legislative study committees by the lieutenant governor and speaker of the House of Representatives.

SCR 22 was adopted by (Record 2197): 139 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker(C); Hull.

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Campos; King, T.; Rogers; Thompson, S.; Walle.

STATEMENT OF VOTE

When Record No. 2197 was taken, I was in the house but away from my desk. I would have voted yes.

Rogers

HR 2471 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 2471**, suspending the limitations on the conferees for **HJR 125**.

HR 2472 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 2472**, suspending the limitations on the conferees for **SB 28**.

HR 2473 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 2473**, suspending the limitations on the conferees for **SJR 75**.

HR 2477 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 2477**, suspending the limitations on the conferees for **HB 4635**.

(Patterson in the chair)

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 1).

BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, House List Nos. 35 and 36).

(Walle now present)

HR 2422 - ADOPTED (by Anderson)

The following privileged resolution was laid before the house:

HR 2422

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the

conference committee appointed to resolve the differences on **SB 1893** (prohibiting the use of certain social media applications and services on devices owned or leased by governmental entities) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 1 of the bill, in added Section 620.001(1)(B), Government Code, by striking "by executive order" and substituting "by proclamation".

Explanation: The change is necessary to ensure the proper method by which the governor specifies a social media application as a covered application.

(2) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 1 of the bill, in added Section 620.001(2)(B), Government Code, between "a court of appeals," and "or the Texas Judicial Council", by inserting "a district court,".

Explanation: The change is necessary to ensure that district courts comply with the Act.

(3) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 1 of the bill, in the heading to added Section 620.005, Government Code, by striking "ORDER" and substituting "PROCLAMATION".

Explanation: The change is necessary to ensure the proper method by which the governor specifies a social media application as a covered application.

(4) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 1 of the bill, in added Section 620.005, Government Code, by striking "executive order" and substituting "proclamation".

Explanation: The change is necessary to ensure the proper method by which the governor specifies a social media application as a covered application.

HR 2422 was adopted by (Record 2198): 132 Yeas, 2 Nays, 3 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, K.; Bernal; Bhojani; Bonnen; Bryant; Buckley; Bucy; Bumgarner; Burns; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; Dorazio; Flores; Frank; Frazier; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harris, C.E.; Harrison; Hayes; Hefner; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, T.; Kitzman; Klick; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schofield;

Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Walle; Wilson; Wu; Zwiener.

Nays — Burrows; Harris, C.J.

Present, not voting — Mr. Speaker; Harless; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Bell, C.; Bowers; DeAyala; Dutton; Hernandez; King, K.; Kuempel; Schatzline; Vo.

STATEMENTS OF VOTE

When Record No. 2198 was taken, I was shown voting no. I intended to vote yes.

C.J. Harris

When Record No. 2198 was taken, I was in the house but away from my desk. I would have voted yes.

Kuempel

SB 1893 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Anderson submitted the conference committee report on **SB 1893**.

Representative Anderson moved to adopt the conference committee report on **SB 1893**.

The motion to adopt the conference committee report on **SB 1893** prevailed by (Record 2199): 139 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson.

Nays — Wu; Zwiener.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Bryant; Frazier; Kuempel.

STATEMENTS OF VOTE

When Record No. 2199 was taken, I was in the house but away from my desk. I would have voted yes.

Bryant

When Record No. 2199 was taken, I was in the house but away from my desk. I would have voted yes.

Frazier

When Record No. 2199 was taken, I was in the house but away from my desk. I would have voted yes.

Kuempel

SB 1445 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Goldman submitted the conference committee report on **SB 1445**.

Representative Goldman moved to adopt the conference committee report on **SB 1445**.

The motion to adopt the conference committee report on **SB 1445** prevailed by (Record 2200): 138 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Tinderholt.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Bryant; Frazier; Harris, C.J.; Muñoz; Thompson, S.

STATEMENTS OF VOTE

When Record No. 2200 was taken, I was in the house but away from my desk. I would have voted yes.

Bryant

When Record No. 2200 was taken, I was in the house but away from my desk. I would have voted yes.

Frazier

When Record No. 2200 was taken, I was in the house but away from my desk. I would have voted yes.

S. Thompson

HB 3297 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative C.J. Harris submitted the following conference committee report on **HB 3297**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3297** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Middleton
Hall
Huffman
Hughes
Nichols

C.J. Harris
Bucy
Goldman
Moody
Vasut

On the part of the senate

On the part of the house

HB 3297, A bill to be entitled An Act relating to the elimination of regular mandatory vehicle safety inspections for noncommercial vehicles and the imposition of replacement fees.

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

SECTION 1. Section 382.0622(a), Health and Safety Code, is amended to read as follows:

(a) Clean Air Act fees consist of:

(1) fees collected by the commission under Sections 382.062, 382.0621, 382.202, and 382.302 and as otherwise provided by law;

(2) each amount described by Sections 548.510(d)(3) and (e)(3)
~~[\$2 from the portion of each fee collected for inspections of vehicles other than mopeds and remitted to the state under Sections 548.501 and 548.503],~~
Transportation Code; and

(3) fees collected that are required under Section 185 of the federal Clean Air Act (42 U.S.C. Section 7511d).

SECTION 2. Section 382.202, Health and Safety Code, is amended by amending Subsection (d) and adding Subsection (e-1) to read as follows:

(d) On adoption of a resolution by the commission and after proper notice, the Department of Public Safety of the State of Texas shall implement a system that requires, ~~[as a condition of obtaining a passing vehicle inspection report issued under Subchapter C, Chapter 548, Transportation Code,]~~ in a county that is included in a vehicle emissions inspection and maintenance program under Subchapter F, Chapter 548, Transportation Code ~~[of that chapter,~~ that a motor vehicle registered in this state ~~[the vehicle]~~, unless the vehicle is not covered by the system, be annually or biennially inspected under the vehicle emissions inspection and maintenance program as required by the state's air quality state implementation plan. The Department of Public Safety shall implement such a system when it is required by any provision of federal or state law, including any provision of the state's air quality state implementation plan.

(e-1) The portion of a fee imposed under Subsection (e) that is not authorized to be retained by an inspection station must be collected as provided by Section 548.509, Transportation Code.

SECTION 3. Section 382.203(c), Health and Safety Code, is amended to read as follows:

(c) The Department of Public Safety of the State of Texas by rule may waive program requirements, in accordance with standards adopted by the commission, for certain vehicles and vehicle owners, including:

(1) the registered owner of a vehicle who cannot afford to comply with the program, based on reasonable income standards;

(2) a vehicle that cannot be brought into compliance with emissions standards by performing repairs;

(3) a vehicle:

(A) on which at least \$100 has been spent to bring the vehicle into compliance; and

(B) that the department~~[-~~

~~[(+)] can verify is driven an average of less than 5,000 miles each year [was driven fewer than 5,000 miles since the last safety inspection; and~~

~~[(ii) reasonably determines will be driven fewer than 5,000 miles during the period before the next safety inspection is required]; and~~

(4) a vehicle for which parts are not readily available.

SECTION 4. Section 502.0024, Transportation Code, is amended to read as follows:

Sec. 502.0024. EXTENDED REGISTRATION OF CERTAIN TRAILERS [VEHICLES NOT SUBJECT TO INSPECTION]. (a) Notwithstanding Section 502.044(c), the department shall develop and implement a system of registration to allow an owner of a trailer, semitrailer, or pole trailer having an actual gross weight or registered gross weight of 7,500 pounds or less [vehicle described by Section 548.052(3) other than a mobile home] to register the vehicle for an extended registration period of not more than five years. The owner may select

the number of years for registration under this section within that range and register the vehicle for that period. Payment for all applicable fees, including any optional fee imposed under Subchapter H and other registration fees and the fee required by Section 548.510, for the entire registration period selected is due at the time of registration.

(b) The fee required by Section 548.510 shall be remitted to the comptroller for deposit in the Texas mobility fund, the general revenue fund, and the clean air account in amounts proportionate to the allocation prescribed by Subsection (d) [~~(b)~~] of that section.

(c) The fees imposed under Subchapter H shall be collected and remitted as prescribed by that subchapter.

SECTION 5. Sections 502.0025(d) and (e), Transportation Code, are amended to read as follows:

(d) A motor vehicle, semitrailer, or trailer registered under this section is subject to any applicable [~~the~~] inspection requirements of Chapter 548 as if the vehicle, semitrailer, or trailer were registered without an extended registration period.

(e) The department shall adopt rules to implement this section, including rules:

(1) regarding the suspension of an exempt county fleet's registration under this section if the owner of the exempt county fleet fails to comply with this section or rules adopted under this section; and

(2) establishing a method to enforce applicable [~~the~~] inspection requirements of Chapter 548 for motor vehicles, semitrailers, and trailers registered under this section.

SECTION 6. Section 502.047(a), Transportation Code, is amended to read as follows:

(a) Except as provided by Chapter 548, the department and the Department of Public Safety shall ensure compliance with [~~the~~] motor vehicle inspection requirements under Chapter 548[~~, including compliance with the motor vehicle emissions inspection and maintenance program under Subchapter F of that chapter,~~] through a vehicle registration-based enforcement system.

SECTION 7. Section 502.092(c), Transportation Code, is amended to read as follows:

(c) A person may obtain a permit under this section by:

(1) applying to the department in a manner prescribed by the department;

(2) paying a fee equal to 1/12 the registration fee prescribed by this chapter for the vehicle;

(3) furnishing satisfactory evidence that the motor vehicle is insured under an insurance policy that complies with Section 601.072 and that is written by:

(A) an insurance company or surety company authorized to write motor vehicle liability insurance in this state; or

(B) with the department's approval, a surplus lines insurer that meets the requirements of Chapter 981, Insurance Code, and rules adopted by the commissioner of insurance under that chapter, if the applicant is unable to obtain insurance from an insurer described by Paragraph (A); and

(4) furnishing evidence that the vehicle has been inspected if [as] required under Chapter 548.

SECTION 8. Section 502.094(e), Transportation Code, is amended to read as follows:

(e) A vehicle issued a permit under this section is subject to [~~Subchapters B and F,~~] Chapter 548, unless the vehicle:

(1) is registered in another state of the United States, in a province of Canada, or in a state of the United Mexican States; or

(2) is mobile drilling or servicing equipment used in the production of gas, crude petroleum, or oil, including a mobile crane or hoisting equipment, mobile lift equipment, forklift, or tug.

SECTION 9. Section 502.146(d), Transportation Code, is amended to read as follows:

(d) A vehicle described by Subsection (b) is exempt from the inspection requirements of Subchapter [~~Subchapters B and~~] F, Chapter 548.

SECTION 10. Section 547.601, Transportation Code, is amended to read as follows:

Sec. 547.601. SAFETY BELTS REQUIRED. A motor vehicle [~~required by Chapter 548 to be inspected~~] shall be equipped with:

(1) front safety belts if safety belt anchorages were part of the manufacturer's original equipment on the vehicle; or

(2) for a motor vehicle that is an assembled vehicle, as defined by Section 731.001, front safety belts in vehicles that contain safety belt anchorages.

SECTION 11. The heading to Chapter 548, Transportation Code, is amended to read as follows:

CHAPTER 548. [~~COMPULSORY~~] INSPECTION OF VEHICLES

SECTION 12. Section 548.001(10), Transportation Code, is amended to read as follows:

(10) "Vehicle inspection report" means a report issued by an inspector or an inspection station for a vehicle that indicates whether the vehicle has passed an inspection [~~the safety and, if applicable, emissions inspections~~] required by this chapter.

SECTION 13. Section 548.006(b), Transportation Code, is amended to read as follows:

(b) The members of the commission shall appoint seven members of the committee as follows:

(1) four persons to represent inspection station owners and operators[~~; with two of those persons from counties conducting vehicle emissions testing under Subchapter F and two of those persons from counties conducting safety only inspections~~];

(2) one person to represent manufacturers of motor vehicle emissions inspection devices;

(3) one person to represent independent vehicle equipment repair technicians; and

(4) one person to represent the public interest.

SECTION 14. Section 548.053, Transportation Code, is transferred to Subchapter E, Chapter 548, Transportation Code, redesignated as Section 548.255, Transportation Code, and amended to read as follows:

Sec. 548.255 [~~548.053~~]. REINSPECTION OF VEHICLE REQUIRING ADJUSTMENT, CORRECTION, OR REPAIR. ~~[(a)]~~ If an inspection discloses the necessity for adjustment, correction, or repair, an inspection station or inspector may not issue a passing vehicle inspection report until the adjustment, correction, or repair is made. The owner of the vehicle may have the adjustment, correction, or repair made by a qualified person of the owner's choice, subject to reinspection. The vehicle shall be reinspected once free of charge within 15 days after the date of the original inspection, not including the date the original inspection is made, at the same inspection station after the adjustment, correction, or repair is made.

~~[(b) A vehicle that is inspected and is subsequently involved in an accident affecting the safe operation of an item of inspection must be reinspected following repair. The reinspection must be at an inspection station and shall be treated and charged as an initial inspection.]~~

SECTION 15. Section 548.105, Transportation Code, is transferred to Subchapter E, Chapter 548, Transportation Code, and redesignated as Section 548.2521, Transportation Code, to read as follows:

Sec. 548.2521 [~~548.105~~]. EVIDENCE OF FINANCIAL RESPONSIBILITY AS PREREQUISITE TO ISSUANCE OF PASSING VEHICLE INSPECTION REPORT. (a) An inspection station or inspector may not issue a passing vehicle inspection report for a vehicle unless the owner or operator furnishes evidence of financial responsibility at the time of inspection. Evidence of financial responsibility may be shown in the manner specified under Section 601.053(a). A personal automobile insurance policy used as evidence of financial responsibility must be written for a term of 30 days or more as required by Section 1952.054, Insurance Code.

(b) An inspection station is not liable to a person, including a third party, for issuing a passing vehicle inspection report in reliance on evidence of financial responsibility furnished to the station. An inspection station that is the seller of a motor vehicle may rely on an oral insurance binder.

SECTION 16. Sections 548.203(a) and (b), Transportation Code, are amended to read as follows:

(a) The commission by rule may exempt a type of commercial motor vehicle from the application of this subchapter if the vehicle:

(1) was manufactured before September 1, 1995;

(2) is operated only temporarily on a highway of this state and at a speed of less than 30 miles per hour; and

(3) complies with [~~Section 548.051 and~~] each applicable provision in Title 49, Code of Federal Regulations.

(b) A [Notwithstanding Subchapter B, a] commercial motor vehicle is not subject to the inspection requirements of this chapter if the vehicle:

- (1) is not domiciled in this state;
- (2) is registered in this state or under the International Registration Plan as authorized by Section 502.091; and
- (3) has been issued a certificate of inspection in compliance with federal motor carrier safety regulations.

SECTION 17. Subchapter E, Chapter 548, Transportation Code, is amended by adding Section 548.257 to read as follows:

Sec. 548.257. TIMING OF INSPECTION FOR REGISTRATION-BASED ENFORCEMENT. The department shall require a vehicle required to be inspected under this chapter to pass the required inspection:

- (1) for initial registration, not earlier than 90 days before the date of registration;
- (2) for a renewal of registration, not earlier than 90 days before the date of expiration of the vehicle's registration;
- (3) if the vehicle is a used motor vehicle sold by a dealer, as defined by Section 503.001, in the 180 days preceding the date the dealer sells the vehicle;
or
- (4) if the vehicle is subject to the federal motor carrier safety regulations, in a period that complies with those regulations.

SECTION 18. Section 548.505(a), Transportation Code, is amended to read as follows:

(a) The department by rule may impose an inspection fee for a vehicle inspected under Section 548.301(a) in addition to a fee adopted under Section 382.202, Health and Safety Code ~~[the fee provided by Section 548.501, 548.502, 548.503, or 548.504]~~. A fee imposed under this subsection must be based on the costs of:

- (1) providing inspections; and
- (2) administering the program.

SECTION 19. Section 548.508, Transportation Code, is amended to read as follows:

Sec. 548.508. DISPOSITION OF FEES. Except as provided by Sections 382.0622 and 382.202, Health and Safety Code, and Sections [Section] 548.5055 and 548.510 of this code, each fee remitted to the comptroller under this subchapter shall be deposited to the credit of the Texas mobility fund.

SECTION 20. Section 548.509, Transportation Code, is amended to read as follows:

Sec. 548.509. COLLECTION OF FEE DURING REGISTRATION. (a) The Texas Department of Motor Vehicles or a county assessor-collector that registers a motor vehicle that is subject to an inspection fee under this chapter or Section 382.202, Health and Safety Code, or a replacement fee under Section 548.510 of this code shall collect at the time of registration of the motor vehicle the portion of the inspection fee that is required to be remitted to the state.

(b) The Texas Department of Motor Vehicles or the county assessor-collector shall remit the fee to the comptroller.

SECTION 21. Section 548.510, Transportation Code, is amended to read as follows:

Sec. 548.510. INSPECTION PROGRAM REPLACEMENT FEE [FOR CERTAIN VEHICLES NOT SUBJECT TO INSPECTION; COLLECTION OF FEE DURING REGISTRATION]. (a) Except as provided by Subsections (b) and (c), in addition to other fees imposed at the time of registration, at the time of application for initial registration or renewal of registration of a motor vehicle, trailer, semitrailer, pole trailer, or mobile home, the applicant shall pay an annual fee of \$7.50.

(b) Instead of the fee provided by Subsection (a), an applicant shall pay a one-time fee of \$16.75 if the application is for the initial registration of a passenger car or light truck that:

(1) is sold in this state or purchased by a commercial fleet buyer described by Section 501.0234(b)(4) for use in this state;

(2) has not been previously registered in this or another state; and

(3) on the date of sale is of the current model year or preceding model year.

(c) An applicant who pays a fee under Subsection (b) for a registration year is not required to pay a fee under Subsection (a) for the next registration year for the same vehicle.

(d) [A vehicle described by Section 548.052(3) that has an actual gross weight or registered gross weight of more than 4,500 pounds is subject to a fee in the amount of \$7.50.

[(b) The Texas Department of Motor Vehicles or a county assessor-collector that registers a vehicle described by Subsection (a) shall collect at the time of registration of the vehicle the fee prescribed by Subsection (a). The Texas Department of Motor Vehicles or the county assessor-collector, as applicable, shall remit the fee to the comptroller.] Each fee paid [remitted to the comptroller] under Subsection (a) [this section] shall be deposited by the comptroller after receipt under Section 548.509 as follows:

(1) \$3.50 to the credit of the Texas mobility fund;

(2) \$2 to the credit of the general revenue fund; and

(3) \$2 to the credit of the clean air account.

(e) Each fee paid under Subsection (b) shall be deposited by the comptroller after receipt under Section 548.509 as follows:

(1) \$12.75 to the credit of the Texas mobility fund;

(2) \$2 to the credit of the general revenue fund; and

(3) \$2 to the credit of the clean air account.

(f) A [(e) The] fee collected under this section [Subsection (a)] is not a motor vehicle registration fee and the revenue collected from the fee is not required to be used for a purpose specified by Section 7-a, Article VIII, Texas Constitution.

SECTION 22. Subchapter H, Chapter 548, Transportation Code, is amended by adding Section 548.511 to read as follows:

Sec. 548.511. VEHICLES NOT SUBJECT TO INSPECTION PROGRAM REPLACEMENT FEE. Section 548.510 does not apply to:

(1) a vehicle that is being registered under the International Registration Plan as authorized by Section 502.091;

(2) a token trailer that is being registered under Section 502.255, including a token trailer that is being registered for an extended period under Section 502.0023;

(3) a vehicle that is issued a permit under Section 502.094 and is described by Section 502.094(e)(1) or (2);

(4) a former military vehicle that is issued a specialty license plate under Section 504.502;

(5) a log loader vehicle that is issued a specialty license plate under Section 504.506;

(6) farm machinery, road-building equipment, a farm trailer, or a vehicle required to display a slow-moving-vehicle emblem under Section 547.703;

(7) a commercial motor vehicle that is required to be inspected under Subchapter D or that is subject to fees under Section 548.203(c);

(8) a vehicle that is being registered under Section 548.256(b);

(9) a neighborhood electric vehicle, as defined by Section 551.301;

(10) a trailer, semitrailer, pole trailer, or mobile home that:

(A) has an actual gross weight or registered gross weight of 4,500 pounds or less; or

(B) will move under or bear a factory-delivery license plate or in-transit license plate;

(11) a vehicle that will move under or bear a paper dealer in-transit tag, machinery license, disaster license, parade license, prorated tab, one-trip permit, vehicle temporary transit permit, antique license, custom vehicle license, street rod license, temporary 24-hour permit, or permit license; or

(12) a vehicle qualified for a tax exemption under Section 152.092, Tax Code.

SECTION 23. Section 548.603(a), Transportation Code, is amended to read as follows:

(a) A person commits an offense if the person:

(1) presents to an official of this state or a political subdivision of this state a vehicle inspection report or insurance document knowing that the report or document is counterfeit, tampered with, altered, fictitious, issued for another vehicle, issued for a vehicle failing to meet all emissions inspection requirements, or issued in violation of:

(A) this chapter, rules adopted under this chapter, or other law of this state; or

(B) a law of another state, the United States, the United Mexican States, a state of the United Mexican States, Canada, or a province of Canada; or

(2) ~~[with intent to circumvent the emissions inspection requirements seeks an inspection of a vehicle at a station not certified to perform an emissions inspection if the person knows that the vehicle is required to be inspected under Section 548.301; or~~

~~[(3)]~~ knowingly does not comply with an emissions inspection requirement for a vehicle.

SECTION 24. Section 548.604(a), Transportation Code, is amended to read as follows:

(a) A person commits an offense if the person operates or moves a motor vehicle, trailer, semitrailer, pole trailer, or mobile home, or a combination of those vehicles, that is~~+~~

~~[(1)]~~ equipped in violation of this chapter or a rule adopted under this chapter~~;~~ ~~or~~

~~[(2) in a mechanical condition that endangers a person, including the operator or an occupant, or property].~~

SECTION 25. Section 731.101(a), Transportation Code, is amended to read as follows:

(a) In addition to any ~~the~~ inspection required under Chapter 548, an assembled vehicle must pass an inspection conducted by a master technician for the type of assembled vehicle being inspected. The inspection must be conducted before issuance of a title for the assembled vehicle.

SECTION 26. The following provisions of the Transportation Code are repealed:

- (1) the heading to Subchapter B, Chapter 548;
- (2) Sections 548.051 and 548.052;
- (3) the heading to Subchapter C, Chapter 548;
- (4) Sections 548.101, 548.102, 548.103, and 548.104;
- (5) Sections 548.301(d) and 548.3045(b); and
- (6) Sections 548.501, 548.502, and 548.503.

SECTION 27. Not later than January 1, 2025, the Department of Public Safety shall submit to the lieutenant governor and the speaker of the house of representatives a report on changes in the department's expenses and income that result from implementing the changes in law required by this Act, including the increase or decrease, if any, of the number of full-time equivalent employees needed to administer Chapters 547 and 548, Transportation Code, between September 1, 2023, and the date the report is prepared.

SECTION 28. The change in law made by this Act applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 29. This Act takes effect January 1, 2025.

Representative C.J. Harris moved to adopt the conference committee report on **HB 3297**.

The motion to adopt the conference committee report on **HB 3297** prevailed by (Record 2201): 109 Yeas, 32 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Capriglione; Clardy; Cole; Cook; Cortez; Cunningham; Darby; Dean; DeAyala; Dutton; Frank; Frazier; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Howard; Hull; Hunter; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Leach; Leo-Wilson; Longoria; Lopez, J.; Lozano; Lujan; Martinez; Metcalf; Meyer; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Noble; Oliverson; Ordaz; Orr; Paul; Perez; Plesa; Raney; Raymond; Rogers; Rose; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Wilson; Zwiener.

Nays — Anchá; Canales; Collier; Craddick; Davis; Flores; Gámez; González, J.; González, M.; Goodwin; Hernandez; Hinojosa; Isaac; Johnson, J.D.; Jones, V.; Landgraf; Lopez, R.; Martinez Fischer; Meza; Moody; Neave Criado; Ortega; Price; Ramos; Reynolds; Romero; Rosenthal; Sherman; Talarico; Thompson, S.; Walle; Wu.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Bryant; Dorazio; Manuel.

STATEMENTS OF VOTE

When Record No. 2201 was taken, I was shown voting yes. I intended to vote no.

Allison

When Record No. 2201 was taken, I was shown voting yes. I intended to vote no.

Bowers

When Record No. 2201 was taken, I was in the house but away from my desk. I would have voted no.

Bryant

When Record No. 2201 was taken, I was shown voting no. I intended to vote yes.

Isaac

When Record No. 2201 was taken, my vote failed to register. I would have voted no.

Manuel

When Record No. 2201 was taken, I was shown voting no. I intended to vote yes.

Moody

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 2).

HB 3059 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative T. King submitted the following conference committee report on **HB 3059**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3059** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Perry	T. King
Johnson	Kacal
Flores	Price
Kolkhorst	Rogers
Springer	Zwiener
On the part of the senate	On the part of the house

HB 3059, A bill to be entitled An Act relating to the export fee charged for the transfer of groundwater from a groundwater conservation district.

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

SECTION 1. Section 36.122, Water Code, is amended by amending Subsections (e) and (p) and adding Subsections (e-1), (e-2), and (e-3) to read as follows:

(e) Except as provided by Subsection (e-1), the [The] district may impose an export fee or surcharge using one of the following methods:

(1) a fee negotiated between the district and the exporter;

(2) for a tax-based district, a rate not to exceed 20 cents [the equivalent of the district's tax rate per hundred dollars of valuation] for each thousand gallons of water exported from the district [or 2.5 cents per thousand gallons of water, if the district assesses a tax rate of less than 2.5 cents per hundred dollars of valuation]; or

(3) for a fee-based district, a rate not to exceed the greater of 20 cents for each thousand gallons or a 50 percent surcharge, in addition to the district's production fee, for water exported from the district.

(e-1) Effective January 1, 2024, the maximum allowable rate a district may impose for an export fee or surcharge under Subsection (e)(2) or (e)(3) increases by three percent each calendar year.

(e-2) A district governed by a special law in regard to an export fee or surcharge on water exported from the district may charge an export fee or surcharge in accordance with that special law or in accordance with Subsections (e) and (e-1).

(e-3) An export fee or surcharge imposed under Subsection (e) or an increase in an imposed export fee or surcharge is not valid unless it is approved by the board after a public hearing.

(p) Subsections [Subsection] (e), (e-1), and (e-2) do [does] not apply to a district that is collecting an export fee or surcharge on March 1, 2001.

SECTION 2. Section 36.207, Water Code, is amended to read as follows:

Sec. 36.207. USE OF FEES. (a) A district may use funds obtained from administrative, production, or export fees collected under a special law governing the district or this chapter for any purpose consistent with the district's approved management plan, including, without limitation, making grants, loans, or contractual payments to achieve, facilitate, or expedite reductions in groundwater pumping or the development or distribution of alternative water supplies or to maintain the operability of wells significantly affected by groundwater development to allow for the highest practicable level of groundwater production while achieving the desired future conditions established under Section 36.108.

(b) A district may use funds obtained from the amount that an export fee is increased under Section 36.122(e-1) on or after January 1, 2024, only for costs related to assessing and addressing impacts associated with groundwater development, including:

(1) maintaining operability of wells significantly affected by groundwater development;

(2) developing or distributing alternative water supplies; and

(3) conducting aquifer monitoring, data collection, and aquifer science.

SECTION 3. This Act takes effect September 1, 2023.

Representative T. King moved to adopt the conference committee report on **HB 3059**.

The motion to adopt the conference committee report on **HB 3059** prevailed by (Record 2202): 119 Yeas, 25 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Cunningham; Darby; Davis; DeAyala; Dutton; Flores; Frank; Frazier; Gámez; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hunter; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Neave Criado; Noble; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers;

Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Smithee; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Turner; VanDeaver; Vo; Walle; Wu; Zwiener.

Nays — Burns; Cain; Craddick; Dean; Dorazio; Gates; Harris, C.J.; Harrison; Hull; Isaac; Landgraf; Leo-Wilson; Murr; Oliverson; Schaefer; Schatzline; Slawson; Smith; Spiller; Swanson; Tinderholt; Toth; Troxclair; Vasut; Wilson.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

STATEMENTS OF VOTE

When Record No. 2202 was taken, I was shown voting yes. I intended to vote no.

DeAyala

When Record No. 2202 was taken, I was shown voting yes. I intended to vote no.

Hayes

HR 2431 - ADOPTED (by Capriglione)

The following privileged resolution was laid before the house:

HR 2431

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 4** (the regulation of the collection, use, processing, and treatment of consumers' personal data by certain business entities; imposing a civil penalty) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, by omitting added Section 541.001(18)(E), Business & Commerce Code. The omitted text reads:

(E) a subsidiary or affiliate of an entity regulated under Subtitle B, Title 2, Utilities Code

Explanation: The change is necessary to omit certain entities regulated under the Utilities Code from the definition of a nonprofit organization.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 2 of the bill, by adding Section 541.055(f), Business & Commerce Code, to read as follows:

(f) A technology described by Subsection (e):

(1) may not unfairly disadvantage another controller;

(2) may not make use of a default setting, but must require the consumer to make an affirmative, freely given, and unambiguous choice to indicate the consumer's intent to opt out of any processing of a consumer's personal data; and

(3) must be consumer-friendly and easy to use by the average consumer.

Explanation: The change is necessary to ensure the bill's requirements are in line with existing technology and the laws and standards of other state data privacy laws.

(3) House Rule 13, Section 9(a)(1), is suspended to permit the committee to amend text not in disagreement in proposed SECTION 5 of the bill, in the transition language for added Section 541.152, Business & Commerce Code, to read as follows:

SECTION 5. Not later than July 1, 2024, the attorney general shall post the information and online mechanism required by Section 541.152, Business & Commerce Code, as added by this Act.

Explanation: The change is necessary to allow affected parties more time to comply with the requirements of the legislation.

(4) House Rule 13, Section 9(a)(1), is suspended to permit the committee to amend text not in disagreement in proposed SECTION 7(a) of the bill, providing the effective date, to read as follows:

(a) Except as provided by Subsection (b) of this section, this Act takes effect July 1, 2024.

Explanation: The change is necessary to allow affected parties more time to comply with the requirements of the legislation.

HR 2431 was adopted by (Record 2203): 143 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Muñoz.

HB 4 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Capriglione submitted the following conference committee report on **HB 4**:

Austin, Texas, May 25, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 4** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hughes
Parker
Schwertner
Zaffirini

Capriglione
Burrows
Button
Meyer
Longoria

On the part of the senate

On the part of the house

HB 4, A bill to be entitled An Act relating to the regulation of the collection, use, processing, and treatment of consumers' personal data by certain business entities; imposing a civil penalty.

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

SECTION 1. This Act may be cited as the Texas Data Privacy and Security Act.

SECTION 2. Title 11, Business & Commerce Code, is amended by adding Subtitle C to read as follows:

SUBTITLE C. CONSUMER DATA PROTECTION
CHAPTER 541. CONSUMER DATA PROTECTION
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 541.001. DEFINITIONS. In this chapter, unless a different meaning is required by the context:

(1) "Affiliate" means a legal entity that controls, is controlled by, or is under common control with another legal entity or shares common branding with another legal entity. For purposes of this subdivision, "control" or "controlled" means:

(A) the ownership of, or power to vote, more than 50 percent of the outstanding shares of any class of voting security of a company;

(B) the control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or

(C) the power to exercise controlling influence over the management of a company.

(2) "Authenticate" means to verify through reasonable means that the consumer who is entitled to exercise the consumer's rights under Subchapter B is the same consumer exercising those consumer rights with respect to the personal data at issue.

(3) "Biometric data" means data generated by automatic measurements of an individual's biological characteristics. The term includes a fingerprint, voiceprint, eye retina or iris, or other unique biological pattern or characteristic that is used to identify a specific individual. The term does not include a physical or digital photograph or data generated from a physical or digital photograph, a video or audio recording or data generated from a video or audio recording, or information collected, used, or stored for health care treatment, payment, or operations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.).

(4) "Business associate" has the meaning assigned to the term by the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.).

(5) "Child" means an individual younger than 13 years of age.

(6) "Consent," when referring to a consumer, means a clear affirmative act signifying a consumer's freely given, specific, informed, and unambiguous agreement to process personal data relating to the consumer. The term includes a written statement, including a statement written by electronic means, or any other unambiguous affirmative action. The term does not include:

(A) acceptance of a general or broad terms of use or similar document that contains descriptions of personal data processing along with other, unrelated information;

(B) hovering over, muting, pausing, or closing a given piece of content; or

(C) agreement obtained through the use of dark patterns.

(7) "Consumer" means an individual who is a resident of this state acting only in an individual or household context. The term does not include an individual acting in a commercial or employment context.

(8) "Controller" means an individual or other person that, alone or jointly with others, determines the purpose and means of processing personal data.

(9) "Covered entity" has the meaning assigned to the term by the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.).

(10) "Dark pattern" means a user interface designed or manipulated with the effect of substantially subverting or impairing user autonomy, decision-making, or choice, and includes any practice the Federal Trade Commission refers to as a dark pattern.

(11) "Decision that produces a legal or similarly significant effect concerning a consumer" means a decision made by the controller that results in the provision or denial by the controller of:

- (A) financial and lending services;
- (B) housing, insurance, or health care services;
- (C) education enrollment;
- (D) employment opportunities;
- (E) criminal justice; or
- (F) access to basic necessities, such as food and water.

(12) "Deidentified data" means data that cannot reasonably be linked to an identified or identifiable individual, or a device linked to that individual.

(13) "Health care provider" has the meaning assigned to the term by the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.).

(14) "Health record" means any written, printed, or electronically recorded material maintained by a health care provider in the course of providing health care services to an individual that concerns the individual and the services provided. The term includes:

(A) the substance of any communication made by an individual to a health care provider in confidence during or in connection with the provision of health care services; or

(B) information otherwise acquired by the health care provider about an individual in confidence and in connection with health care services provided to the individual.

(15) "Identified or identifiable individual" means a consumer who can be readily identified, directly or indirectly.

(16) "Institution of higher education" means:

(A) an institution of higher education as defined by Section 61.003, Education Code; or

(B) a private or independent institution of higher education as defined by Section 61.003, Education Code.

(17) "Known child" means a child under circumstances where a controller has actual knowledge of, or wilfully disregards, the child's age.

(18) "Nonprofit organization" means:

(A) a corporation organized under Chapters 20 and 22, Business Organizations Code, and the provisions of Title 1, Business Organizations Code, to the extent applicable to nonprofit corporations;

(B) an organization exempt from federal taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization under Section 501(c)(3), 501(c)(6), 501(c)(12), or 501(c)(19) of that code;

(C) a political organization; or

(D) an organization that:

(i) is exempt from federal taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization under Section 501(c)(4) of that code; and

(ii) is described by Section 701.052(a), Insurance Code.

(19) "Personal data" means any information, including sensitive data, that is linked or reasonably linkable to an identified or identifiable individual. The term includes pseudonymous data when the data is used by a controller or

processor in conjunction with additional information that reasonably links the data to an identified or identifiable individual. The term does not include deidentified data or publicly available information.

(20) "Political organization" means a party, committee, association, fund, or other organization, regardless of whether incorporated, that is organized and operated primarily for the purpose of influencing or attempting to influence:

(A) the selection, nomination, election, or appointment of an individual to a federal, state, or local public office or an office in a political organization, regardless of whether the individual is selected, nominated, elected, or appointed; or

(B) the election of a presidential/vice-presidential elector, regardless of whether the elector is selected, nominated, elected, or appointed.

(21) "Precise geolocation data" means information derived from technology, including global positioning system level latitude and longitude coordinates or other mechanisms, that directly identifies the specific location of an individual with precision and accuracy within a radius of 1,750 feet. The term does not include the content of communications or any data generated by or connected to an advanced utility metering infrastructure system or to equipment for use by a utility.

(22) "Process" or "processing" means an operation or set of operations performed, whether by manual or automated means, on personal data or on sets of personal data, such as the collection, use, storage, disclosure, analysis, deletion, or modification of personal data.

(23) "Processor" means a person that processes personal data on behalf of a controller.

(24) "Profiling" means any form of solely automated processing performed on personal data to evaluate, analyze, or predict personal aspects related to an identified or identifiable individual's economic situation, health, personal preferences, interests, reliability, behavior, location, or movements.

(25) "Protected health information" has the meaning assigned to the term by the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.).

(26) "Pseudonymous data" means any information that cannot be attributed to a specific individual without the use of additional information, provided that the additional information is kept separately and is subject to appropriate technical and organizational measures to ensure that the personal data is not attributed to an identified or identifiable individual.

(27) "Publicly available information" means information that is lawfully made available through government records, or information that a business has a reasonable basis to believe is lawfully made available to the general public through widely distributed media, by a consumer, or by a person to whom a consumer has disclosed the information, unless the consumer has restricted the information to a specific audience.

(28) "Sale of personal data" means the sharing, disclosing, or transferring of personal data for monetary or other valuable consideration by the controller to a third party. The term does not include:

(A) the disclosure of personal data to a processor that processes the personal data on the controller's behalf;

(B) the disclosure of personal data to a third party for purposes of providing a product or service requested by the consumer;

(C) the disclosure or transfer of personal data to an affiliate of the controller;

(D) the disclosure of information that the consumer:

(i) intentionally made available to the general public through a mass media channel; and

(ii) did not restrict to a specific audience; or

(E) the disclosure or transfer of personal data to a third party as an asset that is part of a merger or acquisition.

(29) "Sensitive data" means a category of personal data. The term includes:

(A) personal data revealing racial or ethnic origin, religious beliefs, mental or physical health diagnosis, sexuality, or citizenship or immigration status;

(B) genetic or biometric data that is processed for the purpose of uniquely identifying an individual;

(C) personal data collected from a known child; or

(D) precise geolocation data.

(30) "State agency" means a department, commission, board, office, council, authority, or other agency in any branch of state government that is created by the constitution or a statute of this state, including a university system or institution of higher education as defined by Section 61.003, Education Code.

(31) "Targeted advertising" means displaying to a consumer an advertisement that is selected based on personal data obtained from that consumer's activities over time and across nonaffiliated websites or online applications to predict the consumer's preferences or interests. The term does not include:

(A) an advertisement that:

(i) is based on activities within a controller's own websites or online applications;

(ii) is based on the context of a consumer's current search query, visit to a website, or online application; or

(iii) is directed to a consumer in response to the consumer's request for information or feedback; or

(B) the processing of personal data solely for measuring or reporting advertising performance, reach, or frequency.

(32) "Third party" means a person, other than the consumer, the controller, the processor, or an affiliate of the controller or processor.

(33) "Trade secret" means all forms and types of information, including business, scientific, technical, economic, or engineering information, and any formula, design, prototype, pattern, plan, compilation, program device, program, code, device, method, technique, process, procedure, financial data, or list of

actual or potential customers or suppliers, whether tangible or intangible and whether or how stored, compiled, or memorialized physically, electronically, graphically, photographically, or in writing if:

(A) the owner of the trade secret has taken reasonable measures under the circumstances to keep the information secret; and

(B) the information derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable through proper means by, another person who can obtain economic value from the disclosure or use of the information.

Sec. 541.002. APPLICABILITY OF CHAPTER. (a) This chapter applies only to a person that:

(1) conducts business in this state or produces a product or service consumed by residents of this state;

(2) processes or engages in the sale of personal data; and

(3) is not a small business as defined by the United States Small Business Administration, except to the extent that Section 541.107 applies to a person described by this subdivision.

(b) This chapter does not apply to:

(1) a state agency or a political subdivision of this state;

(2) a financial institution or data subject to Title V, Gramm-Leach-Bliley Act (15 U.S.C. Section 6801 et seq.);

(3) a covered entity or business associate governed by the privacy, security, and breach notification rules issued by the United States Department of Health and Human Services, 45 C.F.R. Parts 160 and 164, established under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.), and the Health Information Technology for Economic and Clinical Health Act (Division A, Title XIII, and Division B, Title IV, Pub. L. No. 111-5);

(4) a nonprofit organization;

(5) an institution of higher education; or

(6) an electric utility, a power generation company, or a retail electric provider, as those terms are defined by Section 31.002, Utilities Code.

Sec. 541.003. CERTAIN INFORMATION EXEMPT FROM CHAPTER. The following information is exempt from this chapter:

(1) protected health information under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.);

(2) health records;

(3) patient identifying information for purposes of 42 U.S.C. Section 290dd-2;

(4) identifiable private information:

(A) for purposes of the federal policy for the protection of human subjects under 45 C.F.R. Part 46;

(B) collected as part of human subjects research under the good clinical practice guidelines issued by The International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) or of the protection of human subjects under 21 C.F.R. Parts 50 and 56; or

(C) that is personal data used or shared in research conducted in accordance with the requirements set forth in this chapter or other research conducted in accordance with applicable law;

(5) information and documents created for purposes of the Health Care Quality Improvement Act of 1986 (42 U.S.C. Section 11101 et seq.);

(6) patient safety work product for purposes of the Patient Safety and Quality Improvement Act of 2005 (42 U.S.C. Section 299b-21 et seq.);

(7) information derived from any of the health care-related information listed in this section that is deidentified in accordance with the requirements for deidentification under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.);

(8) information originating from, and intermingled to be indistinguishable with, or information treated in the same manner as, information exempt under this section that is maintained by a covered entity or business associate as defined by the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.) or by a program or a qualified service organization as defined by 42 U.S.C. Section 290dd-2;

(9) information that is included in a limited data set as described by 45 C.F.R. Section 164.514(e), to the extent that the information is used, disclosed, and maintained in the manner specified by 45 C.F.R. Section 164.514(e);

(10) information collected or used only for public health activities and purposes as authorized by the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.);

(11) the collection, maintenance, disclosure, sale, communication, or use of any personal information bearing on a consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living by a consumer reporting agency or furnisher that provides information for use in a consumer report, and by a user of a consumer report, but only to the extent that the activity is regulated by and authorized under the Fair Credit Reporting Act (15 U.S.C. Section 1681 et seq.);

(12) personal data collected, processed, sold, or disclosed in compliance with the Driver's Privacy Protection Act of 1994 (18 U.S.C. Section 2721 et seq.);

(13) personal data regulated by the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g);

(14) personal data collected, processed, sold, or disclosed in compliance with the Farm Credit Act of 1971 (12 U.S.C. Section 2001 et seq.);

(15) data processed or maintained in the course of an individual applying to, being employed by, or acting as an agent or independent contractor of a controller, processor, or third party, to the extent that the data is collected and used within the context of that role;

(16) data processed or maintained as the emergency contact information of an individual under this chapter that is used for emergency contact purposes; or

(17) data that is processed or maintained and is necessary to retain to administer benefits for another individual that relates to an individual described by Subdivision (15) and used for the purposes of administering those benefits.

Sec. 541.004. INAPPLICABILITY OF CHAPTER. This chapter does not apply to the processing of personal data by a person in the course of a purely personal or household activity.

Sec. 541.005. EFFECT OF COMPLIANCE WITH PARENTAL CONSENT REQUIREMENTS UNDER CERTAIN FEDERAL LAW. A controller or processor that complies with the verifiable parental consent requirements of the Children's Online Privacy Protection Act of 1998 (15 U.S.C. Section 6501 et seq.) with respect to data collected online is considered to be in compliance with any requirement to obtain parental consent under this chapter.

SUBCHAPTER B. CONSUMER'S RIGHTS

Sec. 541.051. CONSUMER'S PERSONAL DATA RIGHTS; REQUEST TO EXERCISE RIGHTS. (a) A consumer is entitled to exercise the consumer rights authorized by this section at any time by submitting a request to a controller specifying the consumer rights the consumer wishes to exercise. With respect to the processing of personal data belonging to a known child, a parent or legal guardian of the child may exercise the consumer rights on behalf of the child.

(b) A controller shall comply with an authenticated consumer request to exercise the right to:

(1) confirm whether a controller is processing the consumer's personal data and to access the personal data;

(2) correct inaccuracies in the consumer's personal data, taking into account the nature of the personal data and the purposes of the processing of the consumer's personal data;

(3) delete personal data provided by or obtained about the consumer;

(4) if the data is available in a digital format, obtain a copy of the consumer's personal data that the consumer previously provided to the controller in a portable and, to the extent technically feasible, readily usable format that allows the consumer to transmit the data to another controller without hindrance;

or

(5) opt out of the processing of the personal data for purposes of:

(A) targeted advertising;

(B) the sale of personal data; or

(C) profiling in furtherance of a decision that produces a legal or similarly significant effect concerning the consumer.

Sec. 541.052. CONTROLLER RESPONSE TO CONSUMER REQUEST.

(a) Except as otherwise provided by this chapter, a controller shall comply with a request submitted by a consumer to exercise the consumer's rights pursuant to Section 541.051 as provided by this section.

(b) A controller shall respond to the consumer request without undue delay, which may not be later than the 45th day after the date of receipt of the request. The controller may extend the response period once by an additional 45 days when reasonably necessary, taking into account the complexity and number of the

consumer's requests, so long as the controller informs the consumer of the extension within the initial 45-day response period, together with the reason for the extension.

(c) If a controller declines to take action regarding the consumer's request, the controller shall inform the consumer without undue delay, which may not be later than the 45th day after the date of receipt of the request, of the justification for declining to take action and provide instructions on how to appeal the decision in accordance with Section 541.053.

(d) A controller shall provide information in response to a consumer request free of charge, at least twice annually per consumer. If a request from a consumer is manifestly unfounded, excessive, or repetitive, the controller may charge the consumer a reasonable fee to cover the administrative costs of complying with the request or may decline to act on the request. The controller bears the burden of demonstrating for purposes of this subsection that a request is manifestly unfounded, excessive, or repetitive.

(e) If a controller is unable to authenticate the request using commercially reasonable efforts, the controller is not required to comply with a consumer request submitted under Section 541.051 and may request that the consumer provide additional information reasonably necessary to authenticate the consumer and the consumer's request.

(f) A controller that has obtained personal data about a consumer from a source other than the consumer is considered in compliance with a consumer's request to delete that personal data pursuant to Section 541.051(b)(3) by:

(1) retaining a record of the deletion request and the minimum data necessary for the purpose of ensuring the consumer's personal data remains deleted from the business's records and not using the retained data for any other purpose under this chapter; or

(2) opting the consumer out of the processing of that personal data for any purpose other than a purpose that is exempt under the provisions of this chapter.

Sec. 541.053. APPEAL. (a) A controller shall establish a process for a consumer to appeal the controller's refusal to take action on a request within a reasonable period of time after the consumer's receipt of the decision under Section 541.052(c).

(b) The appeal process must be conspicuously available and similar to the process for initiating action to exercise consumer rights by submitting a request under Section 541.051.

(c) A controller shall inform the consumer in writing of any action taken or not taken in response to an appeal under this section not later than the 60th day after the date of receipt of the appeal, including a written explanation of the reason or reasons for the decision.

(d) If the controller denies an appeal, the controller shall provide the consumer with the online mechanism described by Section 541.152 through which the consumer may contact the attorney general to submit a complaint.

Sec. 541.054. WAIVER OR LIMITATION OF CONSUMER RIGHTS PROHIBITED. Any provision of a contract or agreement that waives or limits in any way a consumer right described by Sections 541.051, 541.052, and 541.053 is contrary to public policy and is void and unenforceable.

Sec. 541.055. METHODS FOR SUBMITTING CONSUMER REQUESTS. (a) A controller shall establish two or more secure and reliable methods to enable consumers to submit a request to exercise their consumer rights under this chapter. The methods must take into account:

- (1) the ways in which consumers normally interact with the controller;
- (2) the necessity for secure and reliable communications of those requests; and
- (3) the ability of the controller to authenticate the identity of the consumer making the request.

(b) A controller may not require a consumer to create a new account to exercise the consumer's rights under this subchapter but may require a consumer to use an existing account.

(c) Except as provided by Subsection (d), if the controller maintains an Internet website, the controller must provide a mechanism on the website for consumers to submit requests for information required to be disclosed under this chapter.

(d) A controller that operates exclusively online and has a direct relationship with a consumer from whom the controller collects personal information is only required to provide an e-mail address for the submission of requests described by Subsection (c).

(e) A consumer may designate another person to serve as the consumer's authorized agent and act on the consumer's behalf to opt out of the processing of the consumer's personal data under Sections 541.051(b)(5)(A) and (B). A consumer may designate an authorized agent using a technology, including a link to an Internet website, an Internet browser setting or extension, or a global setting on an electronic device, that allows the consumer to indicate the consumer's intent to opt out of the processing. A controller shall comply with an opt-out request received from an authorized agent under this subsection if the controller is able to verify, with commercially reasonable effort, the identity of the consumer and the authorized agent's authority to act on the consumer's behalf. A controller is not required to comply with an opt-out request received from an authorized agent under this subsection if:

- (1) the authorized agent does not communicate the request to the controller in a clear and unambiguous manner;
- (2) the controller is not able to verify, with commercially reasonable effort, that the consumer is a resident of this state;
- (3) the controller does not possess the ability to process the request; or
- (4) the controller does not process similar or identical requests the controller receives from consumers for the purpose of complying with similar or identical laws or regulations of another state.

(f) A technology described by Subsection (e):

- (1) may not unfairly disadvantage another controller;

(2) may not make use of a default setting, but must require the consumer to make an affirmative, freely given, and unambiguous choice to indicate the consumer's intent to opt out of any processing of a consumer's personal data; and

(3) must be consumer-friendly and easy to use by the average consumer.

SUBCHAPTER C. CONTROLLER AND PROCESSOR DATA-RELATED DUTIES AND PROHIBITIONS

Sec. 541.101. CONTROLLER DUTIES; TRANSPARENCY. (a) A controller:

(1) shall limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which that personal data is processed, as disclosed to the consumer; and

(2) for purposes of protecting the confidentiality, integrity, and accessibility of personal data, shall establish, implement, and maintain reasonable administrative, technical, and physical data security practices that are appropriate to the volume and nature of the personal data at issue.

(b) A controller may not:

(1) except as otherwise provided by this chapter, process personal data for a purpose that is neither reasonably necessary to nor compatible with the disclosed purpose for which the personal data is processed, as disclosed to the consumer, unless the controller obtains the consumer's consent;

(2) process personal data in violation of state and federal laws that prohibit unlawful discrimination against consumers;

(3) discriminate against a consumer for exercising any of the consumer rights contained in this chapter, including by denying goods or services, charging different prices or rates for goods or services, or providing a different level of quality of goods or services to the consumer; or

(4) process the sensitive data of a consumer without obtaining the consumer's consent, or, in the case of processing the sensitive data of a known child, without processing that data in accordance with the Children's Online Privacy Protection Act of 1998 (15 U.S.C. Section 6501 et seq.).

(c) Subsection (b)(3) may not be construed to require a controller to provide a product or service that requires the personal data of a consumer that the controller does not collect or maintain or to prohibit a controller from offering a different price, rate, level, quality, or selection of goods or services to a consumer, including offering goods or services for no fee, if the consumer has exercised the consumer's right to opt out under Section 541.051 or the offer is related to a consumer's voluntary participation in a bona fide loyalty, rewards, premium features, discounts, or club card program.

Sec. 541.102. PRIVACY NOTICE. (a) A controller shall provide consumers with a reasonably accessible and clear privacy notice that includes:

(1) the categories of personal data processed by the controller, including, if applicable, any sensitive data processed by the controller;

(2) the purpose for processing personal data;

(3) how consumers may exercise their consumer rights under Subchapter B, including the process by which a consumer may appeal a controller's decision with regard to the consumer's request;

(4) if applicable, the categories of personal data that the controller shares with third parties;

(5) if applicable, the categories of third parties with whom the controller shares personal data; and

(6) a description of the methods required under Section 541.055 through which consumers can submit requests to exercise their consumer rights under this chapter.

(b) If a controller engages in the sale of personal data that is sensitive data, the controller shall include the following notice:

"NOTICE: We may sell your sensitive personal data." The notice must be posted in the same location and in the same manner as the privacy notice described by Subsection (a).

(c) If a controller engages in the sale of personal data that is biometric data, the controller shall include the following notice:

"NOTICE: We may sell your biometric personal data." The notice must be posted in the same location and in the same manner as the privacy notice described by Subsection (a).

Sec. 541.103. SALE OF DATA TO THIRD PARTIES AND PROCESSING DATA FOR TARGETED ADVERTISING; DISCLOSURE. If a controller sells personal data to third parties or processes personal data for targeted advertising, the controller shall clearly and conspicuously disclose that process and the manner in which a consumer may exercise the right to opt out of that process.

Sec. 541.104. DUTIES OF PROCESSOR. (a) A processor shall adhere to the instructions of a controller and shall assist the controller in meeting or complying with the controller's duties or requirements under this chapter, including:

(1) assisting the controller in responding to consumer rights requests submitted under Section 541.051 by using appropriate technical and organizational measures, as reasonably practicable, taking into account the nature of processing and the information available to the processor;

(2) assisting the controller with regard to complying with the requirement relating to the security of processing personal data and to the notification of a breach of security of the processor's system under Chapter 521, taking into account the nature of processing and the information available to the processor; and

(3) providing necessary information to enable the controller to conduct and document data protection assessments under Section 541.105.

(b) A contract between a controller and a processor shall govern the processor's data processing procedures with respect to processing performed on behalf of the controller. The contract must include:

(1) clear instructions for processing data;

(2) the nature and purpose of processing;

(3) the type of data subject to processing;

- (4) the duration of processing;
- (5) the rights and obligations of both parties; and
- (6) a requirement that the processor shall:

(A) ensure that each person processing personal data is subject to a duty of confidentiality with respect to the data;

(B) at the controller's direction, delete or return all personal data to the controller as requested after the provision of the service is completed, unless retention of the personal data is required by law;

(C) make available to the controller, on reasonable request, all information in the processor's possession necessary to demonstrate the processor's compliance with the requirements of this chapter;

(D) allow, and cooperate with, reasonable assessments by the controller or the controller's designated assessor; and

(E) engage any subcontractor pursuant to a written contract that requires the subcontractor to meet the requirements of the processor with respect to the personal data.

(c) Notwithstanding the requirement described by Subsection (b)(6)(D), a processor, in the alternative, may arrange for a qualified and independent assessor to conduct an assessment of the processor's policies and technical and organizational measures in support of the requirements under this chapter using an appropriate and accepted control standard or framework and assessment procedure. The processor shall provide a report of the assessment to the controller on request.

(d) This section may not be construed to relieve a controller or a processor from the liabilities imposed on the controller or processor by virtue of its role in the processing relationship as described by this chapter.

(e) A determination of whether a person is acting as a controller or processor with respect to a specific processing of data is a fact-based determination that depends on the context in which personal data is to be processed. A processor that continues to adhere to a controller's instructions with respect to a specific processing of personal data remains in the role of a processor.

Sec. 541.105. DATA PROTECTION ASSESSMENTS. (a) A controller shall conduct and document a data protection assessment of each of the following processing activities involving personal data:

(1) the processing of personal data for purposes of targeted advertising;

(2) the sale of personal data;

(3) the processing of personal data for purposes of profiling, if the profiling presents a reasonably foreseeable risk of:

(A) unfair or deceptive treatment of or unlawful disparate impact on consumers;

(B) financial, physical, or reputational injury to consumers;

(C) a physical or other intrusion on the solitude or seclusion, or the private affairs or concerns, of consumers, if the intrusion would be offensive to a reasonable person; or

(D) other substantial injury to consumers;

(4) the processing of sensitive data; and

(5) any processing activities involving personal data that present a heightened risk of harm to consumers.

(b) A data protection assessment conducted under Subsection (a) must:

(1) identify and weigh the direct or indirect benefits that may flow from the processing to the controller, the consumer, other stakeholders, and the public, against the potential risks to the rights of the consumer associated with that processing, as mitigated by safeguards that can be employed by the controller to reduce the risks; and

(2) factor into the assessment:

(A) the use of deidentified data;

(B) the reasonable expectations of consumers;

(C) the context of the processing; and

(D) the relationship between the controller and the consumer whose personal data will be processed.

(c) A controller shall make a data protection assessment requested under Section 541.153(b) available to the attorney general pursuant to a civil investigative demand under Section 541.153.

(d) A data protection assessment is confidential and exempt from public inspection and copying under Chapter 552, Government Code. Disclosure of a data protection assessment in compliance with a request from the attorney general does not constitute a waiver of attorney-client privilege or work product protection with respect to the assessment and any information contained in the assessment.

(e) A single data protection assessment may address a comparable set of processing operations that include similar activities.

(f) A data protection assessment conducted by a controller for the purpose of compliance with other laws or regulations may constitute compliance with the requirements of this section if the assessment has a reasonably comparable scope and effect.

Sec. 541.106. DEIDENTIFIED OR PSEUDONYMOUS DATA. (a) A controller in possession of deidentified data shall:

(1) take reasonable measures to ensure that the data cannot be associated with an individual;

(2) publicly commit to maintaining and using deidentified data without attempting to reidentify the data; and

(3) contractually obligate any recipient of the deidentified data to comply with the provisions of this chapter.

(b) This chapter may not be construed to require a controller or processor to:

(1) reidentify deidentified data or pseudonymous data;

(2) maintain data in identifiable form or obtain, retain, or access any data or technology for the purpose of allowing the controller or processor to associate a consumer request with personal data; or

(3) comply with an authenticated consumer rights request under Section 541.051, if the controller:

(A) is not reasonably capable of associating the request with the personal data or it would be unreasonably burdensome for the controller to associate the request with the personal data;

(B) does not use the personal data to recognize or respond to the specific consumer who is the subject of the personal data or associate the personal data with other personal data about the same specific consumer; and

(C) does not sell the personal data to any third party or otherwise voluntarily disclose the personal data to any third party other than a processor, except as otherwise permitted by this section.

(c) The consumer rights under Sections 541.051(b)(1)-(4) and controller duties under Section 541.101 do not apply to pseudonymous data in cases in which the controller is able to demonstrate any information necessary to identify the consumer is kept separately and is subject to effective technical and organizational controls that prevent the controller from accessing the information.

(d) A controller that discloses pseudonymous data or deidentified data shall exercise reasonable oversight to monitor compliance with any contractual commitments to which the pseudonymous data or deidentified data is subject and shall take appropriate steps to address any breach of the contractual commitments.

Sec. 541.107. REQUIREMENTS FOR SMALL BUSINESSES. (a) A person described by Section 541.002(a)(3) may not engage in the sale of personal data that is sensitive data without receiving prior consent from the consumer.

(b) A person who violates this section is subject to the penalty under Section 541.155.

SUBCHAPTER D. ENFORCEMENT

Sec. 541.151. ENFORCEMENT AUTHORITY EXCLUSIVE. The attorney general has exclusive authority to enforce this chapter.

Sec. 541.152. INTERNET WEBSITE AND COMPLAINT MECHANISM. The attorney general shall post on the attorney general's Internet website:

(1) information relating to:

(A) the responsibilities of a controller under Subchapters B and C;

(B) the responsibilities of a processor under Subchapter C; and

(C) a consumer's rights under Subchapter B; and

(2) an online mechanism through which a consumer may submit a complaint under this chapter to the attorney general.

Sec. 541.153. INVESTIGATIVE AUTHORITY. (a) If the attorney general has reasonable cause to believe that a person has engaged in or is engaging in a violation of this chapter, the attorney general may issue a civil investigative demand. The procedures established for the issuance of a civil investigative demand under Section 15.10 apply to the same extent and manner to the issuance of a civil investigative demand under this section.

(b) The attorney general may request, pursuant to a civil investigative demand issued under Subsection (a), that a controller disclose any data protection assessment that is relevant to an investigation conducted by the attorney general. The attorney general may evaluate the data protection assessment for compliance with the requirements set forth in Sections 541.101, 541.102, and 541.103.

Sec. 541.154. NOTICE OF VIOLATION OF CHAPTER; OPPORTUNITY TO CURE. Before bringing an action under Section 541.155, the attorney general shall notify a person in writing, not later than the 30th day before bringing the action, identifying the specific provisions of this chapter the attorney general alleges have been or are being violated. The attorney general may not bring an action against the person if:

(1) within the 30-day period, the person cures the identified violation;
and

(2) the person provides the attorney general a written statement that the person:

(A) cured the alleged violation;

(B) notified the consumer that the consumer's privacy violation was addressed, if the consumer's contact information has been made available to the person;

(C) provided supportive documentation to show how the privacy violation was cured; and

(D) made changes to internal policies, if necessary, to ensure that no such further violations will occur.

Sec. 541.155. CIVIL PENALTY; INJUNCTION. (a) A person who violates this chapter following the cure period described by Section 541.154 or who breaches a written statement provided to the attorney general under that section is liable for a civil penalty in an amount not to exceed \$7,500 for each violation.

(b) The attorney general may bring an action in the name of this state to:

(1) recover a civil penalty under this section;

(2) restrain or enjoin the person from violating this chapter; or

(3) recover the civil penalty and seek injunctive relief.

(c) The attorney general may recover reasonable attorney's fees and other reasonable expenses incurred in investigating and bringing an action under this section.

(d) The attorney general shall deposit a civil penalty collected under this section in accordance with Section 402.007, Government Code.

Sec. 541.156. NO PRIVATE RIGHT OF ACTION. This chapter may not be construed as providing a basis for, or being subject to, a private right of action for a violation of this chapter or any other law.

SUBCHAPTER E. CONSTRUCTION OF CHAPTER; EXEMPTIONS FOR CERTAIN USES OF CONSUMER PERSONAL DATA

Sec. 541.201. CONSTRUCTION OF CHAPTER. (a) This chapter may not be construed to restrict a controller's or processor's ability to:

(1) comply with federal, state, or local laws, rules, or regulations;

(2) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by federal, state, local, or other governmental authorities;

(3) investigate, establish, exercise, prepare for, or defend legal claims;

(4) provide a product or service specifically requested by a consumer or the parent or guardian of a child, perform a contract to which the consumer is a party, including fulfilling the terms of a written warranty, or take steps at the request of the consumer before entering into a contract;

(5) take immediate steps to protect an interest that is essential for the life or physical safety of the consumer or of another individual and in which the processing cannot be manifestly based on another legal basis;

(6) prevent, detect, protect against, or respond to security incidents, identity theft, fraud, harassment, malicious or deceptive activities, or any illegal activity;

(7) preserve the integrity or security of systems or investigate, report, or prosecute those responsible for breaches of system security;

(8) engage in public or peer-reviewed scientific or statistical research in the public interest that adheres to all other applicable ethics and privacy laws and is approved, monitored, and governed by an institutional review board or similar independent oversight entity that determines:

(A) if the deletion of the information is likely to provide substantial benefits that do not exclusively accrue to the controller;

(B) whether the expected benefits of the research outweigh the privacy risks; and

(C) if the controller has implemented reasonable safeguards to mitigate privacy risks associated with research, including any risks associated with reidentification; or

(9) assist another controller, processor, or third party with any of the requirements under this subsection.

(b) This chapter may not be construed to prevent a controller or processor from providing personal data concerning a consumer to a person covered by an evidentiary privilege under the laws of this state as part of a privileged communication.

(c) This chapter may not be construed as imposing a requirement on controllers and processors that adversely affects the rights or freedoms of any person, including the right of free speech.

(d) This chapter may not be construed as requiring a controller, processor, third party, or consumer to disclose a trade secret.

Sec. 541.202. COLLECTION, USE, OR RETENTION OF DATA FOR CERTAIN PURPOSES. (a) The requirements imposed on controllers and processors under this chapter may not restrict a controller's or processor's ability to collect, use, or retain data to:

(1) conduct internal research to develop, improve, or repair products, services, or technology;

(2) effect a product recall;

(3) identify and repair technical errors that impair existing or intended functionality; or

(4) perform internal operations that:

(A) are reasonably aligned with the expectations of the consumer;

(B) are reasonably anticipated based on the consumer's existing relationship with the controller; or

(C) are otherwise compatible with processing data in furtherance of the provision of a product or service specifically requested by a consumer or the performance of a contract to which the consumer is a party.

(b) A requirement imposed on a controller or processor under this chapter does not apply if compliance with the requirement by the controller or processor, as applicable, would violate an evidentiary privilege under the laws of this state.

Sec. 541.203. DISCLOSURE OF PERSONAL DATA TO THIRD-PARTY CONTROLLER OR PROCESSOR. (a) A controller or processor that discloses personal data to a third-party controller or processor, in compliance with the requirements of this chapter, does not violate this chapter if the third-party controller or processor that receives and processes that personal data is in violation of this chapter, provided that, at the time of the data's disclosure, the disclosing controller or processor did not have actual knowledge that the recipient intended to commit a violation.

(b) A third-party controller or processor receiving personal data from a controller or processor in compliance with the requirements of this chapter does not violate this chapter for the transgressions of the controller or processor from which the third-party controller or processor receives the personal data.

Sec. 541.204. PROCESSING OF CERTAIN PERSONAL DATA BY CONTROLLER OR OTHER PERSON. (a) Personal data processed by a controller under this subchapter may not be processed for any purpose other than a purpose listed in this subchapter unless otherwise allowed by this chapter. Personal data processed by a controller under this subchapter may be processed to the extent that the processing of the data is:

(1) reasonably necessary and proportionate to the purposes listed in this subchapter; and

(2) adequate, relevant, and limited to what is necessary in relation to the specific purposes listed in this subchapter.

(b) Personal data collected, used, or retained under Section 541.202(a) must, where applicable, take into account the nature and purpose of such collection, use, or retention. The personal data described by this subsection is subject to reasonable administrative, technical, and physical measures to protect the confidentiality, integrity, and accessibility of the personal data and to reduce reasonably foreseeable risks of harm to consumers relating to the collection, use, or retention of personal data.

(c) A controller that processes personal data under an exemption in this subchapter bears the burden of demonstrating that the processing of the personal data qualifies for the exemption and complies with the requirements of Subsections (a) and (b).

(d) The processing of personal data by an entity for the purposes described by Section 541.201 does not solely make the entity a controller with respect to the processing of the data.

Sec. 541.205. LOCAL PREEMPTION. This chapter supersedes and preempts any ordinance, resolution, rule, or other regulation adopted by a political subdivision regarding the processing of personal data by a controller or processor.

SECTION 3. (a) The Department of Information Resources, under the management of the chief privacy officer, shall review the implementation of the requirements of Chapter 541, Business & Commerce Code, as added by this Act.

(b) Not later than September 1, 2024, the Department of Information Resources shall create an online portal available on the department's Internet website for members of the public to provide feedback and recommend changes to Chapter 541, Business & Commerce Code, as added by this Act. The online portal must remain open for receiving feedback from the public for at least 90 days.

(c) Not later than January 1, 2025, the Department of Information Resources shall make available to the public a report detailing the status of the implementation of the requirements of Chapter 541, Business & Commerce Code, as added by this Act, and any recommendations to the legislature regarding changes to that law.

(d) This section expires September 1, 2025.

SECTION 4. Data protection assessments required to be conducted under Section 541.105, Business & Commerce Code, as added by this Act, apply only to processing activities generated after the effective date of this Act and are not retroactive.

SECTION 5. Not later than July 1, 2024, the attorney general shall post the information and online mechanism required by Section 541.152, Business & Commerce Code, as added by this Act.

SECTION 6. The provisions of this Act are hereby declared severable, and if any provision of this Act or the application of such provision to any person or circumstance is declared invalid for any reason, such declaration shall not affect the validity of the remaining portions of this Act.

SECTION 7. (a) Except as provided by Subsection (b) of this section, this Act takes effect July 1, 2024.

(b) Section 541.055(e), Business & Commerce Code, as added by this Act, takes effect January 1, 2025.

Representative Capriglione moved to adopt the conference committee report on **HB 4**.

The motion to adopt the conference committee report on **HB 4** prevailed by (Record 2204): 144 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson(C); Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose;

Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu.

Present, not voting — Mr. Speaker.

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Zwiener.

STATEMENT OF VOTE

When Record No. 2204 was taken, I was in the house but away from my desk. I would have voted yes.

Zwiener

HB 2026 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Darby submitted the following conference committee report on **HB 2026**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2026** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

LaMantia
Birdwell
Creighton
Parker
West

Darby
M. González
Kuempel
Rogers
Stucky

On the part of the senate

On the part of the house

HB 2026, A bill to be entitled An Act relating to the Rural Veterinarian Incentive Program.

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

SECTION 1. Section 56.101(7), Education Code, is amended to read as follows:

(7) "Rural county" means a county in this state with a population of less than 150,000 [~~100,000~~].

SECTION 2. Section 56.105(b), Education Code, is amended to read as follows:

(b) To participate as a sponsor in the program, the community or political subdivision must enter into an agreement with the eligible participant to provide financial support to the eligible participant in an amount not less than the tuition

and fees required for a full academic year for a student enrolled in a ~~the~~ college in exchange for the eligible participant's agreement to practice veterinary medicine in the sponsoring community or political subdivision.

SECTION 3. Sections 56.106(a) and (b), Education Code, are amended to read as follows:

(a) To participate in the program, an eligible participant must enter into an agreement with the Texas Higher Education Coordinating Board ~~[university system]~~ that:

(1) requires the participant to practice veterinary medicine in a rural county for one calendar year for each academic year for which the participant receives financial support under the program;

(2) specifies the conditions the participant must satisfy to receive financial support under the program;

(3) provides that any financial support the participant receives under the program constitutes a loan until the participant satisfies the conditions of the agreement; and

(4) requires the participant to sign a promissory note acknowledging the conditional nature of the financial support received under the program and promising to repay the amount of the financial support, any applicable interest, and reasonable collection costs if the participant does not satisfy the conditions of the agreement.

(b) The financial support received by an eligible participant under this subchapter must be used to retire student loan debt or to pay tuition and fees to a college ~~[the university system]~~ while the eligible participant is enrolled in the college.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

Representative Darby moved to adopt the conference committee report on **HB 2026**.

The motion to adopt the conference committee report on **HB 2026** prevailed by (Record 2205): 118 Yeas, 26 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Burns; Burrows; Button; Campos; Canales; Clardy; Cole; Collier; Cortez; Craddick; Cunningham; Darby; Davis; Dean; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Hernandez; Hinojosa; Holland; Howard; Hunter; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero;

Rose; Rosenthal; Sherman; Shine; Smith; Smithee; Stucky; Talarico; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; Turner; VanDeaver; Vo; Walle; Wu; Zwiener.

Nays — Bumgarner; Cain; Capriglione; Cook; DeAyala; Gerdes; Harris, C.J.; Harrison; Hayes; Hefner; Hull; Isaac; Leo-Wilson; Metcalf; Noble; Schaefer; Schatzline; Schofield; Slawson; Spiller; Swanson; Tepper; Tinderholt; Toth; Vasut; Wilson.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

SB 29 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Lozano submitted the conference committee report on **SB 29**.

SB 29 - REMARKS

REPRESENTATIVE COLLIER: Chair Lozano, I just want to make sure I have an understanding of what you're doing with this. In the conference committee report, you removed—was it an exemption for public hospitals and assisted living facilities?

REPRESENTATIVE LOZANO: Yes, ma'am.

COLLIER: Okay. And what was the justification for that?

LOZANO: It's just that the senate wouldn't agree to the language, and we wanted to get something passed rather than nothing.

COLLIER: Why were the hospitals and assisted living facilities included in the first place?

LOZANO: The assisted living facilities were added in the house as an amendment.

COLLIER: I know. Do you know why?

LOZANO: Because it's a compromised population.

COLLIER: It's about the population?

LOZANO: It's a compromised population.

COLLIER: Compromised population.

LOZANO: Yes, ma'am.

COLLIER: Okay. And so because of the compromised population, they wanted to make sure that they were able to have vaccines to slow the spread of any type of COVID-19, correct?

LOZANO: Yes.

COLLIER: And now this bill, the way it's presented, has removed those protections because you can't mandate it.

LOZANO: The bill as presented initially didn't have it. Assisted living facilities were added in the house. The conference committee, the senate side, did not want to concur with those amendments so they were removed.

COLLIER: So neither public hospitals nor assisted living facilities will have the protections because they were removed in the conference? They won't be able to have a COVID-19—

LOZANO: If I remember correctly, those were two separate amendments, and both of those amendments were not concurred by the senate, so they were—

COLLIER: And they've been removed?

LOZANO: Yes, ma'am.

REMARKS ORDERED PRINTED

Representative Collier moved to print remarks between Representative Lozano and Representative Collier on **SB 29**.

The motion prevailed.

Representative Lozano moved to adopt the conference committee report on **SB 29**.

The motion to adopt the conference committee report on **SB 29** prevailed by (Record 2206): 90 Yeas, 53 Nays, 2 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Bowers; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Campos; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Frank; Frazier; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Morrison; Muñoz; Murr; Noble; Oliverson; Orr; Paul; Price; Raney; Raymond; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchia; Bernal; Bhojani; Bryant; Bucy; Canales; Cole; Collier; Cortez; Davis; Dutton; Flores; Gámez; González, J.; González, M.; Goodwin; Guerra; Hernandez; Hinojosa; Howard; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Neave Criado; Ordaz; Ortega; Perez; Plesa; Ramos; Reynolds; Romero; Rose; Rosenthal; Talarico; Thompson, S.; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Sherman.

STATEMENTS OF VOTE

When Record No. 2206 was taken, I was shown voting yes. I intended to vote no.

Bowers

When Record No. 2206 was taken, I was shown voting yes. I intended to vote no.

Thierry

HB 4227 - HOUSE DISCHARGES CONFEREES HOUSE CONCURS IN SENATE AMENDMENTS TEXT OF SENATE AMENDMENTS

Representative Goldman called up with senate amendments for consideration at this time,

HB 4227, A bill to be entitled An Act relating to the repeal of a municipal civil service system for firefighters and police officers in certain municipalities.

Representative Goldman moved to discharge the conferees and concur in the senate amendments to **HB 4227**.

The motion to discharge the conferees and concur in the senate amendments to **HB 4227** prevailed by (Record 2207): 99 Yeas, 44 Nays, 3 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bhojani; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Flores; Frank; Frazier; Gates; Gerdes; Geren; Goldman; González, M.; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Holland; Hull; Hunter; Isaac; Jetton; Johnson, A.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Moody; Morrison; Muñoz; Murr; Noble; Oliverson; Ordaz; Orr; Paul; Price; Raney; Raymond; Rogers; Rose; Rosenthal; Schaefer; Schatzline; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Walle; Wilson; Zwiener.

Nays — Allen; Anchiá; Bernal; Bowers; Bryant; Bucy; Cole; Collier; Cortez; Davis; Dutton; Gámez; Gervin-Hawkins; González, J.; Goodwin; Hinojosa; Howard; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Leo-Wilson; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Morales, C.; Morales, E.; Morales Shaw; Neave Criado; Ortega; Perez; Plesa; Ramos; Reynolds; Romero; Sherman; Talarico; Thompson, S.; Turner; Vo; Wu.

Present, not voting — Mr. Speaker; Patterson(C); Schofield.

Absent, Excused — Garcia; Herrero; Shaheen.

STATEMENTS OF VOTE

When Record No. 2207 was taken, I was shown voting yes. I intended to vote no.

Bhojani

When Record No. 2207 was taken, I was shown voting no. I intended to vote yes.

Gámez

When Record No. 2207 was taken, I was shown voting yes. I intended to vote no.

Ordaz

When Record No. 2207 was taken, I was shown voting yes. I intended to vote no.

Rosenthal

When Record No. 2207 was taken, I was shown voting yes. I intended to vote no.

Thierry

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **HB 4227** (senate committee report) in SECTION 1 of the bill, in amended Section 143.004(e), Local Government Code (page 1, line 25), by striking "900,000" and substituting "950,000".

HB 2559 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Vasut submitted the following conference committee report on **HB 2559**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2559** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Zaffirini
Hinojosa
Hughes
Middleton
Nichols

On the part of the senate

Vasut
Geren
C.J. Harris
Metcalf
Walle

On the part of the house

HB 2559, A bill to be entitled An Act relating to the persons authorized to administer an oath in this state.

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

SECTION 1. Section 602.002, Government Code, is amended to read as follows:

Sec. 602.002. OATH MADE IN TEXAS. An oath made in this state may be administered and a certificate of the fact given by:

- (1) a judge, retired judge, or clerk of a municipal court;
- (2) a judge, retired judge, senior judge, clerk, or commissioner of a court of record;
- (3) a justice of the peace, a retired justice of the peace, or a clerk of a justice court;
- (4) an associate judge, magistrate, master, referee, or criminal law hearing officer;
- (5) a notary public;
- (6) a member of a board or commission created by a law of this state, in a matter pertaining to a duty of the board or commission;
- (7) a person employed by the Texas Ethics Commission who has a duty related to a report required by Title 15, Election Code, in a matter pertaining to that duty;
- (8) a county tax assessor-collector or an employee of the county tax assessor-collector if the oath relates to a document that is required or authorized to be filed in the office of the county tax assessor-collector;
- (9) the secretary of state or a former secretary of state;
- (10) an employee of a personal bond office, or an employee of a county, who is employed to obtain information required to be obtained under oath if the oath is required or authorized by Article 17.04 or by Article 26.04(n) or (o), Code of Criminal Procedure;
- (11) the lieutenant governor or a former lieutenant governor;
- (12) the speaker of the house of representatives or a former speaker of the house of representatives;
- (13) the governor or a former governor;
- (14) a legislator or retired legislator;
- (14-a) the secretary of the senate or the chief clerk of the house of representatives;
- (15) the attorney general or a former attorney general;
- (16) the comptroller of public accounts or a former comptroller of public accounts;
- (17) the secretary or clerk of a municipality in a matter pertaining to the official business of the municipality;
- (18) [~~17~~] a peace officer described by Article 2.12, Code of Criminal Procedure, if:
 - (A) the oath is administered when the officer is engaged in the performance of the officer's duties; and
 - (B) the administration of the oath relates to the officer's duties; or
- (19) [~~18~~] a county treasurer.

SECTION 2. This Act takes effect September 1, 2023.

Representative Vasut moved to adopt the conference committee report on **HB 2559**.

The motion to adopt the conference committee report on **HB 2559** prevailed by (Record 2208): 136 Yeas, 6 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Noble; Schaefer; Schatzline; Slawson; Tinderholt; Toth.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Hayes; Johnson, J.D.

STATEMENT OF VOTE

When Record No. 2208 was taken, I was in the house but away from my desk. I would have voted yes.

Hayes

HR 2433 - ADOPTED (by Bonnen)

The following privileged resolution was laid before the house:

HR 2433

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 10** (certain benefits paid by the Teacher Retirement System of Texas) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 1 of the bill, adding Section 824.703(a), Government Code, by striking "an additional" and substituting "a".

Explanation: The change is necessary to remove unnecessary language.

(2) House Rule 13, Sections 9(a)(3) and (4), are suspended to permit the committee to add text on a matter not in disagreement and not included in either the house or senate version of the bill in proposed SECTION 1 of the bill, by adding Section 824.703(c)(3), Government Code, to read as follows:

(3) is an alternate payee under Section 804.005, to be eligible for the adjustment:

(A) the annuitant must be living on the effective date of the adjustment; and

(B) the effective date of the annuitant's election to receive the annuity payment was on or before August 31, 2020.

Explanation: The change is necessary to clarify that an alternate payee makes the election and specify that an alternate payee must be living on the effective date of the cost-of-living adjustment required by the proposed bill.

(3) House Rule 13, Sections 9(a)(3) and (4), are suspended to permit the committee to add text on a matter not in disagreement and not included in either the house or senate version of the bill by adding proposed SECTION 2(c) of the bill to read as follows:

(c) The amount of the supplemental payment is equal to:

(1) \$7,500, if the annuitant is at least 75 years of age on any day of the calendar month before the calendar month in which the Teacher Retirement System of Texas issues the supplemental payment; or

(2) \$2,400, if the annuitant is:

(A) at least 70 years of age but younger than 75 years of age on any day of the calendar month before the calendar month in which the Teacher Retirement System of Texas issues the supplemental payment; and

(B) not subject to Subdivision (1) of this subsection.

Explanation: The change is necessary to prescribe different amounts for the supplemental payment required by the proposed bill based on the age of the annuitant eligible for the payment.

HR 2433 was adopted by (Record 2209): 142 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal;

Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Sherman; Thompson, S.

SB 10 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Bonnen submitted the conference committee report on **SB 10**.

Representative Bonnen moved to adopt the conference committee report on **SB 10**.

The motion to adopt the conference committee report on **SB 10** prevailed by (Record 2210): 145 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson(C); Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker.

Absent, Excused — Garcia; Herrero; Shaheen.

HB 3104 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Anderson submitted the following conference committee report on **HB 3104**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3104** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
 Creighton
 West
 Paxton
 Parker

Anderson
 Bowers
 Gerdes
 T. King

On the part of the senate

On the part of the house

HB 3104, A bill to be entitled An Act relating to the temporary exemption of certain tangible personal property related to certain connected data center projects from sales and use taxes.

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

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3596 to read as follows:

Sec. 151.3596. PROPERTY USED IN CERTAIN CONNECTED DATA CENTER PROJECTS; TEMPORARY EXEMPTION. (a) In this section:

(1) "Affiliated group" has the meaning assigned by Section 171.0001.

(2) "Connected data center project" means a project that:

(A) is located in this state;

(B) is composed of one or more buildings:

(i) comprising at least 250,000 square feet of space;

(ii) located or to be located on contiguous or noncontiguous parcels of land that are commonly owned, owned by affiliation with the qualifying operator, or leased by a common qualifying operator; and

(iii) connected to each other:

(a) by fiber and associated equipment required for operating a fiber transmission network between data center buildings and upstream Internet peering points for the sole use of the qualifying occupant; and

(b) for the purpose of providing redundancy and resiliency for the data center services provided in each building;

(C) is specifically constructed or refurbished and primarily used to house servers and related equipment and support staff for the processing, storage, and distribution of data;

(D) is used by a single qualifying occupant for the processing, storage, and distribution of data;

(E) is not used primarily by a telecommunications provider to place tangible personal property used to deliver telecommunications services; and

(F) has an uninterruptible power source, backup electricity generation system, fire suppression and prevention system, and physical security that includes restricted access, video surveillance, and electronic systems.

(3) "County average weekly wage" means the average weekly wage in a county for all jobs during the most recent four quarterly periods for which data is available, as computed by the Texas Workforce Commission, at the time a connected data center project creates a job used to qualify under this section. If

the connected data center project is located in more than one county, the county average weekly wage for each county in which the project is located may be calculated by averaging the county average weekly wages of all counties in which the project is located.

(4) "Permanent job" means an employment position that will exist for at least five years after the date the job is created.

(5) "Qualifying connected data center project" means a connected data center project that meets the qualifications prescribed by Subsection (d).

(6) "Qualifying job" means a full-time, permanent job that pays at least 120 percent of the county average weekly wage in the county in which the job is based. The term includes a new employment position staffed by a third-party employer if a written contract exists between the third-party employer and a qualifying owner, qualifying operator, or qualifying occupant that provides that the employment position is permanently assigned to an associated qualifying connected data center project. The term does not include a job that is moved from one county in this state to another county in this state.

(7) "Qualifying occupant" means a person who contracts with a qualifying owner or qualifying operator to place, or cause to be placed, and to use tangible personal property at the qualifying connected data center project or, in the case of a qualifying occupant who is also the qualifying owner and the qualifying operator, who places or causes to be placed and uses tangible personal property at the qualifying connected data center project. The term includes a member of the person's affiliated group.

(8) "Qualifying operator" means a person who controls access to a qualifying connected data center project, regardless of whether that person owns each item of tangible personal property located at the qualifying connected data center project. The term includes a member of the person's affiliated group. A qualifying operator may also be the qualifying owner.

(9) "Qualifying owner" means a person who owns one or more buildings in which a qualifying connected data center project is located. The term includes a member of the person's affiliated group. A qualifying owner may also be the qualifying operator.

(10) "Virtual currency" has the meaning assigned by Section 12.001, Business & Commerce Code.

(11) "Virtual currency mining facility" means a facility dedicated to using electronic equipment to add virtual currency transactions to a distributed ledger.

(b) Except as otherwise provided by this section, tangible personal property that is necessary and essential to the operation of a qualifying connected data center project is exempted from the taxes imposed by this chapter if the tangible personal property is purchased for installation at, incorporation into, or in the case of electricity, use in a qualifying connected data center project by a qualifying owner, qualifying operator, or qualifying occupant, and the tangible personal property is:

(1) electricity;

(2) an electrical system;

- (3) a cooling system;
- (4) a backup electricity generation system;
- (5) hardware or a distributed mainframe computer or server;
- (6) a data storage device;
- (7) network connectivity equipment;
- (8) a rack, cabinet, and raised floor system;
- (9) a peripheral component or system;
- (10) software;
- (11) a mechanical, electrical, or plumbing system that is necessary to operate any tangible personal property described by Subdivisions (2)-(10);
- (12) any other item of equipment or system necessary to operate any tangible personal property described by Subdivisions (2)-(11), including a fixture; and
- (13) a component part of any tangible personal property described by Subdivisions (2)-(10).

(c) The exemption provided by this section does not apply to:

- (1) office equipment or supplies;
- (2) maintenance or janitorial supplies or equipment;
- (3) equipment or supplies used primarily in sales activities or transportation activities;
- (4) tangible personal property on which the purchaser has received or has a pending application for a refund under Section 151.429;
- (5) tangible personal property not otherwise exempted under Subsection (b) that is incorporated into real estate or into an improvement of real estate;
- (6) tangible personal property that is rented or leased for a term of one year or less; or
- (7) notwithstanding Section 151.3111, a taxable service that is performed on tangible personal property exempted under this section.

(d) Subject to Subsection (j), a connected data center project may be certified by the comptroller as a qualifying connected data center project for purposes of this section if, on or after September 1, 2023:

- (1) a single qualifying occupant:
 - (A) contracts with a qualifying owner or qualifying operator to lease space in which the qualifying occupant will locate a connected data center project; or
 - (B) occupies a space that was not previously used as a data center in which the qualifying occupant will locate a connected data center project, in the case of a qualifying occupant who is also the qualifying operator and the qualifying owner; and
- (2) the qualifying owner, qualifying operator, or qualifying occupant, jointly or independently:
 - (A) creates at least 40 qualifying jobs in the county or counties in which the connected data center project is located;

(B) makes or agrees to make a capital investment, on or after September 1, 2023, of at least \$500 million in that particular connected data center project, the amount of which may not include a capital investment to replace personal property previously placed in service in that connected data center project, over a five-year period beginning on the earlier of:

(i) the date the connected data center project submits the application described by Subsection (e); or

(ii) the date the connected data center project is certified by the comptroller as a qualifying connected data center project; and

(C) agrees to contract for at least 20 megawatts of transmission capacity for the operation of the connected data center project.

(e) A connected data center project that is eligible under Subsection (d) to be certified by the comptroller as a qualifying connected data center project shall apply to the comptroller for certification as a qualifying connected data center project and for the issuance of a registration number or numbers by the comptroller. The application must be made on a form prescribed by the comptroller and include the information required by the comptroller. The application must include the name and contact information for the qualifying occupant, and, if applicable, the name and contact information for the qualifying owner and the qualifying operator who will claim the exemption authorized under this section. The application form must include a section for the applicant to certify that the capital investment required by Subsection (d)(2)(B) will be met independently or jointly by the qualifying occupant, qualifying owner, or qualifying operator within the time period prescribed by Subsection (d)(2)(B).

(f) The exemption provided by this section begins on the date the connected data center project is certified by the comptroller as a qualifying connected data center project and expires on the 20th anniversary of that date, if the qualifying occupant, qualifying owner, or qualifying operator, independently or jointly makes a capital investment of \$500 million or more as provided by Subsection (d)(2)(B).

(g) Each person who is eligible to claim an exemption authorized by this section must hold a registration number issued by the comptroller. The registration number must be stated on the exemption certificate provided by the purchaser to the seller of tangible personal property eligible for the exemption.

(h) The comptroller shall revoke all registration numbers issued in connection with a qualifying connected data center project that the comptroller determines does not meet the requirements prescribed by Subsection (d). Each person who has the person's registration number revoked by the comptroller is liable for taxes, including penalty and interest from the date of purchase, imposed under this chapter on purchases for which the person claimed an exemption under this section, regardless of whether the purchase occurred before the date the registration number was revoked.

(i) The comptroller shall adopt rules consistent with and necessary to implement this section, including rules relating to:

(1) a qualifying connected data center project, qualifying owner, qualifying operator, and qualifying occupant;

(2) issuance and revocation of a registration number required under this section; and

(3) reporting and other procedures necessary to ensure that a qualifying connected data center project, qualifying owner, qualifying operator, and qualifying occupant comply with this section and remain entitled to the exemption authorized by this section.

(j) A connected data center project is not eligible to receive an exemption under this section if the connected data center project is:

(1) subject to an agreement limiting the appraised value of the connected data center's property under former Subchapter B or C, Chapter 313, or a substantially similar program that authorizes a temporary limit on the value of the connected data center's property for school district maintenance and operations ad valorem tax purposes; or

(2) a virtual currency mining facility.

SECTION 2. Section 151.317(a), Tax Code, is amended to read as follows:

(a) Subject to Sections 151.1551, 151.359, ~~and~~ 151.3595, and 151.3596 and Subsection (d) of this section, gas and electricity are exempted from the taxes imposed by this chapter when sold for:

(1) residential use;

(2) use in powering equipment exempt under Section 151.318 or 151.3185 by a person processing tangible personal property for sale as tangible personal property, other than preparation or storage of prepared food described by Section 151.314(c-2);

(3) use in lighting, cooling, and heating in the manufacturing area during the actual manufacturing or processing of tangible personal property for sale as tangible personal property, other than preparation or storage of prepared food described by Section 151.314(c-2);

(4) use directly in exploring for, producing, or transporting, a material extracted from the earth;

(5) use in agriculture, including dairy or poultry operations and pumping for farm or ranch irrigation;

(6) use directly in electrical processes, such as electroplating, electrolysis, and cathodic protection;

(7) use directly in the off-wing processing, overhaul, or repair of a jet turbine engine or its parts for a certificated or licensed carrier of persons or property;

(8) use directly in providing, under contracts with or on behalf of the United States government or foreign governments, defense or national security-related electronics, classified intelligence data processing and handling systems, or defense-related platform modifications or upgrades;

(9) use directly by a data center, ~~or~~ large data center project, or connected data center project that is certified by the comptroller as a qualifying data center under Section 151.359, ~~or~~ a qualifying large data center project under Section 151.3595, or a qualifying connected data center project under Section 151.3596 in the processing, storage, and distribution of data;

(10) a direct or indirect use, consumption, or loss of electricity by an electric utility engaged in the purchase of electricity for resale; or

(11) use in timber operations, including pumping for irrigation of timberland.

SECTION 3. The change in law made by this Act does not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 4. This Act takes effect September 1, 2023.

Representative Anderson moved to adopt the conference committee report on **HB 3104**.

The motion to adopt the conference committee report on **HB 3104** prevailed by (Record 2211): 120 Yeas, 21 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; DeAyala; Dorazio; Dutton; Flores; Frank; Frazier; Gámez; Gates; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Hernandez; Hinojosa; Howard; Hunter; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Smith; Smithee; Spiller; Stucky; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; Turner; VanDeaver; Vo; Walle; Wu; Zwiener.

Nays — Cain; Dean; Gerdes; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Isaac; Landgraf; Leo-Wilson; Metcalf; Schaefer; Schatzline; Slawson; Swanson; Tinderholt; Toth; Vasut; Wilson.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Garcia; Herrero; Shaheen.

Absent — Bell, C.; Johnson, J.D.; Talarico.

STATEMENT OF VOTE

When Record No. 2211 was taken, I was shown voting yes. I intended to vote no.

Hinojosa

SB 17 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Kuempel submitted the conference committee report on **SB 17**.

SB 17 - REMARKS

REPRESENTATIVE KUEMPEL: To walk through some of the changes—first, the conference committee report moves the higher education statement of purpose because of there being concerns with germaneness. Second, it removes several references to sex and the definition of a DEI office and DEI training. This change was made because there may be certain circumstances where policies and programs should be crafted and referenced to sex, such as ensuring fairness in intercollegiate athletics and policies surrounding pregnancy. However, the bill continues to prohibit employment discrimination based on sex, as required by state and federal law. Third, the conference committee report adopted the senate language on the exception to ensure the programs that enhance student academic achievement may continue. The language is more comprehensive and better matches the intent of the bill. Fourth, the conference committee report further clarifies the definition of DEI training to better ensure the prohibition on required DEI training is effective. Fifth, the report retains the study to be conducted by the coordinating board, as added by amendment on the house floor. The study is now a biennial study rather than an annual study to reduce the burden on the coordinating board and to allow data to amass. The report also replaces "recruitment rate" with "application rate" to align with the coordinating board's terms. The final change to the study is removing disaggregation of sexual orientation and gender identity. The Higher Education Coordinating Board in our institutions of higher education do not collect that data, so it wouldn't be appropriate. And lastly, the conference committee report makes changes to the provision which required institutions of higher education to make a reasonable effort to place all employees in positions at an institution with similar pay. This provision now authorizes institutions of higher education to provide a letter of recommendation to affected employees as long as they are in good standing with the institution.

REPRESENTATIVE COLLIER: I just want to go back over the last two parts that you mentioned. The study that was added in the house included the same characteristics that were mentioned in the bill—one being sexual orientation—but that's been removed in the senate amendment or in the conference committee, I guess?

KUEMPEL: Yes.

COLLIER: So they're not going to study how this impacts the same characteristics that were originally part of the bill that are prohibited?

KUEMPEL: Correct, and that was sexual orientation and gender identity. That was just something that the Higher Education Coordinating Board doesn't collect anyway, so—

COLLIER: They don't collect that data?

KUEMPEL: No, ma'am.

COLLIER: Okay, then the next part deals with staff reassignments?

KUEMPEL: Yes, ma'am.

COLLIER: There was a provision added in the house version that said that the existing staff, if their position is eliminated or their department is eliminated, they would be reassigned. And now that has been pretty much gutted. Because what the bill does now is that it says that they may provide a letter. It doesn't even say that they have to keep them. So right now, these 62 individuals at UT—

KUEMPEL: That's correct, Ms. Collier. I've been visiting with some of these institutions. I do have confidence that these employees will be accommodated, but for the sake of working with the senate that's the language we came to—to provide a letter of recommendation.

COLLIER: That's what I wanted to clarify with you, then. Even after this was removed and gutted, the safety net or just some provisions in there that would ensure that they could maintain their jobs—I understand it was like 62 at UT here in Austin—even after that provision was removed, it's still your understanding that those individuals would be reassigned or other employment would be found for them?

KUEMPEL: When in discussions, I have confidence that those employees will be accommodated if they wish to be.

REMARKS ORDERED PRINTED

Representative Collier moved to print all remarks on **SB 17**.

The motion prevailed.

REPRESENTATIVE REYNOLDS: I have the utmost respect for my good colleague, Chairman Kuempel, and I am not going to regurgitate and recite the many hours of arguments—persuasive arguments—from members against this bill. We heard overwhelmingly from students across this state, and as we reflect on May as a month of graduation ceremonies, there are many students of color across this state that will be impacted in the future if we pass this legislation. I want to thank the members that spoke truth to power eloquently. You heard from Dr. Alma Allen and many other members from the Texas Legislative Black Caucus, from the Mexican American Legislative Caucus, and from other members about the detrimental impact that this bill will have on students of color in the most diverse state in the country. Again, our diversity is our strength.

There's only one state in the United States of America that has passed legislation like this, and that is the State of Florida. If we pass this bill, Texas will become only the second state that is on the wrong side of history. I want to make it plain for what this bill would do by reciting a recent travel advisory from the NAACP, the nation's oldest and largest civil rights organization. They issued this release on May 20, 2023, that says: Today the NAACP Board of Directors issue a formal travel advisory for the state of Florida. The travel advisory comes in direct response to Governor Ron DeSantis' aggressive attempts to erase Black history and to restrict diversity, equity, and inclusion programs in Florida schools. The formal travel notice states, "Florida is openly hostile towards African Americans, people of color, and LGBTQ+ individuals. Before traveling to Florida, please understand that the state of Florida devalues and marginalizes the contributions of, and the challenges faced by African Americans and other communities of

color. Let me be clear, failing to teach an accurate representation of the horrors and inequalities that Black Americans have faced, and continue to face, is a disservice to students and a dereliction of duty to all," said NAACP President and CEO Derrick Johnson. "Under the leadership of Governor DeSantis, the state of Florida has become hostile to African Americans and in direct conflict with the democratic ideals that our union was founded upon. He should know that democracy will prevail because its defenders are prepared to stand up and fight. We are not backing down and we encourage all our allies to join us in this battle for the soul of our nation."

The travel advisory was initially proposed to the board of directors by the NAACP's Florida State Conference. Collective consideration of this advisory is a result from unrelenting attacks on fundamental freedoms from the governor and his legislative body. "Once again, hate-inspired state leaders have chosen to put politics over people. Governor Ron DeSantis and the state of Florida have engaged in a blatant war against principles of diversity and inclusion and rejected our shared identities to appeal to a dangerous extremist minority."

Members, this is what I fear. Texas will be the next state. If we pass this bill—which we made some amendments in the house that made a bad bill a little less bad and many of those, as was just recounted by Chairman Kuempel, have been stripped out. I do not want to see Texas go down the road of Florida. I do not want to see Texas go down the road where the NAACP issues a travel advisory regarding Texas. Texas is the home of more African Americans than any other state in the country. Again, our diversity is our strength, and I implore you to appeal to your social consciousness to be on the right side of history and reject this similar legislation that was passed in Florida that led to this travel advisory from the NAACP. We want to welcome people to visit our state. We want people to continue to come and visit and spend money for tourism. We want to continue to attract the best and the brightest to our universities. We won't continue to attract people that make Texas the fastest growing state in the country. Based on the 2020 census, 95 percent of the growth over the last decade was because of our diversity. African Americans, Asians, and Hispanics—that was 95 percent of the growth. This bill will send us in the wrong direction.

I close and ask you please, members, don't be on the wrong side of history. Don't let Texas be the next state to get a travel advisory. Don't let the politics of extremism get in the way of the progress that we have made over the years because many people of good conscience—not just African Americans, but Hispanics and Asians all working together collaboratively to make Texas a better place. To address the Jim Crow legislation of the past, diversity, equity, and inclusion programs have helped to propel this state forward.

COLLIER: Representative Reynolds, we heard the information about the DEI study. We are glad that the study stays in there, but having that study will help us understand the impact that by removing these programs—the DEI programs—can have on our universities and community colleges. Ever since this bill has come up, have you also heard from community colleges, universities, and

those that actually apply for grants that this bill does not provide them cover to be able to apply for these grants? They could likely lose these grants, have you heard that?

REYNOLDS: Absolutely, Representative Collier. I have heard from a considerable amount of people from colleges and universities. Many of them fear retaliation, so they didn't want to speak openly and on the record. But they've called my office, as they have many people's offices, that this bill will chill those programs. Many of the programs that have benefited from federal funding are at jeopardy with this legislation, and they are concerned about the adverse impact it's going to have on their college campuses for recruitment of students and retention of faculty and staff. They have already seen an exodus of staff. Just last week, I heard someone say that they had rejection letters because of **SB 17** and **SB 18**. People were saying they were going to go elsewhere. I'm concerned that this is going to be a slippery slope, and it is going to have an exponentially detrimental impact on those universities that have welcomed students of color and that have welcomed LGBTQ+ students. This bill is going to adversely impact those universities. Yes, I have heard from a number of people, and they have addressed those concerns.

COLLIER: You know, when we were having a discussion about this bill when we debated it, one thing that was not emphasized as much was the impact that it will have on community colleges because they too apply for grants. They are in jeopardy as well. By eliminating this opportunity—and I know what the bill is saying is that they are just taking away the name, and it's still the same—it's going to have a detrimental impact. A billion-plus dollars could be lost by the State of Texas in funding as well as quality faculty. That's a concern that we also have.

REYNOLDS: You just articulated it very well. Also, it's going to impact over 1.5 million students. So yes, this bill is a solution in search of a problem. Prior to this legislation, I don't know about you, but I never heard from one university, college, or community college saying, "You know what? We really need to end diversity, equity, and inclusion because that is a real problem in this state." I don't know any member, and I challenge any member to show me. I've never heard of a study during the interim that there is a problem that needs to be addressed. This came out of nowhere in February—during Black History Month—by Governor Abbott and, quite frankly, I think it's just nothing but partisan politics.

COLLIER: What is also alarming is that there is not much diversity when you look at the athletic programs—they're very one-sided.

REYNOLDS: Absolutely.

COLLIER: They do not have diversity within those programs, and yet they are eliminating the DEI department.

REYNOLDS: Absolutely. I'm glad that you're having this conversation on the record so people can think before they vote. Let's not just push buttons here. Let's look at how this is going to impact day-to-day operations at colleges and universities. How is this going to impact the students, faculty, and staff? I think that this is going to send us backwards.

COLLIER: Thank you.

REYNOLDS: Members, I ask that you vote no.

SB 17 - POINT OF ORDER

Representative Bryant raised a point of order against further consideration of **SB 17** under Rule 6, Section 16, of the House Rules on the grounds that the conference committee report is not eligible. The point of order was withdrawn.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

Frazier on motion of Bryant.

SB 17 - (consideration continued)

Representative Kuempel moved to adopt the conference committee report on **SB 17**.

The motion to adopt the conference committee report on **SB 17** prevailed by (Record 2212): 82 Yeas, 61 Nays, 1 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Frank; Gates; Gerdes; Geren; Goldman; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Kacal; King, K.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Morrison; Murr; Noble; Oliverson; Orr; Patterson(C); Paul; Price; Raney; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchía; Bernal; Bhojani; Bowers; Bryant; Bucy; Campos; Canales; Cole; Collier; Cortez; Davis; Dutton; Flores; Gámez; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Hernandez; Hinojosa; Howard; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; King, T.; Lalani; Longoria; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Moody; Morales, C.; Morales, E.; Muñoz; Neave Criado; Ordaz; Ortega; Perez; Plesa; Ramos; Raymond; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker.

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Morales Shaw.

HB 1500 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Holland submitted the following conference committee report on **HB 1500**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 1500** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Schwertner	Holland
Johnson	K. Bell
King	Canales
Middleton	Hunter
Nichols	Spiller
On the part of the senate	On the part of the house

HB 1500, A bill to be entitled An Act relating to the continuation and functions of the Public Utility Commission of Texas and the Office of Public Utility Counsel, and the functions of the independent organization certified for the ERCOT power region; increasing an administrative penalty.

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

SECTION 1. Section 12.005, Utilities Code, is amended to read as follows:

Sec. 12.005. APPLICATION OF SUNSET ACT. The Public Utility Commission of Texas is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter or by Chapter 39, the commission is abolished ~~[and this title expires]~~ September 1, ~~2029~~ [2023].

SECTION 2. Section 12.059, Utilities Code, is amended to read as follows:

Sec. 12.059. TRAINING PROGRAM FOR COMMISSIONERS. (a) A person who is appointed to and qualifies for office as a member of the commission may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission until the person completes a [Before a commissioner may assume the commissioner's duties and before the commissioner may be confirmed by the senate, the commissioner must complete at least one course of the] training program that complies with [established under] this section.

(b) The [A] training program must [established under this section shall] provide the person with information [to the commissioner] regarding:

(1) the law governing [enabling legislation that created the] commission operations [and its policymaking body to which the commissioner is appointed to serve];

(2) the programs, functions, rules, and budget of [operated by] the commission;

(3) the scope [role and functions] of and limitations on the rulemaking authority of the commission;

(4) the results [rules] of the most recent formal audit of the commission [with an emphasis on the rules that relate to disciplinary and investigatory authority];

(5) the requirements of:

(A) laws relating to open meetings, public information, administrative procedure, and disclosing conflicts of interest; and

(B) other laws applicable to members of a state policy-making body in performing their duties [current budget for the commission]; and

(6) ~~[the results of the most recent formal audit of the commission;~~

~~[(7) the requirements of Chapters 551, 552, and 2001, Government Code;~~

~~[(8) the requirements of the conflict of interest laws and other laws relating to public officials; and~~

~~[(9)] any applicable ethics policies adopted by the commission or the Texas Ethics Commission.~~

(c) A person ~~[who is]~~ appointed to the commission is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

(d) The executive director of the commission shall create a training manual that includes the information required by Subsection (b). The executive director shall distribute a copy of the training manual annually to each member of the commission. Each member of the commission shall sign and submit to the executive director a statement acknowledging that the member received and has reviewed the training manual.

SECTION 3. Section 12.202, Utilities Code, is amended by adding Subsections (a-1) and (a-2) to read as follows:

(a-1) The policies adopted under this section must require the agenda for each regular commission meeting to include public testimony as a meeting agenda item and allow members of the public to comment on:

(1) each meeting agenda item unrelated to a contested case; and

(2) other matters under the commission's jurisdiction.

(a-2) The commission may prohibit public comment at a regular commission meeting on a meeting agenda item related to a contested case.

SECTION 4. Section 12.203, Utilities Code, is amended to read as follows:

Sec. 12.203. BIENNIAL REPORT. (a) Not later than January 15 of each odd-numbered year, the commission shall prepare a written report that includes:

(1) suggestions regarding modification and improvement of the commission's statutory authority and for the improvement of utility regulation in general, including the regulation of water and sewer service under Chapter 13, Water Code, that the commission considers appropriate for protecting and furthering the interest of the public;

(2) a report on the scope of competition in the electric and telecommunications markets that includes:

(A) an assessment of:

(i) the effect of competition and industry restructuring on customers in both competitive and noncompetitive electric markets; and

(ii) the effect of competition on the rates and availability of electric services for residential and small commercial customers;

(B) an assessment of the effect of competition on:

(i) customers in both competitive and noncompetitive telecommunications markets, with a specific focus on rural markets; and

(ii) the rates and availability of telecommunications services for residential and business customers, including any effects on universal service; and

(C) a summary of commission action over the preceding two years that reflects changes in the scope of competition in regulated electric and telecommunications markets; and

(3) recommendations for legislation that the commission determines appropriate to promote the public interest in the context of partially competitive electric and telecommunications markets.

(b) A telecommunications utility, as defined by Section 51.002, shall cooperate with the commission as necessary for the commission to satisfy the requirements of this section.

SECTION 5. Subchapter E, Chapter 12, Utilities Code, is amended by adding Section 12.205 to read as follows:

Sec. 12.205. STRATEGIC COMMUNICATIONS PLAN. The commission shall:

(1) develop an agency-wide plan for:

(A) improving the effectiveness of commission communications with the public, market participants, and other relevant audiences; and

(B) responding to changing communications needs;

(2) include in the plan required by Subdivision (1) goals, objectives, and metrics to assess commission efforts; and

(3) update the plan required by Subdivision (1) at least once every two years.

SECTION 6. Section 13.002, Utilities Code, is amended to read as follows:

Sec. 13.002. APPLICATION OF SUNSET ACT. The Office of Public Utility Counsel is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the office is abolished ~~[and this chapter expires]~~ September 1, 2029 ~~[2023]~~.

SECTION 7. Sections 15.023(b-1) and (f), Utilities Code, are amended to read as follows:

(b-1) Notwithstanding Subsection (b), the penalty for a violation of a voluntary mitigation plan entered into under Subsection (f) or of a provision of Section 35.0021 or 38.075 may be in an amount not to exceed \$1,000,000 for a violation. Each day a violation continues or occurs is a separate violation for purposes of imposing a penalty.

(f) The commission and a person may develop and enter into a voluntary mitigation plan relating to a violation of Section 39.157 or rules adopted by the commission under that section. The commission may approve the plan only if the commission determines that the plan is in the public interest. The voluntary mitigation plan must be reviewed at least once every two years and not later than the 90th day after the implementation date of a wholesale market design change. As part of the review, the commission must determine whether the voluntary mitigation plan remains in the public interest. If the commission determines that the voluntary mitigation plan is no longer in the public interest, the commission and the person must agree to a modification of the plan or the commission must terminate the plan. Adherence [If the commission and a person enter into a voluntary mitigation plan, adherence] to the plan must be considered in determining whether a violation occurred and, if so, the penalty to be assessed [constitutes an absolute defense against an alleged violation with respect to activities covered by the plan].

SECTION 8. Subchapter A, Chapter 35, Utilities Code, is amended by adding Section 35.0022 to read as follows:

Sec. 35.0022. SERVICE INTERRUPTION NOTIFICATIONS. (a) This section applies only to a provider of electric generation service described by Section 35.0021(a).

(b) The commission by rule shall require a provider of electric generation service to provide to the independent organization certified under Section 39.151 for the ERCOT power region the reason for each unplanned service interruption. Not later than the third business day after the service is restored, the independent organization shall include the reason for each unplanned service interruption in a publicly available report published on the independent organization's Internet website.

SECTION 9. Section 35.004, Utilities Code, is amended by amending Subsection (d) and adding Subsections (d-1), (d-2), and (d-3) to read as follows:

(d) The commission shall price wholesale transmission services within ERCOT based on the postage stamp method of pricing under which a transmission-owning utility's rate is based on the ERCOT utilities' combined annual costs of transmission, other than costs described by Subsections (d-2) and (d-3), divided by the total demand placed on the combined transmission systems of all such transmission-owning utilities within a power region. An electric utility subject to the freeze period imposed by Section 39.052 may treat transmission costs in excess of transmission revenues during the freeze period as an expense for purposes of determining annual costs in the annual report filed under Section 39.257. Notwithstanding Section 36.201, the commission may approve wholesale rates that may be periodically adjusted to ensure timely recovery of transmission investment. Notwithstanding Section 36.054(a), if the commission determines that conditions warrant the action, the commission may authorize the inclusion of construction work in progress in the rate base for transmission investment required by the commission under Section 39.203(e).

(d-1) The commission by rule shall establish a reasonable allowance for transmission-owning utility costs incurred to interconnect generation resources directly with the ERCOT transmission system at transmission voltage. The allowance must take into account:

(1) the potential to reduce the costs to consumers of generation interconnection;

(2) historical generation interconnection costs; and

(3) any other factor that the commission considers reasonable to accomplish the goal of this subsection.

(d-2) Costs in excess of the transmission-owning utility allowance provided by Subsection (d-1) incurred to interconnect generation resources with the ERCOT transmission system must be directly assigned to and collected from the generation resource interconnecting through the facilities.

(d-3) Not later than September 1 of every fifth year, the commission shall review and may adjust the allowance provided by Subsection (d-1) to account for inflation or supply chain issues.

SECTION 10. Section 36.053(d), Utilities Code, is amended to read as follows:

(d) If the commission issues a certificate of convenience and necessity or if the commission, acting under the authority formerly provided by Section 39.203(e), ordered [orders] an electric utility or a transmission and distribution utility to construct or enlarge transmission or transmission-related facilities to facilitate meeting the goal for generating capacity from renewable energy technologies under former Section 39.904(a), the commission shall find that the facilities are used and useful to the utility in providing service for purposes of this section and are prudent and includable in the rate base, regardless of the extent of the utility's actual use of the facilities.

SECTION 11. Section 37.0541, Utilities Code, is amended to read as follows:

Sec. 37.0541. CONSOLIDATION OF CERTAIN PROCEEDINGS. The commission shall consolidate the proceeding on an application to obtain or amend a certificate of convenience and necessity for the construction of a transmission line with the proceeding on another application to obtain or amend a certificate of convenience and necessity for the construction of a transmission line if it is apparent from the applications or a motion to intervene in either proceeding that the transmission lines that are the subject of the separate proceedings share a common point of interconnection. ~~[This section does not apply to a proceeding on an application for a certificate of convenience and necessity for a transmission line to serve a competitive renewable energy zone as part of a plan developed by the commission under Section 39.904(g)(2).]~~

SECTION 12. Sections 37.056(c) and (d), Utilities Code, are amended to read as follows:

(c) The commission shall grant each certificate on a nondiscriminatory basis after considering:

(1) the adequacy of existing service;

(2) the need for additional service;

(3) the effect of granting the certificate on the recipient of the certificate and any electric utility serving the proximate area; and

(4) other factors, such as:

(A) community values;

(B) recreational and park areas;

(C) historical and aesthetic values;

(D) environmental integrity; and

(E) the probable improvement of service or lowering of cost to consumers in the area if the certificate is granted, including any potential economic or reliability benefits associated with dual fuel and fuel storage capabilities in areas outside the ERCOT power region[; ~~and~~

~~[(F) to the extent applicable, the effect of granting the certificate on the ability of this state to meet the goal established by Section 39.904(a) of this title].~~

(d) The commission by rule shall establish criteria, in addition to the criteria described by Subsection (c), for granting a certificate for a transmission project that serves the ERCOT power region and[.] that is not necessary to meet state or federal reliability standards[; ~~and that is not included in a plan developed under Section 39.904(g)~~]. The criteria must include a comparison of the estimated cost of the transmission project for consumers and the estimated congestion cost savings for consumers that may result from the transmission project, considering both current and future expected congestion levels and the transmission project's ability to reduce those congestion levels. The commission shall include with its decision on an application for a certificate to which this subsection applies findings on the criteria.

SECTION 13. Subchapter D, Chapter 38, Utilities Code, is amended by adding Section 38.078 to read as follows:

Sec. 38.078. CIRCUIT SEGMENTATION STUDY AND COST RECOVERY. (a) Not later than September 15, 2023, the commission shall direct each transmission and distribution utility to perform a circuit segmentation study.

(b) A circuit segmentation study must:

(1) use an engineering analysis to examine whether and how the transmission and distribution utility's transmission and distribution systems can be segmented and sectionalized to manage and rotate outages more evenly across all customers and circuits, while maintaining the protections offered to critical facilities;

(2) include an engineering analysis of the feasibility of using sectionalization, automated reclosers, and other technology to break up the circuits that host significant numbers of critical facilities into smaller segments for outage management purposes to enable more granular and flexible outage management;

(3) identify feeders with critical facilities that, if equipped with facility-specific backup power systems and segmentation, can enhance the utility's outage management flexibility; and

(4) include an estimate of the time, capital cost, and expected improvements to load-shed management associated with the circuit segmentation study.

(c) Each transmission and distribution utility shall submit a report of the conclusions of the utility's study to the commission not later than September 1, 2024.

(d) The commission shall review each circuit segmentation study not later than March 15, 2025.

SECTION 14. Section 39.002, Utilities Code, as amended by Chapters 908 (**HB 4492**) and 950 (**SB 1580**), Acts of the 87th Legislature, Regular Session, 2021, is reenacted and amended to read as follows:

Sec. 39.002. APPLICABILITY. This chapter, other than Sections 39.151, 39.1516, 39.155, 39.157(e), 39.159, 39.160, 39.203, ~~[39.904,]~~ 39.9051, 39.9052, and 39.914(e), and Subchapters M and N, does not apply to a municipally owned utility or an electric cooperative. Sections 39.157(e) and ~~[~~ 39.203 ~~], and 39.904, however,~~ apply only to a municipally owned utility or an electric cooperative that is offering customer choice. If there is a conflict between the specific provisions of this chapter and any other provisions of this title, except for Chapters 40 and 41, the provisions of this chapter control.

SECTION 15. Section 39.151, Utilities Code, is amended by amending Subsections (d), (g-1), and (g-6) and adding Subsection (g-7) to read as follows:

(d) The commission shall adopt and enforce rules relating to the reliability of the regional electrical network and accounting for the production and delivery of electricity among generators and all other market participants, or may delegate those responsibilities to an independent organization ~~[responsibilities for adopting or enforcing such rules. Rules adopted by an independent organization and enforcement actions taken by the organization under delegated authority from the commission are subject to commission oversight and review and may not take effect before receiving commission approval].~~ An independent organization certified by the commission is directly responsible and accountable to the commission. The commission has complete authority to oversee and investigate the independent organization's finances, budget, and operations as necessary to ensure the organization's accountability and to ensure that the organization adequately performs the organization's functions and duties. The independent organization shall fully cooperate with the commission in the commission's oversight and investigatory functions. The commission may take appropriate action against an independent organization that does not adequately perform the organization's functions or duties or does not comply with this section, including decertifying the organization or assessing an administrative penalty against the organization. The commission by rule shall adopt procedures governing decertification of an independent organization, selecting and certifying a successor organization, and transferring assets to the successor organization to ensure continuity of operations in the region. The commission may not implement, by order or by rule, a requirement that is contrary to an applicable federal law or rule.

(g-1) The ~~[independent organization's]~~ bylaws of an independent organization certified for the ERCOT power region ~~[or protocols]~~ must be approved by ~~[the commission]~~ and ~~[must]~~ reflect the input of the commission. The bylaws must require that every member of the governing body be a resident of this state and must prohibit a legislator from serving as a member. The governing body must be composed of:

(1) two members ~~[the chairman]~~ of the commission as ~~[an]~~ ex officio nonvoting members:

(A) one of whom must be the presiding officer of the commission;

and

(B) one of whom must be designated by the presiding officer of the commission to serve a one-year term on the governing body ~~[member];~~

(2) the counsellor as an ex officio voting member representing residential and small commercial consumer interests;

(3) the chief executive officer of the independent organization as an ex officio nonvoting member; and

(4) eight members selected by the selection committee under Section 39.1513 with executive-level experience in any of the following professions:

(A) finance;

(B) business;

(C) engineering, including electrical engineering;

(D) trading;

(E) risk management;

(F) law; or

(G) electric market design.

(g-6) In this subsection, a reference to a protocol includes a rule. Protocols adopted by an independent organization and enforcement actions taken by the organization under delegated authority from the commission are subject to commission oversight and review and may not take effect before receiving commission approval. To maintain certification as an independent organization under this section, the organization's governing body must establish and implement a formal process for adopting new protocols or revisions to existing protocols. The process must require that new or revised protocols may not take effect until the commission approves a market impact statement describing the new or revised protocols. The commission may approve, reject, or remand with suggested modifications to the independent organization's governing body protocols adopted by the organization.

(g-7) The presiding officer of the commission shall designate commissioners to serve terms on the independent organization's governing body under Subsection (g-1)(1)(B) in the order in which the commissioners were first appointed to the commission. A commissioner may not serve an additional term until each commissioner has served a term.

SECTION 16. Section 39.1511, Utilities Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Meetings of the governing body of an independent organization certified under Section 39.151 and meetings of a subcommittee that includes a member of the governing body must be open to the public. The bylaws of the independent organization and the rules of the commission may provide for the governing body or subcommittee to enter into executive session closed to the public only to address risk management or a matter that the independent organization would be authorized to consider in a closed meeting if the independent organization were governed under Chapter 551, Government Code [sensitive matters such as confidential personnel information, contracts, lawsuits, competitively sensitive information, or other information related to the security of the regional electrical network].

(a-1) An independent organization's governing body or a subcommittee may adopt a policy allowing the governing body or subcommittee to enter into an executive session closed to the public and commissioners, including the commissioners serving as ex officio nonvoting members, only to address a contested case, as defined by Section 2001.003, Government Code, or a personnel matter that is unrelated to members of the governing body.

SECTION 17. Subchapter D, Chapter 39, Utilities Code, is amended by adding Section 39.1514 to read as follows:

Sec. 39.1514. COMMISSION DIRECTIVES TO INDEPENDENT ORGANIZATION. (a) The commission may not use a verbal directive to direct an independent organization certified under Section 39.151 to take an official action. The commission may direct the organization to take an official action only through:

- (1) a contested case;
- (2) rulemaking; or
- (3) a memorandum or written order adopted by a majority vote.

(a-1) The commission must use a contested case or rulemaking process to direct an independent organization certified under Section 39.151 to take an official action that will create a new cost or fee, increase an existing cost or fee, or impose significant operational obligations on an entity.

(b) The commission by rule shall:

(1) specify the types of directives the commission may issue through a contested case, rulemaking, memorandum, or written order, in accordance with Subsection (a-1);

(2) require that proposed commission directives be included as an item on a commission meeting agenda and require the commission to allow members of the public an opportunity to comment on the agenda item; and

(3) establish a reasonable timeline for the release before a commission meeting of discussion materials relevant to any proposed commission directives included as agenda items for that meeting.

(c) Notwithstanding another provision of this section, the commission may use a verbal directive to direct an independent organization to take an official action in an urgent or emergency situation that poses an imminent threat to public health, public safety, or the reliability of the power grid. If the commission uses a verbal directive, the commission shall provide written documentation of the

directive to the independent organization not later than 72 hours after the urgent or emergency situation ends. The commission by rule shall establish criteria for determining whether a situation is urgent or an emergency under this subsection and establish a process by which the commission will issue directives to the independent organization under this subsection.

SECTION 18. Section 39.1515, Utilities Code, is amended by amending Subsections (a) and (f) and adding Subsection (i) to read as follows:

(a) An independent organization certified under Section 39.151 shall contract with an entity selected by the commission to act as the commission's wholesale electric market monitor to detect and prevent market manipulation strategies, ~~and~~ recommend measures to enhance the efficiency of the wholesale market, and provide independent analysis of any material changes proposed to the wholesale market. The commission may not restrict the market monitor from appearing or speaking before or providing analysis to the legislature. The independent organization may not substantially modify the market monitor's contract unless the modification is approved by a majority of the commissioners.

(f) The market monitor immediately shall report in writing directly to the commission and commission staff all ~~any~~ potential market manipulations and all ~~any~~ discovered or potential violations of commission rules or rules of the independent organization.

(i) Not later than December 1 of each year, the commission shall submit a report to the legislature that describes for the 12-month period preceding the report's submission:

(1) the number of instances in which the market monitor reported potential market manipulation to the commission or commission staff;

(2) the statutes, commission rules, and rules of the independent organization alleged to have been violated by the reported entities; and

(3) the number of instances reported under Subdivision (1) for which the commission instituted a formal investigation on its own motion or commission staff initiated an enforcement action.

SECTION 19. Section 39.155(d), Utilities Code, is amended to read as follows:

(d) In a qualifying power region, the report ~~reports~~ required by Subsection (c) ~~[Subsections (b) and (c)]~~ shall be submitted by the independent organization or organizations having authority over the power region or discrete areas thereof.

SECTION 20. Section 39.157(f), Utilities Code, is amended to read as follows:

(f) Following review of the annual report ~~reports~~ submitted to it under Section 39.155(c) ~~[Sections 39.155(b) and (c)]~~, the commission shall determine whether specific transmission or distribution constraints or bottlenecks within this state give rise to market power in specific geographic markets in the state. The commission, on a finding that specific transmission or distribution constraints or bottlenecks within this state give rise to market power, may order reasonable mitigation of that potential market power by ordering, under Section

39.203(e), one or more electric utilities or transmission and distribution utilities to construct additional transmission or distribution capacity, or both, subject to the certification provisions of this title.

SECTION 21. The heading to Section 39.159, Utilities Code, as added by Chapter 426 (**SB 3**), Acts of the 87th Legislature, Regular Session, 2021, is amended to read as follows:

Sec. 39.159. POWER REGION RELIABILITY AND DISPATCHABLE GENERATION.

SECTION 22. Section 39.159, Utilities Code, as added by Chapter 426 (**SB 3**), Acts of the 87th Legislature, Regular Session, 2021, is amended by adding Subsections (d) and (e) to read as follows:

(d) The commission shall require the independent organization certified under Section 39.151 for the ERCOT power region to develop and implement an ancillary services program to procure dispatchable reliability reserve services on a day-ahead and real-time basis to account for market uncertainty. Under the required program, the independent organization shall:

(1) determine the quantity of services necessary based on historical variations in generation availability for each season based on a targeted reliability standard or goal, including intermittency of non-dispatchable generation facilities and forced outage rates, for dispatchable generation facilities;

(2) develop criteria for resource participation that require a resource to:

(A) be capable of running for at least four hours at the resource's high sustained limit;

(B) be online and dispatchable not more than two hours after being called on for deployment; and

(C) have the dispatchable flexibility to address inter-hour operational challenges; and

(3) reduce the amount of reliability unit commitment by the amount of dispatchable reliability reserve services procured under this section.

(e) Notwithstanding Subsection (d)(2)(A), the independent organization certified under Section 39.151 for the ERCOT power region may require a resource to be capable of running for more than four hours as the organization determines is needed.

SECTION 23. Subchapter D, Chapter 39, Utilities Code, is amended by adding Sections 39.1591, 39.1592, 39.1593, 39.1594, and 39.1595 to read as follows:

Sec. 39.1591. REPORT ON DISPATCHABLE AND NON-DISPATCHABLE GENERATION FACILITIES. Not later than December 1 of each year, the commission shall file a report with the legislature that:

(1) includes:

(A) the estimated annual costs incurred by load-serving entities under this subchapter associated with backing up dispatchable and non-dispatchable electric generation facilities to guarantee that a firm amount of electric energy will be available to the ERCOT power grid; and

(B) as calculated by the independent system operator, the cumulative annual costs that have been incurred in the ERCOT market to facilitate the transmission of dispatchable and non-dispatchable electricity to load and to interconnect transmission level loads, including a statement of the total cumulative annual costs and of the cumulative annual costs incurred for each type of activity described by this paragraph; and

(2) documents the status of the implementation of this subchapter, including whether the rules and protocols adopted to implement this subchapter have materially improved the reliability, resilience, and transparency of the electricity market.

Sec. 39.1592. GENERATION RELIABILITY REQUIREMENTS. (a) This section applies only to an electric generation facility in the ERCOT power region for which a standard generator interconnection agreement is signed on or after January 1, 2027, that has been in operation for at least one year, and that is not a self-generator.

(b) Not later than December 1 of each year, an owner or operator of an electric generation facility, other than a battery energy storage resource, shall demonstrate to the commission the ability of the owner or operator's portfolio to operate or be available to operate when called on for dispatch at or above the seasonal average generation capability during the times of highest reliability risk, as determined by the commission, due to low operation reserves, as determined by the commission. The owner or operator must be allowed to meet the performance requirements described by this subsection by supplementing or contracting with on-site or off-site resources, including battery energy storage resources. The commission shall determine the average generation capability based on expected resource availability and seasonal-rated capacity on a standalone basis.

(c) The commission shall require the independent organization certified under Section 39.151 for the ERCOT power region to:

(1) enforce the requirements of Subsection (b) by imposing financial penalties, as determined by the commission, for failing to comply with the performance requirements described by that subsection; and

(2) provide financial incentives, as determined by the commission, for exceeding the performance requirements described by that subsection.

(d) The independent organization certified under Section 39.151 for the ERCOT power region may not impose penalties under Subsection (c):

(1) for resource unavailability due to planned maintenance outages or transmission outages;

(2) on resources that are already subject to performance obligations during the highest reliability risk hours under the day-ahead market rules or other ancillary or reliability services established by the commission or the independent organization; or

(3) during hours outside a baseline established by the commission that includes morning and evening ramping periods.

Sec. 39.1593. COST ALLOCATION OF RELIABILITY SERVICES. (a) The commission shall direct the independent organization certified under Section 39.151 for the ERCOT power region to evaluate with input from a technical advisory committee established under the bylaws of the independent organization that includes market participants whether allocating the costs of ancillary and reliability services, including those procured under Section 39.159, as added by Chapter 426 (SB 3), Acts of the 87th Legislature, Regular Session, 2021, using a methodology described by Subsection (b) would result in a net savings to consumers in the ERCOT power region compared to allocating all costs of ancillary and reliability services to load to ensure reliability.

(b) The commission shall evaluate whether to allocate the cost of ancillary and reliability services:

(1) on a semiannual basis among electric generation facilities and load-serving entities in proportion to their contribution to unreliability during the times of highest reliability risk due to low operating reserves by season, as determined by the commission based on a number of hours adopted by the commission for that season; or

(2) using another method identified by the commission.

(c) The evaluation must:

(1) use historical ancillary and reliability services data;

(2) consider the causes for ancillary services deployments; and

(3) consider the design, procurement, and cost allocation of ancillary services required by Section 35.004(h).

(d) Not later than December 1, 2026, the commission shall submit a report on the evaluation to the legislature.

Sec. 39.1594. RELIABILITY PROGRAM. (a) Under Section 39.159(b), as added by Chapter 426 (SB 3), Acts of the 87th Legislature, Regular Session, 2021, or other law, the commission may not require retail customers or load-serving entities in the ERCOT power region to purchase credits designed to support a required reserve margin or other capacity or reliability requirement unless the commission ensures that:

(1) the net cost to the ERCOT market of the credits does not exceed \$1 billion annually, less the cost of any interim or bridge solutions that are lawfully implemented, except that the commission may adjust the limit:

(A) proportionally according to the highest net peak demand year-over-year with a base year of 2026; and

(B) for inflation with a base year of 2026;

(2) credits are available only for dispatchable generation;

(3) the independent organization certified under Section 39.151 for the ERCOT power region is required to procure the credits centrally in a manner designed to prevent market manipulation by affiliated generation and retail companies;

(4) a generator cannot receive credits that exceed the amount of generation bid into the forward market by that generator;

(5) an electric generating unit can receive a credit only for being available to perform in real time during the tightest intervals of low supply and high demand on the grid, as defined by the commission on a seasonal basis;

(6) a penalty structure is established, resulting in a net benefit to load, for generators that bid into the forward market but do not meet the full obligation;

(7) any program reliability standard reasonably balances the incremental reliability benefits to customers against the incremental costs of the program based on an evaluation by the wholesale electric market monitor;

(8) a single ERCOT-wide clearing price is established for the program and does not differentiate payments or credit values based on locational constraints;

(9) any market changes implemented as a bridge solution for the program are removed not later than the first anniversary of the date the program was implemented;

(10) the independent organization certified under Section 39.151 for the ERCOT power region begins implementing real time co-optimization of energy and ancillary services in the ERCOT wholesale market before the program is implemented;

(11) all elements of the program are initially implemented on a single starting date;

(12) the terms of the program and any associated market rules do not assign costs, credit, or collateral for the program in a manner that provides a cost advantage to load-serving entities who own, or whose affiliates own, generation facilities;

(13) secured financial credit and collateral requirements are adopted for the program to ensure that other market participants do not bear the risk of nonperformance or nonpayment; and

(14) the wholesale electric market monitor has the authority and necessary resources to investigate potential instances of market manipulation by program participants, including financial and physical actions, and recommend penalties to the commission.

(b) This section does not require the commission to adopt a reliability program that requires an entity to purchase capacity credits.

(c) The commission and the independent organization certified under Section 39.151 for the ERCOT power region shall consider comments and recommendations from a technical advisory committee established under the bylaws of the independent organization that includes market participants when adopting and implementing a program described by Subsection (a), if any.

(d) Before the commission adopts a program described by Subsection (a), the commission shall require the independent organization certified under Section 39.151 for the ERCOT power region and the wholesale electric market monitor to complete an updated assessment on the cost to and effects on the ERCOT market of the proposed reliability program and submit to the commission and the legislature a report on the costs and benefits of continuing the program. The assessment must include:

(1) an evaluation of the cost of new entry and the effects of the proposed reliability program on consumer costs and the competitive retail market;

(2) a compilation of detailed information regarding cost offsets realized through a reduction in costs in the energy and ancillary services markets and use of reliability unit commitments;

(3) a set of metrics to measure the effects of the proposed reliability program on system reliability;

(4) an evaluation of the cost to retain existing dispatchable resources in the ERCOT power region;

(5) an evaluation of the planned timeline for implementation of real time co-optimization for energy and ancillary services in the ERCOT power region; and

(6) anticipated market and reliability effects of new and updated ancillary service products.

(e) If the commission adopts a program described by Subsection (a), the commission by rule shall prohibit a generator that receives credits through the program for a dispatchable electric generating unit operated by the generator from decommissioning or removing from service that unit while the generator participates in the program unless the decommissioning or removal from service begins after September 1, 2028, or the commission finds that the decommissioning or removal from service:

(1) is required by or is a result of federal law; or

(2) would alleviate significant financial hardship for the generator.

(f) If the commission adopts a program described by Subsection (a), the wholesale electric market monitor described by Section 39.1515 biennially shall:

(1) evaluate the incremental reliability benefits of the program for consumers compared to the costs to consumers of the program and the costs in the energy and ancillary services markets; and

(2) report the results of each evaluation to the legislature.

Sec. 39.1595. GRID RELIABILITY LEGISLATIVE OVERSIGHT COMMITTEE. (a) In this section, "committee" means the Grid Reliability Legislative Oversight Committee established under this section.

(b) The Grid Reliability Legislative Oversight Committee is created to oversee the commission's implementation of legislation related to the regulation of the electricity market in this state enacted by the 87th and 88th Legislatures.

(c) The committee is composed of eight members as follows:

(1) three members of the senate, appointed by the lieutenant governor;

(2) three members of the house of representatives, appointed by the speaker of the house of representatives;

(3) the chair of the committee of the senate having primary jurisdiction over matters relating to the generation of electricity; and

(4) the chair of the committee of the house having primary jurisdiction over matters relating to the generation of electricity.

(d) An appointed member of the committee serves at the pleasure of the appointing official.

(e) The committee members described by Subsections (c)(3) and (4) serve as presiding co-chairs.

(f) A member of the committee may not receive compensation for serving on the committee but is entitled to reimbursement for travel expenses incurred by the member while conducting the business of the committee as provided by the General Appropriations Act.

(g) The committee shall meet at least twice each year at the call of either co-chair and shall meet at other times at the call of either co-chair, as that officer determines appropriate.

(h) Chapter 551, Government Code, applies to the committee.

SECTION 24. (a) This section takes effect only if the Act of the 88th Legislature, Regular Session, 2023, relating to nonsubstantive additions to and corrections in enacted codes becomes law.

(b) Subchapter D, Chapter 39, Utilities Code, is amended by adding Sections 39.166, 39.167, and 39.168 to read as follows:

Sec. 39.166. ELECTRIC INDUSTRY REPORT. (a) Not later than January 15 of each odd-numbered year, the commission, in consultation with the independent organization certified under Section 39.151 for the ERCOT power region, shall prepare and submit to the legislature an electric industry report.

(b) Each electric industry report submitted under this section must:

(1) identify existing and potential transmission and distribution constraints and system needs within the ERCOT power region, alternatives for meeting system needs, and recommendations for meeting system needs;

(2) summarize key findings from:

(A) the grid reliability assessment conducted under Section 39.165;

and

(B) the report required by Section 39.9112;

(3) outline basic information regarding the electric grid and market in this state, including generation capacity, customer demand, and transmission capacity currently installed on the grid and projected in the future; and

(4) be presented in plain language that is readily understandable by a person with limited knowledge of the electric industry.

Sec. 39.167. CONFLICTS OF INTEREST REPORT. The commission and the independent organization certified under Section 39.151 for the ERCOT power region annually shall review statutes, rules, protocols, and bylaws that apply to conflicts of interest for commissioners and for members of the governing body of the independent organization and submit to the legislature a report on the effects the statutes, rules, protocols, and bylaws have on the ability of the commission and the independent organization to fulfill their duties.

Sec. 39.168. RETAIL SALES REPORT. (a) Each retail electric provider that offers electricity for sale shall report to the commission:

(1) its annual retail sales in this state;

(2) the annual retail sales of its affiliates by number of customers, kilowatts per hour sold, and revenue from kilowatts per hour sold by customer class; and

(3) any other information the commission requires relating to affiliations between retail electric providers.

(b) The commission by rule shall prescribe the nature and detail of the reporting requirements. The commission may accept information reported under other law to satisfy the requirements of this section. Information reported under this section is confidential and not subject to disclosure if the information is competitively sensitive information. The commission shall administer the reporting requirements in a manner that ensures the confidentiality of competitively sensitive information.

SECTION 25. (a) This section takes effect only if the Act of the 88th Legislature, Regular Session, 2023, relating to nonsubstantive additions to and corrections in enacted codes does not become law.

(b) Subchapter D, Chapter 39, Utilities Code, is amended by adding Sections 39.166, 39.167, and 39.168 to read as follows:

Sec. 39.166. ELECTRIC INDUSTRY REPORT. (a) Not later than January 15 of each odd-numbered year, the commission, in consultation with the independent organization certified under Section 39.151 for the ERCOT power region, shall prepare and submit to the legislature an electric industry report.

(b) Each electric industry report submitted under this section must:

(1) identify existing and potential transmission and distribution constraints and system needs within the ERCOT power region, alternatives for meeting system needs, and recommendations for meeting system needs;

(2) summarize key findings from:

(A) the grid reliability assessment conducted under Section 39.159, as added by Chapter 876 (SB 1281), Acts of the 87th Legislature, Regular Session, 2021; and

(B) the report required by Section 39.9112;

(3) outline basic information regarding the electric grid and market in this state, including generation capacity, customer demand, and transmission capacity currently installed on the grid and projected in the future; and

(4) be presented in plain language that is readily understandable by a person with limited knowledge of the electric industry.

Sec. 39.167. CONFLICTS OF INTEREST REPORT. The commission and the independent organization certified under Section 39.151 for the ERCOT power region annually shall review statutes, rules, protocols, and bylaws that apply to conflicts of interest for commissioners and for members of the governing body of the independent organization and submit to the legislature a report on the effects the statutes, rules, protocols, and bylaws have on the ability of the commission and the independent organization to fulfill their duties.

Sec. 39.168. RETAIL SALES REPORT. (a) Each retail electric provider that offers electricity for sale shall report to the commission:

(1) its annual retail sales in this state;

(2) the annual retail sales of its affiliates by number of customers, kilowatts per hour sold, and revenue from kilowatts per hour sold by customer class; and

(3) any other information the commission requires relating to affiliations between retail electric providers.

(b) The commission by rule shall prescribe the nature and detail of the reporting requirements. The commission may accept information reported under other law to satisfy the requirements of this section. Information reported under this section is confidential and not subject to disclosure if the information is competitively sensitive information. The commission shall administer the reporting requirements in a manner that ensures the confidentiality of competitively sensitive information.

SECTION 26. Sections 39.203(e) and (i), Utilities Code, are amended to read as follows:

(e) The commission may require an electric utility or a transmission and distribution utility to construct or enlarge facilities to ensure safe and reliable service for the state's electric markets and to reduce transmission constraints within ERCOT in a cost-effective manner where the constraints are such that they are not being resolved through Chapter 37 or the ERCOT transmission planning process. ~~[The commission shall require an electric utility or a transmission and distribution utility to construct or enlarge transmission or transmission related facilities for the purpose of meeting the goal for generating capacity from renewable energy technologies under Section 39.904(a).]~~ In any proceeding brought under Chapter 37, an electric utility or transmission and distribution utility ordered to construct or enlarge facilities under this subchapter need not prove that the construction ordered is necessary for the service, accommodation, convenience, or safety of the public and need not address the factors listed in Sections 37.056(c)(1)-(3) and (4)(E). Notwithstanding any other law, including Section 37.057, in any proceeding brought under Chapter 37 by an electric utility or a transmission and distribution utility related to an application for a certificate of public convenience and necessity to construct or enlarge transmission or transmission-related facilities under this subsection, the commission shall issue a final order before the 181st day after the date the application is filed with the commission. If the commission does not issue a final order before that date, the application is approved.

(i) The commission, in cooperation with transmission and distribution utilities and the ERCOT independent system operator, shall study whether existing transmission and distribution planning processes are sufficient to provide adequate infrastructure for seawater desalination projects. If the commission determines that statutory changes are needed to ensure that adequate infrastructure is developed for projects of that kind, the commission shall include recommendations in the report required by Section 12.203 ~~[31.003]~~.

SECTION 27. Section 39.206(q), Utilities Code, is amended to read as follows:

(q) The commission shall, in conjunction with the Nuclear Regulatory Commission, investigate the development of a mechanism whereby the State of Texas could ensure that funds for decommissioning will be obtained when necessary in the same manner as if the State of Texas were the licensee under federal law. ~~[The commission shall file legislative recommendations regarding~~

~~any changes in law that may be necessary to carry out the purposes of this subsection prior to January 15, 2009, which may be combined with the report required by Section 31.003.]~~

SECTION 28. Section 39.402(a), Utilities Code, is amended to read as follows:

(a) Until the date on which an electric utility subject to this subchapter is authorized by the commission to implement customer choice, the rates of the utility shall be regulated under traditional cost of service regulation and the utility is subject to all applicable regulatory authority prescribed by this subtitle and Subtitle A, including Chapters 14, 32, 33, 36, and 37. Until the date on which an electric utility subject to this subchapter implements customer choice, the provisions of this chapter, other than this subchapter, Sections 39.1516[~~, 39.904,~~] and 39.905, and the provisions relating to the duty to obtain a permit from the Texas Commission on Environmental Quality for an electric generating facility and to reduce emissions from an electric generating facility, shall not apply to that utility. That portion of any commission order entered before September 1, 2001, to comply with this subchapter shall be null and void.

SECTION 29. Section 39.408(g), Utilities Code, is amended to read as follows:

(g) This section expires September 1, 2029 [~~2023~~].

SECTION 30. Section 39.452(d), Utilities Code, is amended to read as follows:

(d) Until the date on which an electric utility subject to this subchapter implements customer choice:

(1) the provisions of this chapter do not apply to that electric utility, other than this subchapter, Sections 39.1516[~~, 39.904,~~] and 39.905, the provisions relating to the duty to obtain a permit from the Texas Commission on Environmental Quality for an electric generating facility and to reduce emissions from an electric generating facility, and the provisions of Subchapter G that pertain to the recovery and securitization of hurricane reconstruction costs authorized by Sections 39.458-39.463; and

(2) the electric utility is not subject to a rate freeze and, subject to the limitation provided by Subsection (b), may file for rate changes under Chapter 36 and for approval of one or more of the rate rider mechanisms authorized by Sections 39.454 and 39.455.

SECTION 31. Section 39.4525(g), Utilities Code, is amended to read as follows:

(g) This section expires September 1, 2029 [~~2023~~].

SECTION 32. Section 39.502(b), Utilities Code, is amended to read as follows:

(b) Until the date on which an electric utility subject to this subchapter implements customer choice, the provisions of this chapter, other than this subchapter and Sections 39.1516[~~, 39.904,~~] and 39.905, do not apply to that utility.

SECTION 33. Section 39.504(g), Utilities Code, is amended to read as follows:

(g) This section expires September 1, 2029 [2023].

SECTION 34. Section 39.552(b), Utilities Code, is amended to read as follows:

(b) Until the date on which an electric utility subject to this subchapter implements customer choice, the provisions of this chapter, other than this subchapter and Sections 39.1516[~~39.904~~] and 39.905, do not apply to that utility.

SECTION 35. Section 39.9055, Utilities Code, is amended to read as follows:

Sec. 39.9055. EXAMINATION OF DEMAND RESPONSE POTENTIAL OF SEAWATER DESALINATION PROJECTS. The commission and the ERCOT independent system operator shall study the potential for seawater desalination projects to participate in existing demand response opportunities in the ERCOT market. To the extent feasible, the study shall determine whether the operational characteristics of seawater desalination projects enable projects of that kind to participate in ERCOT-operated ancillary services markets or other competitively supplied demand response opportunities. The study shall also determine the potential economic benefit to a seawater desalination project if the project is able to reduce its demand during peak pricing periods. The commission shall include the results of the study in the report required by Section 12.203 [~~31.003~~].

SECTION 36. Section 39.908, Utilities Code, is amended to read as follows:

Sec. 39.908. EFFECT OF SUNSET PROVISION. [~~(a)~~] If the commission is abolished under Section 12.005 or other law, the [~~and the other provisions of this title expire as provided by Chapter 325, Government Code (Texas Sunset Act), this subchapter, including the provisions of this title referred to in this subchapter, continues in full force and effect and does not expire.~~

[~~(b) The~~] authorities, duties, and functions of the commission under this chapter shall be performed and carried out by a successor agency to be designated by the legislature before abolishment of the commission or, if the legislature does not designate the successor, by the secretary of state.

SECTION 37. Subchapter Z, Chapter 39, Utilities Code, is amended by adding Sections 39.9111, 39.9112, and 39.9113 to read as follows:

Sec. 39.9111. RULES RELATED TO RENEWABLE POWER FACILITIES. The commission may adopt rules requiring renewable power facilities to have reactive power control capabilities or any other feasible technology designed to reduce the facilities' effects on system reliability.

Sec. 39.9112. REPORT ON TRANSMISSION AND GENERATION CAPACITY. The commission and the independent organization certified under Section 39.151 for the ERCOT power region shall study the need for increased transmission and generation capacity throughout this state and report to the legislature the results of the study and any recommendations for legislation. The report must be filed with the legislature not later than December 31 of each even-numbered year.

Sec. 39.9113. RENEWABLE ENERGY CREDITS. To facilitate voluntary contractual obligations and verify claims regarding environmental attributes of renewable energy production in this state, the independent organization certified under Section 39.151 for the ERCOT power region shall maintain an accreditation and banking system to award and track voluntary renewable energy credits generated by eligible facilities.

SECTION 38. Section 39.916(a), Utilities Code, is amended by amending Subdivision (1) and adding Subdivision (4) to read as follows:

(1) "Distributed renewable generation" means electric generation with a capacity of not more than 2,000 kilowatts provided by a renewable energy technology~~[, as defined by Section 39.904,]~~ that is installed on a retail electric customer's side of the meter.

(4) "Renewable energy technology" means any technology that relies exclusively on an energy source that is naturally regenerated over a short time and is derived from the sun directly or indirectly or from moving water or other natural movements or mechanisms of the environment. The term includes a technology that relies on energy derived from the sun directly, on wind, geothermal, hydroelectric, wave, or tidal energy, or on biomass or biomass-based waste products, including landfill gas. The term does not include a technology that relies on an energy resource derived from a fossil fuel, a waste product from a fossil fuel, or a waste product from an inorganic source.

SECTION 39. The heading to Section 39.918, Utilities Code, is amended to read as follows:

Sec. 39.918. UTILITY FACILITIES FOR POWER RESTORATION AFTER SIGNIFICANT ~~[WIDESPREAD]~~ POWER OUTAGE.

SECTION 40. Section 39.918, Utilities Code, is amended by amending Subsections (a) and (b) and adding Subsection (a-1) to read as follows:

(a) In this section, "significant ~~["widespread"]~~ power outage" means an event that ~~[results in]:~~

(1) results in a loss of electric power that:

(A) affects a significant number of distribution customers of a transmission and distribution utility~~;~~ and

~~[(B)]~~ has lasted or is expected to last for at least ~~six~~ ~~[eight]~~ hours;

(B) affects distribution customers of a transmission and distribution utility in an area for which the governor has issued a disaster or emergency declaration;

(C) affects distribution customers served by a radial transmission or distribution facility, creates a risk to public health or safety, and has lasted or is expected to last for at least 12 hours; or

(D) creates ~~and~~

~~[(E)]~~ a risk to public health or safety because it affects a critical infrastructure facility that serves the public such as a hospital, health care facility, law enforcement facility, fire station, or water or wastewater facility; or

(2) causes the independent system operator to order a transmission and distribution utility to shed load.

(a-1) The Texas Division of Emergency Management, the independent organization certified under Section 39.151 for the ERCOT power region, or the executive director of the commission may determine that a power outage other than an outage described by Subsection (a) is a significant power outage for the purposes of this section.

(b) Notwithstanding any other provision of this subtitle, a transmission and distribution utility may:

(1) lease and operate facilities that provide temporary emergency electric energy to aid in restoring power to the utility's distribution customers during a significant [~~widespread~~] power outage in which:

(A) the independent system operator has ordered the utility to shed load; or

(B) the utility's distribution facilities are not being fully served by the bulk power system under normal operations; and

(2) procure, own, and operate, or enter into a cooperative agreement with other transmission and distribution utilities to procure, own, and operate jointly, transmission and distribution facilities that have a lead time of at least six months and would aid in restoring power to the utility's distribution customers following a significant [~~widespread~~] power outage. In this section, long lead time facilities may not be electric energy storage equipment or facilities under Chapter 35, Utilities Code.

SECTION 41. Section 40.001(a), Utilities Code, is amended to read as follows:

(a) Notwithstanding any other provision of law, except Sections 39.155, 39.157(e), and 39.203, [~~and 39.904,~~] this chapter governs the transition to and the establishment of a fully competitive electric power industry for municipally owned utilities. With respect to the regulation of municipally owned utilities, this chapter controls over any other provision of this title, except for sections in which the term "municipally owned utility" is specifically used.

SECTION 42. Section 40.004, Utilities Code, is amended to read as follows:

Sec. 40.004. JURISDICTION OF COMMISSION. Except as specifically otherwise provided in this chapter, the commission has jurisdiction over municipally owned utilities only for the following purposes:

(1) to regulate wholesale transmission rates and service, including terms of access, to the extent provided by Subchapter A, Chapter 35;

(2) to regulate certification of retail service areas to the extent provided by Chapter 37;

(3) to regulate rates on appeal under Subchapters D and E, Chapter 33, subject to Section 40.051(c);

(4) to establish a code of conduct as provided by Section 39.157(e) applicable to anticompetitive activities and to affiliate activities limited to structurally unbundled affiliates of municipally owned utilities, subject to Section 40.054;

(5) to establish terms and conditions for open access to transmission and distribution facilities for municipally owned utilities providing customer choice, as provided by Section 39.203;

(6) to administer ~~the renewable energy credits program under Section 39.904(b) and~~ the natural gas energy credits program under Section 39.9044(b);

(7) to require reports of municipally owned utility operations only to the extent necessary to:

(A) enable the commission to determine the aggregate load and energy requirements of the state and the resources available to serve that load; or

(B) enable the commission to determine information relating to market power as provided by Section 39.155; and

(8) to evaluate and monitor the cybersecurity preparedness of a municipally owned utility described by Section 39.1516(a)(3) or (4).

SECTION 43. Section 41.001, Utilities Code, is amended to read as follows:

Sec. 41.001. APPLICABLE LAW. Notwithstanding any other provision of law, except Sections 39.155, 39.157(e), and 39.203, ~~and 39.904,~~ this chapter governs the transition to and the establishment of a fully competitive electric power industry for electric cooperatives. Regarding the regulation of electric cooperatives, this chapter shall control over any other provision of this title, except for sections in which the term "electric cooperative" is specifically used.

SECTION 44. Section 52.060, Utilities Code, is amended to read as follows:

Sec. 52.060. ADMINISTRATIVE FEE OR ASSESSMENT. The commission may prescribe and collect a fee or assessment from local exchange companies necessary to recover the cost to the commission and to the office of activities carried out and services provided under this subchapter and Section 12.203 ~~[52.006]~~.

SECTION 45. Section 13.4132, Water Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding Section 5.505, the term of an emergency order issued under this section by the utility commission or the commission may not exceed 360 days. The emergency order may be renewed:

(1) once for a period not to exceed 360 days; or

(2) if the utility is undergoing a sale, transfer, merger, consolidation, or acquisition required to be reported to the utility commission under Section 13.301, for a reasonable time until the sale, transfer, merger, consolidation, or acquisition is complete.

SECTION 46. (a) The following provisions are repealed:

(1) Section 304.201, Business & Commerce Code;

(2) Section 31.003, Utilities Code;

(3) Section 39.155(b), Utilities Code;

(4) Section 39.904, Utilities Code;

(5) Section 39.916(g), Utilities Code;

(6) Section 39.918(k), Utilities Code; and

(7) Section 52.006, Utilities Code.

(b) Section 34, Chapter 426 (**SB 3**), Acts of the 87th Legislature, Regular Session, 2021, is repealed.

SECTION 47. The Public Utility Commission of Texas is not required to conduct the first review of an allowance under Section 35.004(d-3), Utilities Code, as added by this Act, until the fifth year after the adoption of the rules required by Section 35.004(d-1), Utilities Code, as added by this Act.

SECTION 48. The Public Utility Commission of Texas shall adopt rules as necessary to implement the changes in law made by this Act to Section 35.004, Utilities Code, not later than the 180th day after the effective date of this Act.

SECTION 49. The changes in law made by this Act to Section 35.004, Utilities Code, apply only to an electric generation facility that executes a standard generator interconnection agreement with a transmission-owning utility after December 31, 2025.

SECTION 50. (a) The presiding officer of the Public Utility Commission of Texas shall designate a commissioner to serve a term on the governing body of the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region that begins January 1, 2024, to comply with Section 39.151(g-1), Utilities Code, as amended by this Act.

(b) Except as provided by Subsection (c) of this section, Section 12.059, Utilities Code, as amended by this Act, applies to a member of the Public Utility Commission of Texas appointed before, on, or after the effective date of this Act.

(c) A member of the Public Utility Commission of Texas who, before the effective date of this Act, completed the training program required by Section 12.059, Utilities Code, as that law existed before the effective date of this Act, is only required to complete additional training on the subjects added by this Act to the training program required by Section 12.059, Utilities Code. A commission member described by this subsection may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission held on or after December 1, 2023, until the member completes the additional training.

SECTION 51. The Public Utility Commission of Texas shall require the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region to implement the program required by Section 39.159(d), Utilities Code, as added by this Act, not later than December 1, 2024.

SECTION 52. (a) The Public Utility Commission of Texas shall prepare the portions of the report required by Section 39.1591(2), Utilities Code, as added by this Act, only for reports due on or after December 1, 2024.

(b) The Public Utility Commission of Texas shall implement Section 39.1592, Utilities Code, as added by this Act, not later than December 1, 2027.

(c) Notwithstanding Subsection (b) of this section and the deadline provided by Section 39.1592(b), Utilities Code, as added by this Act, an owner or operator of an electric generation facility to which Section 39.1592(b), Utilities Code, as added by this Act, applies shall make the first demonstration required by that subsection not later than January 1, 2028.

(d) The Public Utility Commission of Texas and the independent organization certified under Section 39.151, Utilities Code, for the ERCOT power region shall:

(1) conduct a study on whether implementing an alternative to the single market clearing price for energy, ancillary services, and other products would reduce costs to residential and small commercial customers or their load-serving entities, such as paying generators the price bid and not the additional amounts up to the highest cost generator needed to clear the market;

(2) analyze:

(A) whether cost savings can be achieved for consumers, or load-serving entities serving residential and small commercial consumers, by:

(i) limiting generators that have received state or federal subsidies to receiving the price bid by that type of generator; or

(ii) limiting a generator to receiving the price bid by that generator; and

(B) if a pay as bid mechanism is used or a single market clearing price mechanism is retained, whether non-dispatchable and dispatchable generation facilities should bid into separate markets for ERCOT power region products such that the generation facilities are directly competing against technologies with similar attributes; and

(3) report the results of the study and analysis conducted under this subsection to the legislature not later than December 1, 2025.

SECTION 53. (a) Except as provided by Subsection (b) of this section, notwithstanding the repeal by this Act of Section 39.904, Utilities Code, the Public Utility Commission of Texas by rule shall adopt a program to apply that section as it existed immediately before the effective date of this Act, and to apply other statutes that referred to that section immediately before the effective date of this Act, as if that section had not been repealed by this Act and the other statutes that referred to that section had not been repealed or amended by this Act.

(b) Under Subsection (a) of this section, the statutes described in that subsection must be applied as if Section 39.904 were applicable only to renewable energy technologies that exclusively rely on an energy source that is naturally regenerated over a short time and derived directly from the sun.

(c) This section expires September 1, 2025, and the Public Utility Commission of Texas shall phase out the program required by Subsection (a) of this section so that it terminates on that date.

SECTION 54. The changes in law made by this Act to Section 15.023, Utilities Code, apply only to a violation committed on or after the effective date of this Act. A violation committed before the effective date of this Act is governed by the law in effect when the violation was committed, and the former law is continued in effect for that purpose.

SECTION 55. It is the intent of the 88th Legislature, Regular Session, 2023, that the amendments made by this Act be harmonized with another Act of the 88th Legislature, Regular Session, 2023, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 56. This Act takes effect September 1, 2023.

HB 1500 - REMARKS

REPRESENTATIVE HOLLAND: **HB 1500** is the sunset bill for PUC, ERCOT, and OPUC. This bill continues the Public Utility Commission of Texas and the Office of Public Utility Council for six years and ensures only the agencies—not their statutes—are subject to abolishment. ERCOT would also be reviewed at that time. The conferees agreed to remove three of the amendments that the senate added. Specifically, the conference committee report does not include provisions similar to **SB 624** and provisions related to distributed energy resources or demand response programs. The conferees accepted the senate's other amendments and negotiated and made a number of changes to address industry and member concerns. This bill retains the \$1 billion annual PCM cost cap, includes a firming requirement, and requires the PUC to direct TDUs to perform a circuit-segmentation study. It makes several other changes on timelines.

I would like to thank all of the members for their support in getting these important improvements finalized, as well as the stakeholders, our Sunset Agency staff, Chairman Hunter, our speaker, and our staff members—Bob Paulsen, Ginny Holloway, Kory Curtis, and Angie Flores, as well as members of Dr. Schwertner's office.

Representative Holland moved to adopt the conference committee report on **HB 1500**.

The motion to adopt the conference committee report on **HB 1500** prevailed by (Record 2213): 140 Yeas, 1 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bungarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Dutton.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Hayes; Johnson, J.D.

STATEMENT OF VOTE

When Record No. 2213 was taken, I was in the house but away from my desk. I would have voted yes.

Hayes

SB 1727 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Canales submitted the conference committee report on **SB 1727**.

Representative Canales moved to adopt the conference committee report on **SB 1727**.

The motion to adopt the conference committee report on **SB 1727** prevailed by (Record 2214): 110 Yeas, 31 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Clardy; Cole; Collier; Cook; Cortez; Darby; Davis; DeAyala; Dutton; Flores; Frank; Gámez; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Hayes; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, T.; Kitzman; Klick; Kuempel; Lalani; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Ramos; Raney; Raymond; Reynolds; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Smith; Spiller; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Troxclair; Turner; VanDeaver; Vo; Walle; Wu; Zwiener.

Nays — Ashby; Bailes; Cain; Capriglione; Craddick; Cunningham; Dean; Dorazio; Gates; Gerdes; Harris, C.J.; Harrison; Hefner; Isaac; King, K.; Lambert; Leo-Wilson; Meza; Price; Rogers; Schaefer; Schatzline; Slawson; Smithee; Stucky; Swanson; Thompson, S.; Tinderholt; Toth; Vasut; Wilson.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Bell, C.; Jetton.

STATEMENT OF VOTE

When Record No. 2214 was taken, I was in the house but away from my desk. I would have voted yes.

Jetton

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 3).

HB 30 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Moody submitted the following conference committee report on **HB 30**:

Austin, Texas, May 25, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 30** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

King	Moody
Flores	Burrows
Kolkhorst	Turner
Huffman	Metcalf
Hinojosa	Slawson
On the part of the senate	On the part of the house

HB 30, A bill to be entitled An Act relating to access to certain law enforcement, corrections, and prosecutorial records under the public information law.

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

SECTION 1. Section 552.108, Government Code, is amended by adding Subsection (d) to read as follows:

(d) The exception to disclosure provided by Subsection (a)(2) does not apply to information, records, or notations if:

(1) a person who is described by or depicted in the information, record, or notation, other than a peace officer, is deceased or incapacitated; or

(2) each person who is described by or depicted in the information, record, or notation, other than a person who is deceased or incapacitated, consents to the release of the information, record, or notation.

SECTION 2. The change in law made by this Act applies only to a request for public information received by a governmental body or an officer for public information on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2023.

Representative Moody moved to adopt the conference committee report on **HB 30**.

The motion to adopt the conference committee report on **HB 30** prevailed by (Record 2215): 125 Yeas, 15 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; Dutton; Flores; Frank; Gámez;

Gates; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Sherman; Shine; Slawson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wu; Zwiener.

Nays — Clardy; Dorazio; Gerdes; Harrison; Hefner; Isaac; Schatzline; Schofield; Smith; Smithee; Spiller; Stucky; Swanson; Tinderholt; Wilson.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Ashby; DeAyala; Toth.

STATEMENTS OF VOTE

When Record No. 2215 was taken, I was in the house but away from my desk. I would have voted no.

Ashby

When Record No. 2215 was taken, I was in the house but away from my desk. I would have voted yes.

DeAyala

When Record No. 2215 was taken, I was shown voting yes. I intended to vote no.

Noble

When Record No. 2215 was taken, I was shown voting yes. I intended to vote no.

Price

When Record No. 2215 was taken, I was shown voting yes. I intended to vote no.

Schaefer

HB 12 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Rose submitted the following conference committee report on **HB 12**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
 President of the Senate
 The Honorable Dade Phelan

Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 12** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Kolkhorst
Campbell
Hughes
Perry
Zaffirini

Rose
Burrows
Harless
Howard
Jetton

On the part of the senate

On the part of the house

HB 12, A bill to be entitled An Act relating to the duration of services provided under Medicaid to women following a pregnancy.

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

SECTION 1. LEGISLATIVE PURPOSE. Out of the state's profound respect for the lives of mothers and unborn children, Medicaid coverage is extended for mothers whose pregnancies end in the delivery of the child or end in the natural loss of the child.

SECTION 2. Section 32.024(1-1), Human Resources Code, is amended to read as follows:

(1-1) The commission shall continue to provide medical assistance to a woman who is eligible for medical assistance for pregnant women for a period of not less than:

(1) six months following the date the woman delivers or experiences an involuntary miscarriage; and

(2) 12 months that begins on the last day of the woman's pregnancy and ends on the last day of the month in which the 12-month period ends in accordance with Section 1902(e)(16), Social Security Act (42 U.S.C. Section 1396a(e)(16)).

SECTION 3. As soon as practicable after the effective date of this Act, the executive commissioner of the Health and Human Services Commission shall, in accordance with Section 1902(e)(16), Social Security Act (42 U.S.C. Section 1396a(e)(16)), seek from the appropriate federal agency an amendment to the state's Medicaid state plan to implement Section 32.024(1-1)(2), Human Resources Code, as added by this Act. The commission may delay implementing this Act until the state plan amendment is approved.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

Representative Rose moved to adopt the conference committee report on **HB 12**.

The motion to adopt the conference committee report on **HB 12** prevailed by (Record 2216): 134 Yeas, 9 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson(C); Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Spiller; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Dorazio; Harrison; Isaac; Leo-Wilson; Schaefer; Smith; Smithee; Swanson; Tinderholt.

Present, not voting — Mr. Speaker.

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Schatzline.

STATEMENTS OF VOTE

When Record No. 2216 was taken, I was shown voting no. I intended to vote yes.

Smith

When Record No. 2216 was taken, I was shown voting yes. I intended to vote no.

Toth

When Record No. 2216 was taken, I was shown voting yes. I intended to vote no.

Wilson

HB 3440 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Canales submitted the following conference committee report on **HB 3440**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3440** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hinojosa
Bettencourt
Birdwell
Johnson
Nichols

On the part of the senate

Canales
Goldman
Holland
T. King
Lozano

On the part of the house

HB 3440, A bill to be entitled An Act relating to the governmental bodies required to post on the Internet agendas for meetings under the open meetings law.

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

SECTION 1. Section 551.056(b), Government Code, is amended to read as follows:

(b) In addition to the other place at which notice or an agenda of a meeting is required to be posted by this subchapter, the following governmental bodies and economic development corporations must also concurrently post notice of a meeting and the agenda for the meeting on the Internet website of the governmental body or economic development corporation:

- (1) a municipality;
- (2) a county;
- (3) a school district;
- (4) the governing body of a junior college or junior college district, including a college or district that has changed its name in accordance with Chapter 130, Education Code;
- (5) a development corporation organized under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code);
- (6) a regional mobility authority included within the meaning of an "authority" as defined by Section 370.003, Transportation Code; ~~and~~
- (7) a joint board created under Section 22.074, Transportation Code; and
- (8) a district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

SECTION 2. Section 551.056(c), Government Code, is repealed.

SECTION 3. Section 551.056(b), Government Code, as amended by this Act, applies only to an open meeting held on or after the effective date of this Act.

SECTION 4. This Act takes effect September 1, 2023.

Representative Canales moved to adopt the conference committee report on **HB 3440**.

The motion to adopt the conference committee report on **HB 3440** prevailed by (Record 2217): 140 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Rogers; Romero; Rose; Rosenthal; Schaefer; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Hayes; Reynolds; Schatzline.

HB 915 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Craddick submitted the following conference committee report on **HB 915**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 915** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Parker
Creighton
Sparks

Craddick
Rose
Price
Capriglione
Frank

On the part of the senate

On the part of the house

HB 915, A bill to be entitled An Act relating to a requirement that employers post notice of certain information regarding reporting instances of workplace violence or suspicious activity.

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

SECTION 1. Title 3, Labor Code, is amended by adding Chapter 104A to read as follows:

CHAPTER 104A. REPORTING WORKPLACE VIOLENCE

Sec. 104A.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Texas Workforce Commission.

(2) "Employee" means an individual who is employed by an employer for compensation.

(3) "Employer" means a person who employs one or more employees.

Sec. 104A.002. NOTICE BY EMPLOYER. Each employer shall post a notice to employees of the contact information for reporting instances of workplace violence or suspicious activity to the Department of Public Safety. The notice must be posted:

(1) in a conspicuous place in the employer's place of business;

(2) in sufficient locations to be convenient to all employees; and

(3) in English and Spanish, as appropriate.

Sec. 104A.003. RULES. The commission, in consultation with the Department of Public Safety, by rule shall prescribe the form and content of the notice required by this section. The rules must require that the notice:

(1) contain the contact information for reporting instances of workplace violence or suspicious activity to the Department of Public Safety; and

(2) inform employees of the right to make a report to the Department of Public Safety anonymously.

SECTION 2. Not later than March 1, 2024, the Texas Workforce Commission shall adopt rules as required by Section 104A.003, Labor Code, as added by this Act.

SECTION 3. This Act takes effect September 1, 2023.

Representative Craddick moved to adopt the conference committee report on **HB 915**.

The motion to adopt the conference committee report on **HB 915** prevailed (Record 2218): 121 Yeas, 18 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hernandez; Hinojosa; Holland; Howard; Hunter; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Rogers; Romero; Rose; Rosenthal; Schofield; Shine; Smith; Smithee; Spiller; Stucky; Talarico; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Troxclair; Turner; VanDeaver; Vo; Walle; Wu; Zwiener.

Nays — Anchía; Cain; Dean; Gerdes; Harrison; Hefner; Hull; Isaac; Leo-Wilson; Reynolds; Schaefer; Sherman; Slawson; Swanson; Tepper; Toth; Vasut; Wilson.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Davis; DeAyala; Kuempel; Schatzline.

STATEMENTS OF VOTE

When Record No. 2218 was taken, I was shown voting no. I intended to vote yes.

Anchía

When Record No. 2218 was taken, I was in the house but away from my desk. I would have voted yes.

Kuempel

SB 1933 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Smith submitted the conference committee report on **SB 1933**.

Representative Smith moved to adopt the conference committee report on **SB 1933**.

The motion to adopt the conference committee report on **SB 1933** prevailed by (Record 2219): 84 Yeas, 58 Nays, 2 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Campos; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Frank; Gates; Gerdes; Geren; Goldman; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Morales, E.; Morrison; Murr; Noble; Oliverson; Ordaz; Orr; Paul; Price; Raney; Rogers; Schaefer; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchía; Bernal; Bhojani; Bowers; Bryant; Bucy; Canales; Cole; Collier; Cortez; Davis; Dutton; Flores; Gámez; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Hernandez; Hinojosa; Howard; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Longoria; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Moody; Morales, C.; Morales Shaw; Muñoz; Neave Criado; Ortega; Perez; Plesa; Ramos; Raymond; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker; Patterson(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Schatzline.

STATEMENTS OF VOTE

When Record No. 2219 was taken, I was shown voting yes. I intended to vote no.

T. King

When Record No. 2219 was taken, I was shown voting yes. I intended to vote no.

E. Morales

When Record No. 2219 was taken, I was shown voting yes. I intended to vote no.

Ordaz

(Goldman in the chair)

**HR 2440 - ADOPTED
(by Cook)**

The following privileged resolution was laid before the house:

HR 2440

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 17** (official misconduct by and removal of prosecuting attorneys) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 1 of the bill, by adding to the definition of "official misconduct" in added Sections 87.011(3)(B) and (C), Local Government Code, a prosecuting attorney's adoption or enforcement of a policy instructing "law enforcement to refuse to arrest individuals suspected of committing a class or type of offense under state law".

Explanation: The change is necessary to ensure that a prosecuting attorney may not avoid committing official misconduct, as defined and amended by the bill, by instructing law enforcement to refuse to arrest individuals whom the attorney is prohibited from refusing to prosecute.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following new SECTION to the bill:

SECTION 2. Subchapter B, Chapter 87, Local Government Code, is amended by adding Section 87.0131 to read as follows:

Sec. 87.0131. DEFENSE IN CERTAIN CASES. It is a defense in an action alleging a prosecuting attorney committed official misconduct described by Section 87.011(3)(C) that the prosecuting attorney took action immediately on discovering an attorney employed by or otherwise under the direction or control of the prosecuting attorney was acting as described by Section 87.011(3)(C).

Explanation: The change is necessary to provide a defense in a removal action alleging certain official misconduct committed by a prosecuting attorney, if the attorney took immediate action on discovering the misconduct was occurring.

HR 2440 was adopted by (Record 2220): 87 Yeas, 51 Nays, 2 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Frank; Gates; Gerdes; Geren; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Johnson, A.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Morales, E.; Morrison; Murr; Noble; Oliverson; Ordaz; Orr; Paul; Price; Raney; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchiá; Bernal; Bhojani; Bowers; Bryant; Bucy; Cole; Collier; Cortez; Davis; Dutton; Gámez; Gervin-Hawkins; González, J.; Goodwin; Hernandez; Hinojosa; Howard; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Longoria; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Morales, C.; Muñoz; Neave Criado; Ortega; Perez; Plesa; Ramos; Raymond; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Flores; González, M.; Moody; Morales Shaw; Patterson.

STATEMENTS OF VOTE

When Record No. 2220 was taken, I was shown voting yes. I intended to vote no.

Campos

When Record No. 2220 was taken, I was shown voting yes. I intended to vote no.

Guerra

HB 17 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Cook submitted the following conference committee report on **HB 17**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
 Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 17** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
 Bettencourt
 Hinojosa
 Hughes
 Parker

Cook
 Moody
 Darby
 Murr

On the part of the senate

On the part of the house

HB 17, A bill to be entitled An Act relating to official misconduct by and removal of prosecuting attorneys.

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

SECTION 1. Section 87.011, Local Government Code, is amended by amending Subdivision (3) and adding Subdivisions (4) and (5) to read as follows:

(3) "Official misconduct" means intentional, unlawful behavior relating to official duties by an officer entrusted with the administration of justice or the execution of the law. The term includes:

(A) an intentional or corrupt failure, refusal, or neglect of an officer to perform a duty imposed on the officer by law;

(B) a prosecuting attorney's adoption or enforcement of a policy of refusing to prosecute a class or type of criminal offense under state law or instructing law enforcement to refuse to arrest individuals suspected of committing a class or type of offense under state law, except a policy adopted:

(i) in compliance with state law or an injunction, judgment, or other court order;

(ii) in response to a reasonable evidentiary impediment to prosecution; or

(iii) to provide for diversion or similar conditional dismissals of cases when permissible under state law; or

(C) permitting an attorney who is employed by or otherwise under the direction or control of the prosecuting attorney to refuse to prosecute a class or type of criminal offense under state law or instruct law enforcement to refuse to arrest individuals suspected of committing a class or type of offense under state law for any reason other than a reason described by Paragraph (B)(i), (ii), or (iii).

(4) "Policy" means an instruction or directive expressed in any manner.

(5) "Prosecuting attorney" means a district attorney or a county attorney with criminal jurisdiction.

SECTION 2. Subchapter B, Chapter 87, Local Government Code, is amended by adding Section 87.0131 to read as follows:

Sec. 87.0131. DEFENSE IN CERTAIN CASES. It is a defense in an action alleging a prosecuting attorney committed official misconduct described by Section 87.011(3)(C) that the prosecuting attorney took action immediately on discovering an attorney employed by or otherwise under the direction or control of the prosecuting attorney was acting as described by Section 87.011(3)(C).

SECTION 3. Section 87.015, Local Government Code, is amended by amending Subsections (b) and (c) and adding Subsection (b-1) to read as follows:

(b) A petition for removal of an officer other than a prosecuting attorney may be filed by any [Any] resident of this state who has lived for at least six months in the county in which the petition is to be filed and who is not currently under indictment in the county [may file the petition]. At least one of the parties who files the petition must swear to it at or before the filing.

(b-1) A petition for removal of a prosecuting attorney may be filed by any resident of this state who, at the time of the alleged cause of removal, lives and has lived for at least six months in the county in which the alleged cause of removal occurred and who is not currently charged with a criminal offense in that county. At least one of the parties who files the petition must swear to it at or before the filing.

(c) A [The] petition for removal of an officer other than a prosecuting attorney must be addressed to the district judge of the court in which it is filed. A petition for removal of a prosecuting attorney must be addressed to the presiding judge of the administrative judicial region in which the petition is filed. The petition must set forth the grounds alleged for the removal of the officer in plain and intelligible language and must cite the time and place of the occurrence of each act alleged as a ground for removal with as much certainty as the nature of the case permits.

SECTION 4. Subchapter B, Chapter 87, Local Government Code, is amended by adding Section 87.0151 to read as follows:

Sec. 87.0151. ASSIGNMENT OF JUDGE IN CERTAIN CASES. (a) Immediately after a petition for removal of a prosecuting attorney is filed under Section 87.015, the district clerk shall deliver a copy of the petition to the presiding judge of the administrative judicial region in which the court sits.

(b) On receiving a petition for removal of a prosecuting attorney under Subsection (a), the presiding judge of the administrative judicial region shall assign a district court judge of a judicial district that does not include the county in which the petition was filed to conduct the removal proceedings.

SECTION 5. Section 87.018, Local Government Code, is amended by amending Subsections (e) and (f) and adding Subsections (g) and (h) to read as follows:

(e) In a proceeding to remove a county attorney who is not a prosecuting attorney from office, the district attorney shall represent the state. If the county does not have a district attorney, the county attorney from an adjoining county, as selected by the commissioners court of the county in which the proceeding is pending, shall represent the state.

(f) In a proceeding to remove a prosecuting attorney ~~[the county attorney or district attorney]~~ from office, the presiding judge of the administrative judicial region in which the petition for removal was filed shall appoint a prosecuting ~~[the county]~~ attorney from another judicial district or county, as applicable, in the administrative judicial region to ~~[from an adjoining county, as selected by the commissioners court of the county in which the proceeding is pending, shall]~~ represent the state ~~[if the attorney who would otherwise represent the state under this section is also the subject of a pending removal proceeding].~~

(g) In a proceeding to remove a prosecuting attorney from office, a prosecuting attorney's public statement establishing that the prosecuting attorney adopted or enforced or intends to adopt or enforce a policy described by Section 87.011(3)(B) or permitted or intends to permit an attorney who is employed by or otherwise under the direction or control of the prosecuting attorney to act as described by Section 87.011(3)(C) creates a rebuttable presumption that the prosecuting attorney committed official misconduct.

(h) In a trial in which a prosecuting attorney is accused of committing official misconduct under Section 87.011(3)(B) or (C), a court may award reasonable attorney's fees and costs the prosecuting attorney personally spent related to the conduct of the proceeding on finding that the prosecuting attorney did not adopt or enforce a policy described by Section 87.011(3)(B) or permit an attorney who is employed by or otherwise under the direction or control of the prosecuting attorney to act as described by Section 87.011(3)(C), as applicable.

SECTION 6. The changes in law made by this Act apply only to an action taken or public statement made by a prosecuting attorney on or after the effective date of this Act.

SECTION 7. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

Representative Cook moved to adopt the conference committee report on **HB 17**.

The motion to adopt the conference committee report on **HB 17** prevailed by (Record 2221): 83 Yeas, 58 Nays, 2 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Frank; Gates; Gerdes; Geren; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Johnson, A.; Kacal; King, K.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Moody; Morrison; Murr; Noble; Oliverson; Orr; Paul; Price; Raney; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchía; Bernal; Bhojani; Bowers; Bryant; Bucy; Campos; Cole; Collier; Cortez; Davis; Dutton; Flores; Gámez; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Hernandez; Hinojosa; Howard; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; King, T.; Lalani; Longoria; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Morales, C.; Morales, E.; Muñoz; Neave Criado; Ordaz; Ortega; Perez; Plesa; Ramos; Raymond; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Morales Shaw; Patterson.

STATEMENTS OF VOTE

When Record No. 2221 was taken, I was shown voting yes. I intended to vote no.

Canales

When Record No. 2221 was taken, I was in the house but away from my desk. I would have voted no.

Morales Shaw

HB 621 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Buckley submitted the following conference committee report on **HB 621**:

Austin, Texas, May 25, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 621** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hughes
Creighton
Paxton
LaMantia
Parker

On the part of the senate

Shaheen
Buckley
Cunningham
C.J. Harris
Hinojosa

On the part of the house

HB 621, A bill to be entitled An Act relating to creating a temporary certification to teach career and technology education for certain military service members and first responders.

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

SECTION 1. Subchapter B, Chapter 21, Education Code, is amended by adding Section 21.0444 to read as follows:

Sec. 21.0444. TEMPORARY CERTIFICATION FOR CERTAIN MILITARY SERVICE MEMBERS AND FIRST RESPONDERS. (a) In this section, "first responder" means a person elected, employed, or appointed as:

(1) a peace officer as defined by Article 2.12, Code of Criminal Procedure;

(2) fire protection personnel as defined by Section 419.021, Government Code; or

(3) emergency medical services personnel as defined by Section 773.003, Health and Safety Code.

(b) This section applies to a person seeking certification to teach career and technology education who:

(1) has served in the armed forces of the United States and was honorably discharged, retired, or released from active duty; or

(2) has served as a first responder and, while in good standing and not because of pending or final disciplinary actions or a documented performance problem, retired, resigned, or separated from employment as a first responder.

(c) The board shall propose rules under this subchapter providing for the issuance of a temporary certificate to teach career and technology education to a person described by Subsection (b) who meets all other eligibility requirements for standard certification to teach career and technology education, except that the person may substitute for a requirement that the person hold:

(1) an associate degree from an accredited institution of higher education, 48 months of active duty military service or service as a first responder; or

(2) a bachelor's degree:

(A) the military service or service as a first responder described by Subdivision (1); and

(B) 60 semester credit hours completed at a public or private institution of higher education with a minimum grade point average of at least 2.50 on a four-point scale.

(d) Rules proposed by the board for a temporary certificate issued under this section must provide that the certificate is:

(1) valid for no more than three years;

(2) limited to a one-time issuance; and

(3) not subject to renewal.

(e) A person issued a temporary certificate under this section may be issued a standard certificate if the person completes all eligibility requirements required for that certification.

(f) A school district shall require a new employee who holds a temporary certificate issued under this section to obtain at least 20 hours of classroom management training, unless the new employee has documented experience as an instructor or trainer during the employee's required 48 months of active duty military service or service as a first responder.

SECTION 2. Section 21.458, Education Code, is amended by amending Subsection (a) and adding Subsection (a-2) to read as follows:

(a) Except as provided by Subsection (a-2), each ~~Each~~ school district may assign a mentor teacher to each classroom teacher who has less than two years of teaching experience in the subject or grade level to which the teacher is assigned. A teacher assigned as a mentor must:

- (1) to the extent practicable, teach in the same school;
- (2) to the extent practicable, teach the same subject or grade level, as applicable; and
- (3) meet the qualifications prescribed by commissioner rules adopted under Subsection (b).

(a-2) A school district shall assign a mentor teacher to a classroom teacher who has been issued a temporary certificate to teach career and technology education under Section 21.0444 for at least two school years.

SECTION 3. As soon as practicable after the effective date of this Act, the State Board for Educator Certification shall propose rules relating to temporary certificates to teach career and technology education for certain military service members and first responders as required by Section 21.0444, Education Code, as added by this Act.

SECTION 4. This Act takes effect September 1, 2023.

Representative Buckley moved to adopt the conference committee report on **HB 621**.

The motion to adopt the conference committee report on **HB 621** prevailed by (Record 2222): 113 Yeas, 25 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bonnen; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gates; Gerdes; Geren; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hinojosa; Holland; Hull; Hunter; Isaac; Jetton; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lopez, R.; Lozano; Lujan; Metcalf; Meyer; Meza; Moody; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Price; Raney; Raymond; Rogers; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Wilson; Zwiener.

Nays — Bhojani; Bowers; Bryant; Cole; Collier; Davis; Gámez; Gervin-Hawkins; Hernandez; Jones, J.; Jones, V.; Longoria; Manuel; Martinez; Martinez Fischer; Morales, C.; Neave Criado; Plesa; Ramos; Reynolds; Romero; Rose; Thierry; Walle; Wu.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Howard; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Patterson.

STATEMENTS OF VOTE

When Record No. 2222 was taken, I was shown voting yes. I intended to vote no.

Anchía

When Record No. 2222 was taken, I was shown voting yes. I intended to vote no.

Bernal

When Record No. 2222 was taken, I was shown voting yes. I intended to vote no.

Flores

When Record No. 2222 was taken, I was shown voting yes. I intended to vote no.

Lalani

When Record No. 2222 was taken, I was shown voting yes. I intended to vote no.

Morales Shaw

When Record No. 2222 was taken, I was shown voting yes. I intended to vote no.

Rosenthal

HB 1595 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Bonnen submitted the following conference committee report on **HB 1595**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 1595** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
Campbell
Creighton
Nichols

Bonnen
Burrows
Hernandez
Kuempel
Walle

On the part of the senate

On the part of the house

HB 1595, A bill to be entitled An Act relating to the administration and investment of, and distribution and use of money from, certain constitutional and statutory funds to support general academic teaching institutions in achieving national prominence as major research universities and driving the state economy.

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

SECTION 1. Section 51.406(c), Education Code, is amended to read as follows:

(c) A rule or policy of a state agency, including the Texas Higher Education Coordinating Board, in effect on June 1, 2011, that requires reporting by a university system or an institution of higher education has no effect on or after September 1, 2013, unless the rule or policy is affirmatively and formally readopted before that date by formal administrative rule published in the Texas Register and adopted in compliance with Chapter 2001, Government Code. This subsection does not apply to:

(1) a rule or policy for which the authorizing statute is listed in Subsection (b);

(2) a rule or policy for which the authorizing statute is repealed on or before September 1, 2013, by legislation enacted by the legislature that becomes law; or

(3) a report required under any of the following provisions:

(A) Article 59.06(g)(1), Code of Criminal Procedure;

(B) Section 51.005;

(C) Section 51.0051;

(D) Subchapter F-1 of this chapter;

(E) Section 51.402;

(F) Section 56.039;

(G) Section 61.059;

(H) ~~Section 62.095(b);~~

~~(I)~~ Section 62.098;

~~(J)~~ ~~(I)~~ Section 411.187(b), Government Code;

~~(K)~~ ~~(J)~~ Subchapter C, Chapter 606, Government Code;

~~(L)~~ ~~(K)~~ Subchapter E, Chapter 815, Government Code; or

~~(M)~~ ~~(L)~~ Chapter 1551, Insurance Code.

SECTION 2. Section 62.092(2), Education Code, is amended to read as follows:

(2) "Eligible institution" means a general academic teaching institution as defined by Section 61.003, other than:

(A) The University of Texas at Austin or Texas A&M University; or

(B) an institution of higher education described by Section 62.132(2) or 62.145.

SECTION 3. Section 62.095, Education Code, is amended to read as follows:

Sec. 62.095. APPROPRIATION OF FUND TO ELIGIBLE INSTITUTIONS. ~~(a)~~ In each state fiscal year, amounts shall be appropriated to eligible institutions in the same manner that research performance funding is

appropriated to institutions eligible to receive funding from the Texas University Fund under Section 62.1482(a) [based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years].

[(b) For purposes of Subsection (a), the amount of restricted research funds expended by an institution in a fiscal year is the amount of those funds as reported to the coordinating board by the institution for that fiscal year, subject to any adjustment by the coordinating board in accordance with the standards and accounting methods the coordinating board prescribes under Section 62.006.]

SECTION 4. The heading to Subchapter F-1, Chapter 62, Education Code, is amended to read as follows:

SUBCHAPTER F-1. NATIONAL ~~[CORE]~~ RESEARCH SUPPORT FUND

SECTION 5. Section 62.131, Education Code, is amended to read as follows:

Sec. 62.131. PURPOSE. The national ~~[core]~~ research support fund is established to provide funding to promote increased research capacity at certain institutions of higher education eligible to participate in the available university fund [emerging research universities].

SECTION 6. Section 62.132, Education Code, is amended by amending Subdivisions (2) and (3) and adding Subdivision (4) to read as follows:

(2) "Eligible institution" means a general academic teaching ~~[an]~~ institution ~~[of higher education]~~ that:

(A) is entitled to participate in the funding provided by Section 18, Article VII, Texas Constitution;

(B) spent on average at least the following amount in federal and private research funds per state fiscal year during the preceding three state fiscal years:

(i) for the state fiscal year beginning September 1, 2023, \$20 million; or

(ii) for a state fiscal year beginning on or after September 1, 2024, the amount determined under this paragraph for the preceding state fiscal year adjusted by the increase, if any, in the general price level during the preceding state fiscal year, as determined by the coordinating board on the basis of changes in the consumer price index published by the Bureau of Labor Statistics of the United States Department of Labor or a successor agency; and

(C) awarded on average at least 45 research doctoral degrees per academic year during the preceding three academic years [is designated as an emerging research university under the coordinating board's accountability system].

(3) "Fund" means the national ~~[core]~~ research support fund.

(4) "General academic teaching institution" has the meaning assigned by Section 61.003.

SECTION 7. Section 62.133, Education Code, is amended to read as follows:

Sec. 62.133. FUNDING. The national ~~[eore]~~ research support fund consists of money appropriated by the legislature to eligible institutions for the purposes of this subchapter.

SECTION 8. Subchapter F-1, Chapter 62, Education Code, is amended by adding Section 62.1335 to read as follows:

Sec. 62.1335. ELIGIBILITY TO RECEIVE DISTRIBUTIONS FROM FUND. (a) A general academic teaching institution becomes eligible to receive an initial distribution of money appropriated under this subchapter for a state fiscal year if the institution:

(1) is entitled to participate in the funding provided by Section 18, Article VII, Texas Constitution;

(2) spent on average at least \$20 million in federal and private research funds per state fiscal year during the preceding three state fiscal years; and

(3) awarded on average at least 45 research doctoral degrees per academic year during the preceding three academic years.

(b) A general academic teaching institution that becomes eligible to receive a distribution of money under this subchapter remains eligible to receive a distribution in each subsequent state fiscal year.

SECTION 9. Section 62.134, Education Code, is amended to read as follows:

Sec. 62.134. APPROPRIATION OF FUND TO ELIGIBLE INSTITUTIONS. In each state fiscal year, amounts shall be appropriated to eligible institutions in the same manner that research performance funding is appropriated to institutions eligible to receive funding from the Texas University Fund under Section 62.1482 ~~[as follows:~~

~~(1) 50 percent based on the average amount of restricted research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.095(b); and~~

~~(2) 50 percent based on the average amount of total research funds expended by each institution per year for the three preceding state fiscal years, determined in the manner described by Section 62.053(b)].~~

SECTION 10. The heading to Subchapter G, Chapter 62, Education Code, is amended to read as follows:

SUBCHAPTER G. TEXAS [NATIONAL RESEARCH] UNIVERSITY FUND

SECTION 11. Section 62.141, Education Code, is amended to read as follows:

Sec. 62.141. PURPOSE. The purpose of this subchapter is to allocate appropriations from the Texas University Fund ~~[national research university fund]~~ to provide a dedicated, independent, and equitable source of funding to enable certain general academic teaching institutions ~~[emerging research universities in this state]~~ to achieve national prominence as major research universities and drive the state economy.

SECTION 12. Section 62.142, Education Code, is amended by amending Subdivision (3) and adding Subdivision (5) to read as follows:

(3) "Fund" means the Texas University Fund ~~[national research university fund].~~

(5) "Trust company" means the Texas Treasury Safekeeping Trust Company.

SECTION 13. Section 62.143, Education Code, is amended to read as follows:

Sec. 62.143. ADMINISTRATION AND INVESTMENT OF FUND. (a) The Texas University Fund [national research university fund] is a fund outside the state treasury held by [in the custody of] the comptroller and administered by the trust company.

(b) The trust company [comptroller] shall administer and invest the fund in accordance with Section 20, Article VII, Texas Constitution.

(c) The trust company shall determine the amount available for distribution from the fund in accordance with a distribution policy adopted by the comptroller that is designed to:

(1) preserve the purchasing power of the fund's assets over an economic cycle, subject to the liquidity needs of the fund; and

(2) provide as nearly as practicable a stable and predictable stream of annual distributions.

SECTION 14. Section 62.144, Education Code, is amended to read as follows:

Sec. 62.144. FUNDING. (a) The fund consists of:

(1) money [any amounts] appropriated or transferred to the credit of the fund;

(2) gifts and grants contributed to the fund; and

(3) the interest and other earnings attributable to the investment of money in the fund [under the Texas Constitution or otherwise appropriated or transferred to the credit of the fund under this section or another law].

~~(b) [The comptroller shall deposit to the credit of the fund all interest, dividends, and other income earned from investment of the fund.]~~

~~(c) [The comptroller may solicit and accept gifts or grants from any public or private source for the fund.]~~

SECTION 15. Section 62.145, Education Code, is amended to read as follows:

Sec. 62.145. ELIGIBILITY TO RECEIVE DISTRIBUTIONS FROM FUND. (a) The following general academic teaching institutions are eligible to receive distributions under this subchapter for each state fiscal year:

(1) Texas State University;

(2) Texas Tech University;

(3) the University of Houston; and

(4) the University of North Texas.

(b) A general academic teaching institution not listed in Subsection (a) becomes eligible to receive an initial distribution of money appropriated under this subchapter for a state fiscal year if:

(1) the institution:

(A) is not entitled to participate in the funding provided by Section 18, Article VII, Texas Constitution;

(B) spent on average at least the following amount in federal and private research funds per state fiscal year during the preceding three state fiscal years:

(i) for the state fiscal year beginning September 1, 2023, \$20 million; or

(ii) for a state fiscal year beginning on or after September 1, 2024, the amount determined under this paragraph for the preceding state fiscal year adjusted by the increase, if any, in the general price level during the preceding state fiscal year, as determined by the coordinating board on the basis of changes in the consumer price index published by the Bureau of Labor Statistics of the United States Department of Labor or a successor agency; and

(C) awarded on average at least 45 research doctoral degrees per academic year during the preceding three academic years; and

(2) the legislature appropriates money to the fund in an amount that is sufficient to ensure as nearly as practicable a stable and predictable stream of annual distributions from the fund to each eligible institution and may not be less than the difference between:

(A) the quotient of:

(i) the market value of the fund on September 1 of the state fiscal year in which the institution would receive the initial distribution; and

(ii) the difference between one and the institution's percentage share of the fund for the state fiscal year in which the institution would receive the initial distribution, as determined by coordinating board rule; and

(B) the market value of the fund on September 1 of the state fiscal year in which the institution would receive the initial distribution ~~is designated as an emerging research university under the coordinating board's accountability system;~~

~~[(2) in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made, the institution expended at least \$45 million in restricted research funds; and~~

~~[(3) the institution satisfies at least four of the following criteria:~~

~~[(A) the value of the institution's endowment funds is at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made;~~

~~[(B) the institution awarded at least 200 doctor of philosophy degrees during each of the two academic years preceding the state fiscal year for which the appropriation is made;~~

~~[(C) the entering freshman class of the institution for each of those two academic years demonstrated high academic achievement, as determined according to standards prescribed by the coordinating board by rule, giving consideration to the future educational needs of the state as articulated in the coordinating board's "Closing the Gaps" report;~~

~~[(D) the institution is designated as a member of the Association of Research Libraries or has a Phi Beta Kappa chapter or has received an equivalent recognition of research capabilities and scholarly attainment as determined according to standards prescribed by the coordinating board by rule;~~

~~[(E) the faculty of the institution for each of those two academic years was of high quality, as determined according to coordinating board standards based on the professional achievement and recognition of the institution's faculty, including the election of faculty members to national academies; and~~

~~[(F) for each of those two academic years, the institution has demonstrated a commitment to high quality graduate education, as determined according to standards prescribed by the coordinating board by rule, including standards relating to the number of graduate level programs at the institution, the institution's admission standards for graduate programs, and the level of institutional support for graduate students].~~

~~(c) [(b)]~~ A general academic teaching institution that becomes eligible to receive a distribution of money under this subchapter remains eligible to receive a distribution in each subsequent state fiscal year.

SECTION 16. Sections 62.148(a), (b), and (c), Education Code, are amended to read as follows:

(a) In each state fiscal year, the comptroller shall distribute to eligible institutions in accordance with this subchapter ~~[section]~~ money appropriated from the fund for that fiscal year.

(b) The total amount appropriated from the fund for any state fiscal year may not exceed an amount equal to 7.0 ~~[4.5]~~ percent of the average net market value of the investment assets of the fund, as determined by the comptroller, for a period set by comptroller policy ~~[the 12 consecutive state fiscal quarters ending with the last quarter of the preceding state fiscal year, as determined by the comptroller].~~

(c) The ~~[Subject to Subsection (e), of the total]~~ amount appropriated from the fund for distribution in a state fiscal year must be allocated as follows:

(1) 75 percent to the permanent endowment for education and research base funding under Section 62.1481; and

(2) 25 percent to the research performance funding under Section 62.1482 ~~[each eligible institution is entitled to a distribution in an amount equal to the sum of:~~

~~[(1) one seventh of the total amount appropriated; and~~

~~[(2) an equal share of any amount remaining after distributions are calculated under Subdivision (1), not to exceed an amount equal to one fourth of that remaining amount].~~

SECTION 17. Subchapter G, Chapter 62, Education Code, is amended by adding Sections 62.1481 and 62.1482 to read as follows:

Sec. 62.1481. PERMANENT ENDOWMENT FOR EDUCATION AND RESEARCH BASE FUNDING. (a) For each state fiscal year, an eligible institution is entitled to a distribution of a portion of the total amount allocated for the permanent endowment for education and research base funding under Section 62.148(c)(1) for that fiscal year. The portion to which an eligible institution is entitled is a fraction computed as follows:

(1) subject to Subsection (c), for an institution that spent at least the amount determined under Subsection (b) in federal and private research funds in each of the preceding two state fiscal years, an amount computed by dividing two by the sum of:

(A) the number of institutions entitled to receive a distribution under this subdivision multiplied by two; and

(B) the number of institutions to which Subdivision (2) applies; or

(2) for an institution not described by Subdivision (1), half the amount to which an institution to which Subdivision (1) applies is entitled.

(b) For purposes of Subsection (a)(1), the minimum amount in federal and private research funds required to be spent in each of the preceding two state fiscal years is:

(1) for the state fiscal year beginning September 1, 2023, \$45 million;

or

(2) for a state fiscal year beginning on or after September 1, 2024, the amount determined under this subsection for the preceding state fiscal year adjusted by the increase, if any, in the general price level during the preceding state fiscal year, as determined by the coordinating board on the basis of changes in the consumer price index published by the Bureau of Labor Statistics of the United States Department of Labor or a successor agency.

(c) An eligible institution is entitled to receive a distribution under Subsection (a)(1) only if:

(1) in each of the state fiscal years beginning September 1, 2020, and September 1, 2021, the institution spent at least the amount in federal and private research funds described by that subdivision; or

(2) the legislature appropriates money to the fund in an amount required by Section 62.145(b)(2).

(d) An eligible institution that becomes eligible to receive a distribution under Subsection (a)(1) remains eligible to receive a distribution under that subdivision in each subsequent state fiscal year.

Sec. 62.1482. RESEARCH PERFORMANCE FUNDING. (a) From 85 percent of the amount allocated for research performance funding under Section 62.148(c)(2) for a state fiscal year, an eligible institution is entitled to a distribution for that fiscal year in an amount proportionate to the average amount of federal and private research funds the institution spends per state fiscal year during the preceding three state fiscal years as compared to the average amount of those funds all eligible institutions spend per state fiscal year during that period.

(b) From 15 percent of the amount allocated for research performance funding under Section 62.148(c)(2) for a state fiscal year, an eligible institution is entitled to a distribution for that fiscal year in an amount proportionate to the average number of research doctoral degrees the institution awards per academic year during the preceding three academic years as compared to the average number of those degrees all eligible institutions award per academic year during that period.

(c) The coordinating board by rule shall establish a method for determining the amounts to which each eligible institution is entitled under this section.

SECTION 18. Sections 62.149(a) and (b), Education Code, are amended to read as follows:

(a) An eligible institution may use money received under this subchapter only for the support and maintenance of educational and general activities that promote increased research capacity at the institution in a manner that aligns with the goals of the state's master plan for higher education developed under Section 61.051.

(b) For purposes of Subsection (a), the use of money shall be limited to the following permitted activities:

- (1) providing faculty support and paying faculty salaries;
- (2) purchasing equipment or library materials;
- (3) paying graduate stipends; ~~and~~
- (4) supporting research performed at the institution, including undergraduate research;
- (5) increasing technology transfer, commercialization, and patent development; and

(6) increasing the number of research doctoral graduates in this state.

SECTION 19. Subchapter G, Chapter 62, Education Code, is amended by adding Sections 62.150, 62.151, and 62.152 to read as follows:

Sec. 62.150. INSTITUTIONAL ENDOWMENT REPORTING. (a) In this section, "institutional endowment fund" means a fund established to support a general academic teaching institution's mission in perpetuity.

(b) For purposes of reporting the amount of an institution's institutional endowment funds, each eligible institution may include as a true endowment, in accordance with coordinating board rule, the institution's share of the market value of the fund corresponding to the share of the permanent endowment for education and research base funding to which the institution is entitled for a state fiscal year as provided by Section 62.1481.

Sec. 62.151. DETERMINATION AND REPORT OF AMOUNT OF DISTRIBUTIONS. For each state fiscal biennium, the Legislative Budget Board, in consultation with the coordinating board, shall:

(1) determine the amount of each distribution from the fund to which each eligible institution is entitled as provided by this subchapter; and

(2) report the determinations made under Subdivision (1) to the legislature and the comptroller.

Sec. 62.152. RULES. The coordinating board may adopt rules as necessary to implement this subchapter.

SECTION 20. The following provisions of Chapter 62, Education Code, are repealed:

- (1) Sections 62.096(a), (b), and (c);
- (2) Section 62.135(b);
- (3) Section 62.142(2);
- (4) Sections 62.146 and 62.147; and
- (5) Sections 62.148(d), (e), and (f).

SECTION 21. This Act takes effect January 1, 2024, but only if the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, relating to the Texas University Fund, which provides funding to certain institutions of higher education to achieve national prominence as major research universities and drive the state economy is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.

Representative Bonnen moved to adopt the conference committee report on **HB 1595**.

The motion to adopt the conference committee report on **HB 1595** prevailed by (Record 2223): 128 Yeas, 12 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Smith; Smithee; Spiller; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Troxclair; Turner; VanDeaver; Vo; Walle; Wu; Zwiener.

Nays — Cain; Clardy; Harrison; Hayes; Johnson, J.D.; Schaefer; Schatzline; Swanson; Tinderholt; Toth; Vasut; Wilson.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Leo-Wilson; Slawson; Thompson, S.

STATEMENTS OF VOTE

When Record No. 2223 was taken, I was shown voting no. I intended to vote yes.

Clardy

When Record No. 2223 was taken, I was in the house but away from my desk. I would have voted no.

Slawson

HB 3372 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Thimesch submitted the following conference committee report on **HB 3372**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
 President of the Senate

The Honorable Dade Phelan
 Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3372** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Parker	Thimesch
Campbell	Capriglione
Creighton	Goldman
Hughes	Slawson
Zaffirini	E. Morales
On the part of the senate	On the part of the house

HB 3372, A bill to be entitled An Act relating to the reporting of political contributions, including in-kind contributions, and expenditures made using a credit card.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 SECTION 1. Subchapter B, Chapter 254, Election Code, is amended by adding Section 254.044 to read as follows:

Sec. 254.044. REPORTING OF POLITICAL CONTRIBUTIONS AND EXPENDITURES MADE USING CREDIT CARD. (a) A candidate or officeholder who accepts a political contribution made using a credit card shall:

(1) for a political contribution for which a processing fee is deducted by the credit card issuer from the political contribution amount:

(A) report as a political contribution the full amount, including the deducted amount; and

(B) report as a political expenditure the deducted amount; and

(2) for a political contribution for which a processing fee is paid by the person making the political contribution in excess of the political contribution amount, report only as a political contribution the full amount the candidate or officeholder accepts, not including the amount paid in excess of the political contribution amount.

(b) A candidate or officeholder who accepts a political contribution described by Subsection (a)(2) is not required to report the excess amount paid as a processing fee by the person making the political contribution.

SECTION 2. Section 254.044, Election Code, as added by this Act, applies only to a report of political contributions and expenditures under Chapter 254, Election Code, that is required to be filed on or after January 1, 2024.

SECTION 3. This Act takes effect September 1, 2023.

Representative Thimesch moved to adopt the conference committee report on **HB 3372**.

The motion to adopt the conference committee report on **HB 3372** prevailed by (Record 2224): 141 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Anchía; Rosenthal.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

HR 2432 - ADOPTED
(by Bonnen)

The following privileged resolution was laid before the house:

HR 2432

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 3447** (the establishment and administration of the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement by omitting proposed SECTIONS 1 and 2 of the bill. The omitted text reads:

SECTION 1. Chapter 61, Education Code, is amended by adding Subchapter V-1 to read as follows:

SUBCHAPTER V-1. TEXAS AEROSPACE RESEARCH AND SPACE
ECONOMY CONSORTIUM

Sec. 61.921. DEFINITIONS. In this subchapter:

(1) "Consortium" means the Texas Aerospace Research and Space
Economy Consortium.

(2) "Executive committee" means the executive committee of the consortium.

Sec. 61.922. ESTABLISHMENT; PURPOSE. The Texas Aerospace Research and Space Economy Consortium is established to:

(1) identify research opportunities for entities within this state that:

(A) strengthen this state's proven leadership in civil, commercial, and military aerospace activity;

(B) enhance this state's position in aeronautics research and development, astronautics, space commercialization, and space flight infrastructure; and

(C) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(2) provide funding and research recommendations to the Texas Space Commission established under Section 481.552, Government Code.

Sec. 61.923. CONSORTIUM COMPOSITION. The consortium is composed of:

(1) each institution of higher education; and

(2) any other entity that the executive committee considers necessary.

Sec. 61.924. ADMINISTRATIVE ATTACHMENT. (a) The consortium is administratively attached to the board for the purpose of receiving and administering appropriations and other funds under this subchapter. The board is not responsible for providing to the consortium staff, human resources, contract monitoring, purchasing, or any other administrative support services.

(b) The board may not use funds intended to carry out the purposes of this subchapter for any costs incurred by the board under this subchapter.

Sec. 61.925. EXECUTIVE COMMITTEE COMPOSITION. (a) The consortium is governed by an independent executive committee composed of the following nine members:

(1) two members appointed by the governor;

(2) two members appointed by the lieutenant governor;

(3) two members appointed by the speaker of the house of representatives;

(4) the chancellor of The Texas A&M University System or the chancellor's designee;

(5) the chancellor of The University of Texas System or the chancellor's designee; and

(6) the president of Rice University or the president's designee.

(b) In making appointments under Subsection (a), the governor, the lieutenant governor, and the speaker of the house of representatives, respectively, shall:

(1) prioritize appointing individuals with experience in:

(A) aeronautics;

(B) space economic development; and

(C) academic engagement with the space economy; and

(2) ensure that the appointments reflect, to the extent possible, the ethnic and geographic diversity of this state.

(c) A vacancy on the executive committee is filled in the same manner as the initial appointment.

(d) The executive committee shall:

(1) elect a presiding officer from among the members of the committee;
and

(2) meet at the call of the presiding officer.

Sec. 61.926. GIFTS, GRANTS, AND DONATIONS. The executive committee may solicit and accept on behalf of the consortium gifts, grants, or donations from any public or private source for the purpose of carrying out this subchapter.

Sec. 61.927. GENERAL DUTIES. (a) The executive committee shall:

(1) develop and execute a comprehensive statewide strategic plan to further the purposes of the consortium;

(2) gather and coordinate recommendations from consortium members on funding and research opportunities in accordance with the purposes of the consortium; and

(3) establish procedures and policies for the administration of the consortium, including:

(A) procedures for documenting compliance by members of the committee and consortium and consortium staff with applicable laws governing conflicts of interest;

(B) designation of a member of the committee as the committee's liaison to the Texas Space Commission established under Section 481.552, Government Code; and

(C) procedures for entering into contracts with The Texas A&M University System as necessary for that system to provide administrative and staff support to the consortium.

(b) A member of the consortium under Section 61.923 may participate in consortium fact-finding, strategic planning, and the formation of recommendations for purposes of Subsections (a)(1) and (a)(2). Before assisting the executive committee as provided by this subsection, a member of the consortium must designate a liaison to the executive committee to represent that member.

Sec. 61.928. BIENNIAL REPORT. Not later than December 31 of each even-numbered year, the executive committee shall submit to the Texas Space Commission established under Section 481.552, Government Code, a written report that includes for that biennium:

(1) the activities and objectives of the consortium;

(2) a synopsis of the funding and research opportunities identified by the consortium under Section 61.927(a);

(3) legislative recommendations, if any;

(4) prospective grants or funding the consortium members expect to receive, if any; and

(5) research accomplishments associated with the consortium, if any.

SECTION 2. Chapter 481, Government Code, is amended by adding Subchapter FF to read as follows:

SUBCHAPTER FF. TEXAS SPACE COMMISSIONSec. 481.551. DEFINITIONS. In this subchapter:(1) "Board" means the board of directors of the commission.(2) "Commission" means the Texas Space Commission.(3) "Fund" means the Space Exploration and Aeronautics ResearchFund.(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.Sec. 481.552. ESTABLISHMENT; PURPOSE. (a) The Texas Space Commission is established to strengthen this state's proven leadership in civil, commercial, and military aerospace activity.(b) The purpose of the commission is to promote innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the economy of this state.Sec. 481.553. BOARD OF DIRECTORS; EXECUTIVE DIRECTOR. (a) The commission is governed by a nine-member board of directors. The board is composed of:(1) three members appointed by the governor;(2) three members appointed by the lieutenant governor; and(3) three members appointed by the governor from a list of names submitted by the speaker of the house of representatives.(b) In making appointments or selecting persons for inclusion on the list submitted to the governor under Subsection (a), the governor, lieutenant governor, and speaker of the house of representatives shall prioritize appointing or selecting, as applicable, individuals with experience in:(1) commercial aerospace;(2) civil aviation;(3) military aerospace;(4) space economic development;(5) space-related academic research; and(6) nonprofit support of the space economy.(c) Members of the board serve two-year terms and may be reappointed for additional terms.(d) A vacancy on the board is filled in the same manner as the initial appointment.(e) The board shall:(1) elect a presiding officer from among the members of the board;(2) appoint an executive director of the commission and determine the title, functions, duties, powers, and salary of the executive director; and(3) adopt rules as necessary to implement the duties of the commission under this subchapter.(f) The executive director of the commission may hire staff as necessary to implement the duties of the commission under this subchapter.Sec. 481.554. ADMINISTRATIVE ATTACHMENT. (a) The commission is administratively attached to the office of the governor.

(b) The office of the governor shall provide the commission staff and facilities as necessary to assist the commission in performing the commission's duties under this subchapter.

Sec. 481.555. AUTHORITY. The commission may, as necessary to perform the commission's duties under this subchapter:

(1) execute contracts and other documents, including by authorizing one or more members of the commission to execute contracts and other documents on behalf of the commission;

(2) conduct proceedings and other activities;

(3) establish and create boards, committees, or other entities, which may include an advisory board composed of representatives of military, federal government, and private aeronautic entities, and delegate authority or duties to those entities;

(4) provide financial services to support aerospace-related development within this state, including by:

(A) capitalizing, underwriting, leasing, selling, or securing funding for aerospace-related infrastructure; and

(B) acquiring, accepting, or administering grants and contracts to perform activities consistent with the commission's purpose;

(5) execute intergovernmental agreements and development agreements consistent with existing law, including with institutions of higher education and nonprofit entities; and

(6) engage in the planning and implementation of aerospace-related educational opportunities within this state in coordination with the Texas Aerospace Research and Space Economy Consortium established under Section 61.922, Education Code.

Sec. 481.556. STRATEGIC PLAN. (a) The commission shall develop and annually update a strategic plan for the promotion of space, aeronautics, and aviation economic development in this state.

(b) The strategic plan must include a list of potential projects that further the purpose of the commission, and, for each project:

(1) the estimated total cost for completion, including a potential state matching cost; and

(2) an assessment of the availability of external funding sources.

(c) The strategic plan may include any other information the commission determines is relevant to furthering the purpose of the commission.

(d) The board shall submit the strategic plan to the governor, the lieutenant governor, and the speaker of the house of representatives not later than December 31 of each year.

Sec. 481.557. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; GRANTS. (a) The commission shall establish the Space Exploration and Aeronautics Research Fund to provide grants to eligible entities as provided by this section.

(b) The fund is a trust fund outside the treasury with the comptroller and administered by the commission.

(c) The fund is composed of:

(1) gifts, grants, or donations provided to the commission; and

(2) money from any source designated by the legislature.

(d) Using money available in the fund, the commission may provide grants to eligible entities described by Subsection (e) for the purposes of:

(1) development of emerging technologies required for any aspect of human space flight;

(2) research involving any aspect of space exploration and space flight;

(3) workforce training to promote space exploration and space flight;

and

(4) curation of post-mission materials involved in space exploration and space flight.

(e) The following entities are eligible for a grant made under this section:

(1) a business or nonprofit entity involved in the space exploration, research, or aeronautics industry; and

(2) a governmental entity with which the commission has entered into an intergovernmental agreement for that purpose.

(f) The commission shall establish procedures for the administration and approval of grants made under this section, including procedures to ensure that a grant provided under this section is in the public interest and serves the public purpose of economic development and diversification.

Explanation: The change is necessary to allow the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium to be established under a new chapter of the Government Code.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding SECTION 1 of the bill to read as follows:

SECTION 1. Subtitle F, Title 4, Government Code, is amended by adding Chapter 482 to read as follows:

CHAPTER 482. TEXAS AEROSPACE AND TECHNOLOGY SUPPORT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 482.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the commission.

(2) "Commission" means the Texas Space Commission.

(3) "Fund" means the space exploration and aeronautics research fund.

(4) "Institution of higher education" has the meaning assigned by

Section 61.003, Education Code.

SUBCHAPTER B. TEXAS SPACE COMMISSION

Sec. 482.101. ESTABLISHMENT; PURPOSE. (a) The Texas Space Commission is established to strengthen this state's proven leadership in civil, commercial, and military aerospace activity.

(b) The purpose of the commission is to promote innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the economy of this state.

Sec. 482.102. ADMINISTRATIVE ATTACHMENT. (a) The commission is administratively attached to the office of the governor, and the office of the governor shall provide administrative support to the commission as provided by this section. The equal employment opportunity officer and the internal auditor of the office of the governor shall serve the same functions for the commission as they serve for the office of the governor.

(b) The office of the governor and the board shall enter into a memorandum of understanding detailing:

(1) the administrative support the commission requires from the office of the governor to fulfill the purposes of this chapter;

(2) the reimbursement of administrative expenses to the office of the governor; and

(3) any other provisions available by law to ensure the efficient operation of the commission as attached to the office of the governor.

Sec. 482.103. SUNSET PROVISION. The commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2032.

Sec. 482.104. STATE AUDITOR. Nothing in this chapter limits the authority of the state auditor under Chapter 321 or other law.

Sec. 482.105. BOARD OF DIRECTORS. (a) The commission is governed by a nine-member board of directors. The board is composed of:

(1) three members appointed by the governor;

(2) three members appointed by the lieutenant governor; and

(3) three members appointed by the speaker of the house of representatives.

(b) In making appointments under Subsection (a), the governor, lieutenant governor, and speaker of the house of representatives shall prioritize appointing individuals with experience in:

(1) commercial aerospace;

(2) civil aviation;

(3) military aerospace;

(4) space economic development;

(5) space-related academic research; and

(6) nonprofit support of the space economy.

(c) Members of the board appointed by the governor, lieutenant governor, and speaker of the house serve at the pleasure of the appointing office for staggered six-year terms, with the terms of two members expiring on January 31 of each odd-numbered year.

(d) If a vacancy occurs on the board, the appropriate appointing authority shall appoint a successor, in the same manner as the original appointment, to serve for the remainder of the unexpired term. The appropriate appointing authority shall appoint the successor not later than the 30th day after the date the vacancy occurs.

(e) Not later than the 30th day after the date a board member's term expires, the appropriate appointing authority shall appoint a replacement.

(f) The board shall elect a presiding officer from among the members of the board.

Sec. 482.106. EXECUTIVE DIRECTOR. (a) The board shall hire an executive director. The executive director shall perform the duties required by this chapter and any duty delegated by the board.

(b) The executive director must have a demonstrated ability to lead and develop academic, commercial, military, or governmental partnerships and coalitions.

(c) The executive director may hire staff as necessary to implement the duties of the commission under this chapter.

Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY. (a) The board shall:

(1) direct the activities of, establish goals for, and provide oversight to the commission;

(2) develop and execute a strategic plan in accordance with Section 482.201;

(3) establish the appropriate standards and executive bodies to ensure the proper use of funds authorized under this chapter for research and facilities development;

(4) identify research and funding opportunities for entities within this state that:

(A) strengthen and enhance this state's proven leadership position in civil, commercial, and military aeronautics research and development and space flight infrastructure;

(B) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(C) promote and further research involving materials derived from or developed through space exploration and space flight;

(5) capitalize, promote, and assist in the development of workforce training to further the development of emerging technologies required for all aspects of space exploration; and

(6) solicit proposals on funding and research opportunities related to the objectives in this chapter from the Texas Aerospace Research and Space Economy Consortium established under Subchapter G.

(b) The board shall employ a chief compliance officer to monitor and report to the board regarding compliance with this chapter and rules adopted under this chapter. The chief compliance officer shall ensure that all grant proposals comply with this chapter and rules adopted under this chapter before the proposals are submitted to the board for approval.

(c) The board may:

(1) establish ad hoc advisory committees as necessary to carry out the board's duties under this chapter;

(2) adopt and use an official seal;

(3) solicit and accept gifts or grants, and contract with any entity;

(4) acquire and convey property or an interest in property;

(5) procure insurance and pay premiums on insurance of any type, in accounts, and from insurers as the board considers necessary and advisable to accomplish any of the commission's purposes;

(6) make grants to public or private persons with an established presence within this state to encourage economic development related to space and aerospace;

(7) make grants to enhance the capacity of institutions of higher education to participate in and support classified research;

(8) provide matching funding to external funding provided by relevant federal agencies, private industry, or private research organizations; and

(9) engage in the planning and implementation of aerospace-related educational opportunities within this state in coordination with the Texas Aerospace Research and Space Economy Consortium established under Subchapter G.

SUBCHAPTER C. STRATEGIC PLAN

Sec. 482.201. STRATEGIC PLAN. (a) The commission shall develop and annually update a strategic plan for the promotion of space, aeronautics, and aviation economic development in this state.

(b) The strategic plan must include a list of potential projects that further the purpose of the commission, and, for each project:

(1) the estimated total cost for completion, including a potential state matching cost; and

(2) an assessment of the availability of external funding sources.

(c) The strategic plan may include any other information the commission determines is relevant to furthering the purpose of the commission.

(d) The board shall submit the strategic plan to the governor, the lieutenant governor, and the speaker of the house of representatives not later than December 31 of each year.

SUBCHAPTER D. SPACE EXPLORATION AND AERONAUTICS

RESEARCH FUND

Sec. 482.301. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; ESTABLISHMENT. (a) The space exploration and aeronautics research fund is established to provide grants to eligible entities as provided by this chapter.

(b) The fund is a trust fund outside the treasury with the comptroller and administered by the commission.

(c) The fund is composed of:

(1) gifts, grants, and donations provided to the commission; and

(2) money from any source designated by the legislature.

Sec. 482.302. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; GRANTS. (a) Using money available in the fund, the commission may provide grants to eligible entities described by Subsection (b) for the purposes of:

(1) development of emerging technologies required for any aspect of human space flight;

(2) research involving any aspect of space exploration and space flight;

(3) workforce training to promote space exploration and space flight;
(4) curation of post-mission materials involved in space exploration and space flight; and

(5) development of infrastructure useful or necessary for the establishment or maintenance of a spaceport.

(b) The following entities are eligible for a grant made under this subchapter:

(1) a business or nonprofit entity involved in the space exploration, research, or aeronautics industry; and

(2) a governmental entity with which the commission has entered into an intergovernmental agreement for that purpose.

(c) The board shall comply with the provisions of this chapter in developing the procedures for administration and approval of grants through the fund.

(d) The commission shall provide written notification to the Legislative Budget Board not later than the 30th day after the date a grant award is made from the fund.

CHAPTER E. ETHICS AND AUDIT

Sec. 482.401. CONFLICT OF INTEREST. (a) The board shall adopt conflict-of-interest rules to govern members of the board and commission employees.

(b) A board member or commission employee shall recuse himself or herself, as provided by Section 482.402, if the board member or employee, or a person who is related to the board member or employee within the second degree of affinity or consanguinity, has a professional or financial interest in an entity receiving or applying to receive money from the commission.

(c) A person has a financial interest in an entity receiving or applying to receive money from the commission if the person:

(1) owns or controls, directly or indirectly, an ownership interest, including sharing in profits, proceeds, or capital gains, in an entity, or in a foundation or similar organization affiliated with an entity, receiving or applying to receive money from the commission; or

(2) could reasonably foresee that an action or recommendation by the board or commission could result in a financial benefit to the person.

(d) Nothing in this subchapter limits the authority of the board to adopt additional conflict-of-interest standards.

Sec. 482.402. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL. (a) If a board member has a conflict of interest as described by Section 482.401 regarding an application that comes before the board for review or other action, the board member shall:

(1) provide written notice to the executive director and the presiding officer of the board or the next ranking member of the board if the presiding officer has the conflict of interest;

(2) disclose the conflict of interest in an open meeting of the board; and

(3) recuse himself or herself from participating in the review, discussion, deliberation, and vote on the application and from accessing information regarding the matter to be decided.

(b) If a commission employee has a conflict of interest described by Section 482.401 regarding an application that comes before the employee for review or other action, the employee shall:

(1) provide written notice to the executive director of the conflict of interest; and

(2) recuse himself or herself from participating in the review of the application and be prevented from accessing information regarding the matter to be decided.

(c) A board member or commission employee with a conflict of interest may seek a waiver as provided by Section 482.403.

(d) A board member or commission employee who reports a potential conflict of interest or another impropriety or self-dealing of the member or employee and who fully complies with the recommendations of the general counsel and recusal requirements is considered in compliance with the conflict-of-interest provisions of this subchapter. The member or employee is subject to other applicable laws, rules, requirements, and prohibitions.

(e) A board member or commission employee who intentionally violates this section is subject to removal from further participation in the commission's review process.

Sec. 482.403. EXCEPTIONAL CIRCUMSTANCES REQUIRING PARTICIPATION; INVESTIGATION OF UNREPORTED CONFLICT OF INTEREST. (a) The board shall adopt rules governing the waiver of the conflict-of-interest requirements of this subchapter under exceptional circumstances for a board member or commission employee. The rules must:

(1) authorize the executive director or a board member to propose granting a waiver by submitting to the presiding officer of the board a written statement about the conflict of interest, the exceptional circumstance requiring the waiver, and any proposed limitations to the waiver;

(2) require a proposed waiver to be publicly reported at a meeting of the board;

(3) require a majority vote of the board members present and voting to grant a waiver; and

(4) require the commission to retain documentation of each waiver granted.

(b) The board shall adopt rules governing the investigation and consequences of unreported conflicts of interest.

Sec. 482.404. CODE OF CONDUCT. (a) The board shall adopt a code of conduct applicable to each board member and commission employee.

(b) The code of conduct at a minimum must include provisions prohibiting the member, the employee, or the member's or employee's spouse from:

(1) accepting or soliciting any gift, favor, or service that could reasonably influence the member or employee in the discharge of official duties or that the member, employee, or spouse of the member or employee knows or should know is being offered with the intent to influence the member's or employee's official conduct;

(2) accepting employment or engaging in any business or professional activity that would reasonably require or induce the member or employee to disclose confidential information acquired in the member's or employee's official position;

(3) accepting other employment or compensation that could reasonably impair the member's or employee's independent judgment in the performance of official duties;

(4) making personal investments or having a financial interest that could reasonably create a substantial conflict between the member's or employee's private interest and the member's or employee's official duties;

(5) intentionally or knowingly soliciting, accepting, or agreeing to accept any benefit for exercising the member's official powers or performing the member's or employee's official duties in favor of another;

(6) leasing, directly or indirectly, any property, capital equipment, employee, or service to any entity that receives a grant from the commission;

(7) submitting a grant application for funding by the board;

(8) serving on the board of directors of an organization established with a grant from the commission; or

(9) serving on the board of directors of a grant recipient.

SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

Sec. 482.501. RULES FOR GRANT AWARD PROCEDURE. (a) The board shall adopt rules regarding the procedure for awarding grants to an applicant under this chapter, including a procedure for the Texas Aerospace Research and Space Economy Consortium to make recommendations to the board for grant awards.

(b) The board may not award a grant to an applicant who has made a gift or grant to the commission or a nonprofit organization established to provide support to the commission.

Sec. 482.502. MULTIYEAR PROJECTS. The board may grant money for a multiyear project. The board shall specify the total amount of money approved to fund the multiyear project. The total amount specified is considered for purposes of this subchapter to have been awarded in the state fiscal year that the project is approved by the board. The board shall distribute only the money that will be expended during that fiscal year. The board shall distribute the remaining grant money as the money is needed in each subsequent state fiscal year.

Sec. 482.503. PREFERENCE FOR TEXAS SUPPLIERS. The board shall establish standards to ensure that grant recipients purchase goods and services from suppliers in this state to the extent reasonably possible, in a good faith effort to achieve a goal of more than 50 percent of those purchases from suppliers in this state.

Sec. 482.504. GRANT EVALUATION. (a) The executive director shall determine the grant review process under this section. The executive director may terminate grants that do not meet contractual obligations.

(b) The executive director shall report at least annually to the board on the progress and continued merit of each grant funded by the commission.

(c) The board shall establish and implement reporting requirements to ensure that each grant recipient complies with the terms and conditions in the grant contract, including verification of the amounts of matching money dedicated to the research that is the subject of the grant award to the grant recipient.

(d) The commission shall implement a system to:

(1) track the dates on which grant recipient reports are due and are received by the commission; and

(2) monitor the status of any required report that is not timely submitted to the commission by a grant recipient.

Sec. 482.505. GRANT RECORDS. The commission shall maintain complete records of:

(1) the review of each grant application submitted to the board, including an application reviewed in accordance with rules adopted under this chapter, even if the grant application is not funded by the board or is withdrawn after submission;

(2) each grant recipient's financial reports, including the amount of matching money dedicated to the research specified for the grant award;

(3) each grant recipient's progress reports; and

(4) the board's review of the grant recipient's financial reports and progress reports.

SUBCHAPTER G. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY CONSORTIUM

Sec. 482.601. DEFINITIONS. In this subchapter:

(1) "Consortium" means the Texas Aerospace Research and Space Economy Consortium.

(2) "Executive committee" means the executive committee of the consortium.

Sec. 482.602. SUNSET PROVISION. The consortium is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the consortium is abolished and this subchapter expires September 1, 2032.

Sec. 482.603. ESTABLISHMENT; PURPOSE. The Texas Aerospace Research and Space Economy Consortium is established to:

(1) identify research opportunities for entities within this state that:

(A) strengthen this state's proven leadership in civil, commercial, and military aerospace activity;

(B) enhance this state's position in aeronautics research and development, astronautics, space commercialization, and space flight infrastructure; and

(C) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(2) provide funding and research recommendations to the commission.

Sec. 482.604. CONSORTIUM COMPOSITION. The consortium is composed of:

(1) each institution of higher education; and

(2) any other entity that the executive committee considers necessary.

Sec. 482.605. ADMINISTRATIVE ATTACHMENT. The consortium is administratively attached to the office of the governor for the purpose of receiving and administering appropriations and other funds under this subchapter. The office of the governor is not responsible for providing to the consortium staff, human resources, contract monitoring, purchasing, or any other administrative support services.

Sec. 482.606. EXECUTIVE COMMITTEE COMPOSITION. (a) The consortium is governed by an independent executive committee composed of the following nine members:

- (1) two members appointed by the governor;
- (2) two members appointed by the lieutenant governor;
- (3) two members appointed by the speaker of the house of representatives;
- (4) the chancellor of The Texas A&M University System or the chancellor's designee;
- (5) the chancellor of The University of Texas System or the chancellor's designee; and
- (6) the president of Rice University or the president's designee.

(b) In making appointments under Subsection (a), the governor, the lieutenant governor, and the speaker of the house of representatives, respectively, shall:

- (1) prioritize appointing individuals with experience in:
 - (A) aeronautics;
 - (B) space economic development; and
 - (C) academic engagement with the space economy; and
- (2) ensure that the appointments reflect, to the extent possible, the ethnic and geographic diversity of this state.

(c) A vacancy on the executive committee is filled in the same manner as the initial appointment.

(d) The executive committee shall:

- (1) elect a presiding officer from among the members of the committee;
- and
- (2) meet at the call of the presiding officer.

Sec. 482.607. GIFTS, GRANTS, AND DONATIONS. The executive committee may solicit and accept on behalf of the consortium gifts, grants, or donations from any public or private source for the purpose of carrying out this subchapter.

Sec. 482.608. GENERAL DUTIES. (a) The executive committee shall:

- (1) develop and execute a comprehensive statewide strategic plan to further the purposes of the consortium;
- (2) gather and coordinate recommendations from consortium members on funding and research opportunities in accordance with the purposes of the consortium; and
- (3) establish procedures and policies for the administration of the consortium, including:

(A) procedures for documenting compliance by members of the committee and consortium and consortium staff with applicable laws governing conflicts of interest;

(B) designation of a member of the committee as the committee's liaison to the commission; and

(C) procedures for entering into contracts with The Texas A&M University System as necessary for that system to provide administrative and staff support to the consortium.

(b) A member of the consortium may participate in consortium fact-finding and strategic planning and the formation of recommendations for purposes of Subsections (a)(1) and (a)(2). Before assisting the executive committee as provided by this subsection, a member of the consortium must designate a liaison to the executive committee to represent that member.

Sec. 482.609. BIENNIAL REPORT. Not later than December 31 of each even-numbered year, the executive committee shall submit to the commission a written report that includes for that biennium:

(1) the activities and objectives of the consortium;

(2) a synopsis of the funding and research opportunities identified by the consortium;

(3) legislative recommendations, if any;

(4) prospective grants or funding the consortium members expect to receive, if any; and

(5) research accomplishments associated with the consortium, if any.

Explanation: The change is necessary to establish the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium as entities administratively attached to the office of the governor under a new chapter of the Government Code and to provide certain governance and other requirements applicable to those entities.

HR 2432 was adopted by (Record 2225): 132 Yeas, 6 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Talarico; Tepper; Thimesch; Thompson, E.; Tinderholt; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Cain; Hayes; Schaefer; Schatzline; Swanson; Toth.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Bailes; Johnson, J.D.; Plesa; Thierry; Thompson, S.

STATEMENTS OF VOTE

When Record No. 2225 was taken, I was shown voting yes. I intended to vote no.

Harrison

When Record No. 2225 was taken, my vote failed to register. I would have voted yes.

Thierry

HB 3447 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Bonnen submitted the following conference committee report on **HB 3447**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3447** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
Bettencourt
Campbell
Creighton

Bonnen
Canales
Metcalf
Paul
Walle

On the part of the senate

On the part of the house

HB 3447, A bill to be entitled An Act relating to the establishment and administration of the Texas Space Commission and the Texas Aerospace Research and Space Economy Consortium.

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

SECTION 1. Subtitle F, Title 4, Government Code, is amended by adding Chapter 482 to read as follows:

CHAPTER 482. TEXAS AEROSPACE AND TECHNOLOGY SUPPORT
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 482.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the commission.

(2) "Commission" means the Texas Space Commission.

(3) "Fund" means the space exploration and aeronautics research fund.

(4) "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

SUBCHAPTER B. TEXAS SPACE COMMISSION

Sec. 482.101. ESTABLISHMENT; PURPOSE. (a) The Texas Space Commission is established to strengthen this state's proven leadership in civil, commercial, and military aerospace activity.

(b) The purpose of the commission is to promote innovation in the fields of space exploration and commercial aerospace opportunities, including the integration of space, aeronautics, and aviation industries into the economy of this state.

Sec. 482.102. ADMINISTRATIVE ATTACHMENT. (a) The commission is administratively attached to the office of the governor, and the office of the governor shall provide administrative support to the commission as provided by this section. The equal employment opportunity officer and the internal auditor of the office of the governor shall serve the same functions for the commission as they serve for the office of the governor.

(b) The office of the governor and the board shall enter into a memorandum of understanding detailing:

(1) the administrative support the commission requires from the office of the governor to fulfill the purposes of this chapter;

(2) the reimbursement of administrative expenses to the office of the governor; and

(3) any other provisions available by law to ensure the efficient operation of the commission as attached to the office of the governor.

Sec. 482.103. SUNSET PROVISION. The commission is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2032.

Sec. 482.104. STATE AUDITOR. Nothing in this chapter limits the authority of the state auditor under Chapter 321 or other law.

Sec. 482.105. BOARD OF DIRECTORS. (a) The commission is governed by a nine-member board of directors. The board is composed of:

(1) three members appointed by the governor;

(2) three members appointed by the lieutenant governor; and

(3) three members appointed by the speaker of the house of representatives.

(b) In making appointments under Subsection (a), the governor, lieutenant governor, and speaker of the house of representatives shall prioritize appointing individuals with experience in:

(1) commercial aerospace;

(2) civil aviation;

(3) military aerospace;

(4) space economic development;

(5) space-related academic research; and

(6) nonprofit support of the space economy.

(c) Members of the board appointed by the governor, lieutenant governor, and speaker of the house serve at the pleasure of the appointing office for staggered six-year terms, with the terms of two members expiring on January 31 of each odd-numbered year.

(d) If a vacancy occurs on the board, the appropriate appointing authority shall appoint a successor, in the same manner as the original appointment, to serve for the remainder of the unexpired term. The appropriate appointing authority shall appoint the successor not later than the 30th day after the date the vacancy occurs.

(e) Not later than the 30th day after the date a board member's term expires, the appropriate appointing authority shall appoint a replacement.

(f) The board shall elect a presiding officer from among the members of the board.

Sec. 482.106. EXECUTIVE DIRECTOR. (a) The board shall hire an executive director. The executive director shall perform the duties required by this chapter and any duty delegated by the board.

(b) The executive director must have a demonstrated ability to lead and develop academic, commercial, military, or governmental partnerships and coalitions.

(c) The executive director may hire staff as necessary to implement the duties of the commission under this chapter.

Sec. 482.107. BOARD OF DIRECTORS: AUTHORITY. (a) The board shall:

(1) direct the activities of, establish goals for, and provide oversight to the commission;

(2) develop and execute a strategic plan in accordance with Section 482.201;

(3) establish the appropriate standards and executive bodies to ensure the proper use of funds authorized under this chapter for research and facilities development;

(4) identify research and funding opportunities for entities within this state that:

(A) strengthen and enhance this state's proven leadership position in civil, commercial, and military aeronautics research and development and space flight infrastructure;

(B) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(C) promote and further research involving materials derived from or developed through space exploration and space flight;

(5) capitalize, promote, and assist in the development of workforce training to further the development of emerging technologies required for all aspects of space exploration; and

(6) solicit proposals on funding and research opportunities related to the objectives in this chapter from the Texas Aerospace Research and Space Economy Consortium established under Subchapter G.

(b) The board shall employ a chief compliance officer to monitor and report to the board regarding compliance with this chapter and rules adopted under this chapter. The chief compliance officer shall ensure that all grant proposals comply with this chapter and rules adopted under this chapter before the proposals are submitted to the board for approval.

(c) The board may:

(1) establish ad hoc advisory committees as necessary to carry out the board's duties under this chapter;

(2) adopt and use an official seal;

(3) solicit and accept gifts or grants, and contract with any entity;

(4) acquire and convey property or an interest in property;

(5) procure insurance and pay premiums on insurance of any type, in accounts, and from insurers as the board considers necessary and advisable to accomplish any of the commission's purposes;

(6) make grants to public or private persons with an established presence within this state to encourage economic development related to space and aerospace;

(7) make grants to enhance the capacity of institutions of higher education to participate in and support classified research;

(8) provide matching funding to external funding provided by relevant federal agencies, private industry, or private research organizations; and

(9) engage in the planning and implementation of aerospace-related educational opportunities within this state in coordination with the Texas Aerospace Research and Space Economy Consortium established under Subchapter G.

SUBCHAPTER C. STRATEGIC PLAN

Sec. 482.201. STRATEGIC PLAN. (a) The commission shall develop and annually update a strategic plan for the promotion of space, aeronautics, and aviation economic development in this state.

(b) The strategic plan must include a list of potential projects that further the purpose of the commission, and, for each project:

(1) the estimated total cost for completion, including a potential state matching cost; and

(2) an assessment of the availability of external funding sources.

(c) The strategic plan may include any other information the commission determines is relevant to furthering the purpose of the commission.

(d) The board shall submit the strategic plan to the governor, the lieutenant governor, and the speaker of the house of representatives not later than December 31 of each year.

SUBCHAPTER D. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND

Sec. 482.301. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; ESTABLISHMENT. (a) The space exploration and aeronautics research fund is established to provide grants to eligible entities as provided by this chapter.

(b) The fund is a trust fund outside the treasury with the comptroller and administered by the commission.

(c) The fund is composed of:

(1) gifts, grants, and donations provided to the commission; and

(2) money from any source designated by the legislature.

Sec. 482.302. SPACE EXPLORATION AND AERONAUTICS RESEARCH FUND; GRANTS. (a) Using money available in the fund, the commission may provide grants to eligible entities described by Subsection (b) for the purposes of:

(1) development of emerging technologies required for any aspect of human space flight;

(2) research involving any aspect of space exploration and space flight;

(3) workforce training to promote space exploration and space flight;

(4) curation of post-mission materials involved in space exploration and space flight; and

(5) development of infrastructure useful or necessary for the establishment or maintenance of a spaceport.

(b) The following entities are eligible for a grant made under this subchapter:

(1) a business or nonprofit entity involved in the space exploration, research, or aeronautics industry; and

(2) a governmental entity with which the commission has entered into an intergovernmental agreement for that purpose.

(c) The board shall comply with the provisions of this chapter in developing the procedures for administration and approval of grants through the fund.

(d) The commission shall provide written notification to the Legislative Budget Board not later than the 30th day after the date a grant award is made from the fund.

SUBCHAPTER E. ETHICS AND AUDIT

Sec. 482.401. CONFLICT OF INTEREST. (a) The board shall adopt conflict-of-interest rules to govern members of the board and commission employees.

(b) A board member or commission employee shall recuse himself or herself, as provided by Section 482.402, if the board member or employee, or a person who is related to the board member or employee within the second degree of affinity or consanguinity, has a professional or financial interest in an entity receiving or applying to receive money from the commission.

(c) A person has a financial interest in an entity receiving or applying to receive money from the commission if the person:

(1) owns or controls, directly or indirectly, an ownership interest, including sharing in profits, proceeds, or capital gains, in an entity, or in a foundation or similar organization affiliated with an entity, receiving or applying to receive money from the commission; or

(2) could reasonably foresee that an action or recommendation by the board or commission could result in a financial benefit to the person.

(d) Nothing in this subchapter limits the authority of the board to adopt additional conflict-of-interest standards.

Sec. 482.402. DISCLOSURE OF CONFLICT OF INTEREST; RECUSAL.

(a) If a board member has a conflict of interest as described by Section 482.401 regarding an application that comes before the board for review or other action, the board member shall:

(1) provide written notice to the executive director and the presiding officer of the board or the next ranking member of the board if the presiding officer has the conflict of interest;

(2) disclose the conflict of interest in an open meeting of the board; and

(3) recuse himself or herself from participating in the review, discussion, deliberation, and vote on the application and from accessing information regarding the matter to be decided.

(b) If a commission employee has a conflict of interest described by Section 482.401 regarding an application that comes before the employee for review or other action, the employee shall:

(1) provide written notice to the executive director of the conflict of interest; and

(2) recuse himself or herself from participating in the review of the application and be prevented from accessing information regarding the matter to be decided.

(c) A board member or commission employee with a conflict of interest may seek a waiver as provided by Section 482.403.

(d) A board member or commission employee who reports a potential conflict of interest or another impropriety or self-dealing of the member or employee and who fully complies with the recommendations of the general counsel and recusal requirements is considered in compliance with the conflict-of-interest provisions of this subchapter. The member or employee is subject to other applicable laws, rules, requirements, and prohibitions.

(e) A board member or commission employee who intentionally violates this section is subject to removal from further participation in the commission's review process.

Sec. 482.403. EXCEPTIONAL CIRCUMSTANCES REQUIRING PARTICIPATION; INVESTIGATION OF UNREPORTED CONFLICT OF INTEREST. (a) The board shall adopt rules governing the waiver of the conflict-of-interest requirements of this subchapter under exceptional circumstances for a board member or commission employee. The rules must:

(1) authorize the executive director or a board member to propose granting a waiver by submitting to the presiding officer of the board a written statement about the conflict of interest, the exceptional circumstance requiring the waiver, and any proposed limitations to the waiver;

(2) require a proposed waiver to be publicly reported at a meeting of the board;

(3) require a majority vote of the board members present and voting to grant a waiver; and

(4) require the commission to retain documentation of each waiver granted.

(b) The board shall adopt rules governing the investigation and consequences of unreported conflicts of interest.

Sec. 482.404. CODE OF CONDUCT. (a) The board shall adopt a code of conduct applicable to each board member and commission employee.

(b) The code of conduct at a minimum must include provisions prohibiting the member, the employee, or the member's or employee's spouse from:

(1) accepting or soliciting any gift, favor, or service that could reasonably influence the member or employee in the discharge of official duties or that the member, employee, or spouse of the member or employee knows or should know is being offered with the intent to influence the member's or employee's official conduct;

(2) accepting employment or engaging in any business or professional activity that would reasonably require or induce the member or employee to disclose confidential information acquired in the member's or employee's official position;

(3) accepting other employment or compensation that could reasonably impair the member's or employee's independent judgment in the performance of official duties;

(4) making personal investments or having a financial interest that could reasonably create a substantial conflict between the member's or employee's private interest and the member's or employee's official duties;

(5) intentionally or knowingly soliciting, accepting, or agreeing to accept any benefit for exercising the member's official powers or performing the member's or employee's official duties in favor of another;

(6) leasing, directly or indirectly, any property, capital equipment, employee, or service to any entity that receives a grant from the commission;

(7) submitting a grant application for funding by the board;

(8) serving on the board of directors of an organization established with a grant from the commission; or

(9) serving on the board of directors of a grant recipient.

SUBCHAPTER F. PROCEDURE FOR MAKING AWARDS

Sec. 482.501. RULES FOR GRANT AWARD PROCEDURE. (a) The board shall adopt rules regarding the procedure for awarding grants to an applicant under this chapter, including a procedure for the Texas Aerospace Research and Space Economy Consortium to make recommendations to the board for grant awards.

(b) The board may not award a grant to an applicant who has made a gift or grant to the commission or a nonprofit organization established to provide support to the commission.

Sec. 482.502. MULTIYEAR PROJECTS. The board may grant money for a multiyear project. The board shall specify the total amount of money approved to fund the multiyear project. The total amount specified is considered for purposes of this subchapter to have been awarded in the state fiscal year that the

project is approved by the board. The board shall distribute only the money that will be expended during that fiscal year. The board shall distribute the remaining grant money as the money is needed in each subsequent state fiscal year.

Sec. 482.503. PREFERENCE FOR TEXAS SUPPLIERS. The board shall establish standards to ensure that grant recipients purchase goods and services from suppliers in this state to the extent reasonably possible, in a good faith effort to achieve a goal of more than 50 percent of those purchases from suppliers in this state.

Sec. 482.504. GRANT EVALUATION. (a) The executive director shall determine the grant review process under this section. The executive director may terminate grants that do not meet contractual obligations.

(b) The executive director shall report at least annually to the board on the progress and continued merit of each grant funded by the commission.

(c) The board shall establish and implement reporting requirements to ensure that each grant recipient complies with the terms and conditions in the grant contract, including verification of the amounts of matching money dedicated to the research that is the subject of the grant award to the grant recipient.

(d) The commission shall implement a system to:

(1) track the dates on which grant recipient reports are due and are received by the commission; and

(2) monitor the status of any required report that is not timely submitted to the commission by a grant recipient.

Sec. 482.505. GRANT RECORDS. The commission shall maintain complete records of:

(1) the review of each grant application submitted to the board, including an application reviewed in accordance with rules adopted under this chapter, even if the grant application is not funded by the board or is withdrawn after submission;

(2) each grant recipient's financial reports, including the amount of matching money dedicated to the research specified for the grant award;

(3) each grant recipient's progress reports; and

(4) the board's review of the grant recipient's financial reports and progress reports.

SUBCHAPTER G. TEXAS AEROSPACE RESEARCH AND SPACE ECONOMY CONSORTIUM

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(1) "Consortium" means the Texas Aerospace Research and Space Economy Consortium.

(2) "Executive committee" means the executive committee of the consortium.

Sec. 482.602. SUNSET PROVISION. The consortium is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the consortium is abolished and this subchapter expires September 1, 2032.

Sec. 482.603. ESTABLISHMENT; PURPOSE. The Texas Aerospace Research and Space Economy Consortium is established to:

(1) identify research opportunities for entities within this state that:

(A) strengthen this state's proven leadership in civil, commercial, and military aerospace activity;

(B) enhance this state's position in aeronautics research and development, astronautics, space commercialization, and space flight infrastructure; and

(C) enhance the integration of the space, aeronautics, astronautics, and aviation industries into this state's economy; and

(2) provide funding and research recommendations to the commission.

Sec. 482.604. CONSORTIUM COMPOSITION. The consortium is composed of:

(1) each institution of higher education; and

(2) any other entity that the executive committee considers necessary.

Sec. 482.605. ADMINISTRATIVE ATTACHMENT. The consortium is administratively attached to the office of the governor for the purpose of receiving and administering appropriations and other funds under this subchapter. The office of the governor is not responsible for providing to the consortium staff, human resources, contract monitoring, purchasing, or any other administrative support services.

Sec. 482.606. EXECUTIVE COMMITTEE COMPOSITION. (a) The consortium is governed by an independent executive committee composed of the following nine members:

(1) two members appointed by the governor;

(2) two members appointed by the lieutenant governor;

(3) two members appointed by the speaker of the house of representatives;

(4) the chancellor of The Texas A&M University System or the chancellor's designee;

(5) the chancellor of The University of Texas System or the chancellor's designee; and

(6) the president of Rice University or the president's designee.

(b) In making appointments under Subsection (a), the governor, the lieutenant governor, and the speaker of the house of representatives, respectively, shall:

(1) prioritize appointing individuals with experience in:

(A) aeronautics;

(B) space economic development; and

(C) academic engagement with the space economy; and

(2) ensure that the appointments reflect, to the extent possible, the ethnic and geographic diversity of this state.

(c) A vacancy on the executive committee is filled in the same manner as the initial appointment.

(d) The executive committee shall:

- (1) elect a presiding officer from among the members of the committee;
and
(2) meet at the call of the presiding officer.

Sec. 482.607. GIFTS, GRANTS, AND DONATIONS. The executive committee may solicit and accept on behalf of the consortium gifts, grants, or donations from any public or private source for the purpose of carrying out this subchapter.

Sec. 482.608. GENERAL DUTIES. (a) The executive committee shall:

(1) develop and execute a comprehensive statewide strategic plan to further the purposes of the consortium;

(2) gather and coordinate recommendations from consortium members on funding and research opportunities in accordance with the purposes of the consortium; and

(3) establish procedures and policies for the administration of the consortium, including:

(A) procedures for documenting compliance by members of the committee and consortium and consortium staff with applicable laws governing conflicts of interest;

(B) designation of a member of the committee as the committee's liaison to the commission; and

(C) procedures for entering into contracts with The Texas A&M University System as necessary for that system to provide administrative and staff support to the consortium.

(b) A member of the consortium may participate in consortium fact-finding and strategic planning and the formation of recommendations for purposes of Subsections (a)(1) and (a)(2). Before assisting the executive committee as provided by this subsection, a member of the consortium must designate a liaison to the executive committee to represent that member.

Sec. 482.609. BIENNIAL REPORT. Not later than December 31 of each even-numbered year, the executive committee shall submit to the commission a written report that includes for that biennium:

(1) the activities and objectives of the consortium;

(2) a synopsis of the funding and research opportunities identified by the consortium;

(3) legislative recommendations, if any;

(4) prospective grants or funding the consortium members expect to receive, if any; and

(5) research accomplishments associated with the consortium, if any.

SECTION 2. This Act takes effect September 1, 2023.

Representative Bonnen moved to adopt the conference committee report on **HB 3447**.

The motion to adopt the conference committee report on **HB 3447** prevailed by (Record 2226): 125 Yeas, 11 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Smith; Smithee; Spiller; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Troxclair; Turner; VanDeaver; Walle; Wilson; Wu; Zwiener.

Nays — Cain; Harrison; Hayes; Hefner; Schaefer; Schatzline; Slawson; Swanson; Tinderholt; Toth; Vasut.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Bryant; Dean; Johnson, J.D.; Leach; Patterson; Thompson, S.;
Vo.

STATEMENTS OF VOTE

When Record No. 2226 was taken, I was in the house but away from my desk. I would have voted yes.

Bryant

When Record No. 2226 was taken, I was in the house but away from my desk. I would have voted yes.

Dean

When Record No. 2226 was taken, I was in the house but away from my desk. I would have voted yes.

Patterson

When Record No. 2226 was taken, my vote failed to register. I would have voted yes.

S. Thompson

HR 2477 - ADOPTED (by Guillen)

The following privileged resolution was laid before the house:

HR 2477

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 4635** (organized crime, racketeering activities, and collection of unlawful debts) to consider and take action on the following matter:

House Rule 13, Sections 9(a)(1), (2), and (3) are suspended to permit the committee to change, alter, or amend text not in disagreement by adding text on a matter not in disagreement and omitting text not in disagreement in proposed SECTION 6 of the bill, so that the text of added Section 72.01(7), Penal Code, reads as follows:

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

(A) in violation of:

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

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

(iii) Chapter 47, relating to gambling; or

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

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

HR 2477 was adopted by (Record 2227): 112 Yeas, 28 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Bowers; Bryant; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, M.; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hefner; Hernandez; Holland; Hull; Hunter; Isaac; Jetton; Johnson, A.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Noble; Oliverson; Ordaz; Ortega; Patterson; Paul; Perez; Plesa; Price; Raney; Raymond; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Walle; Wilson.

Nays — Anchía; Bernal; Bhojani; Bucy; Collier; Davis; González, J.; Goodwin; Hinojosa; Howard; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Morales, C.; Neave Criado; Ramos; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Turner; Vo; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Dorazio; Hayes; Orr.

HB 4635 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Guillen submitted the following conference committee report on **HB 4635**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 4635** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Flores	Guillen
King	Leach
Blanco	Lozano
Birdwell	Martinez
Hinojosa	Moody
On the part of the senate	On the part of the house

HB 4635, A bill to be entitled An Act relating to organized crime, racketeering activities, and collection of unlawful debts; providing a civil penalty; creating criminal offenses.

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

SECTION 1. This Act shall be known as the Texas Racketeering Act.

SECTION 2. Title 6, Civil Practice and Remedies Code, is amended by adding Chapter 140B to read as follows:

CHAPTER 140B. CIVIL REMEDIES AND ENFORCEMENT RELATED TO RACKETEERING AND UNLAWFUL DEBT COLLECTION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 140B.001. DEFINITIONS. In this chapter:

(1) "Beneficial interest":

(A) means the interest of a person:

(i) as a beneficiary under a trust established under the Texas Trust Code (Subtitle B, Title 9, Property Code) in which the trustee for the trust holds legal or record title to real property;

(ii) as a beneficiary under any other trust arrangement under which a trustee holds legal or record title to real property for the benefit of the person; or

(iii) under any other form of express fiduciary arrangement under which any other person holds legal or record title to real property for the benefit of the person; and

(B) does not include the interest of a shareholder in a corporation or the interest of a partner in either a general partnership or a limited partnership.

(2) "Cash or cash proceeds" includes:

(A) damages, penalties, or any other monetary payment;

(B) monetary proceeds from property forfeited to the state under Subchapter C; or

(C) any payment made by a defendant by reason of a decree or settlement in an action filed under Subchapter C.

(3) "Enterprise" means a legal entity, group of individuals associated in fact, or a combination of those entities and individuals.

(4) "Investigative agency" means the Department of Public Safety, the attorney general, or a local prosecutor.

(5) "Local prosecutor" means a district attorney, criminal district attorney, or county attorney with felony criminal jurisdiction.

(6) "Money" means funds as defined by Section 34.01, Penal Code.

(7) "Real property" means any real property or any interest in real property, including any lease of or mortgage on real property.

Sec. 140B.002. SPECIAL DOCKETING PROCEDURES. The attorney general or local prosecutor may file with the clerk of the district court in which an action is brought under this chapter a certificate stating that the case is of special public importance. The clerk must immediately furnish a copy of the certificate to the administrative judge of the district court of the county in which the action is pending. On receiving the copy of the certificate, the administrative judge shall immediately designate a judge to hear and determine the action. The designated judge shall promptly assign the action for hearing, participate in hearings, make determinations, and cause the action to be expedited.

Sec. 140B.003. PREVIOUSLY SEIZED ASSETS. Notwithstanding any other provision of this chapter, a remedy provided by this chapter may not be assessed against, and the attorney general may not claim or pursue in an action brought under this chapter, any proceeds, contraband, or other property of any kind over which a law enforcement authority has previously asserted jurisdiction under Chapter 59, Code of Criminal Procedure, at the time an action under this chapter was filed.

SUBCHAPTER B. CIVIL INVESTIGATIVE AUTHORITY

Sec. 140B.051. DEFINITIONS. In this subchapter:

(1) "Civil investigative demand" means any demand issued by the attorney general or a local prosecutor under this subchapter.

(2) "Documentary material" means the original or a copy of any paper, contract, agreement, book, booklet, brochure, pamphlet, catalog, magazine, notice, announcement, circular, bulletin, instruction, minutes, agenda, study,

analysis, report, graph, map, chart, table, schedule, note, letter, telegram, telephone recordings, or data compilations stored in or accessible through computer or other information retrieval systems, together with instructions and all other materials necessary to use or interpret the data compilations, and any product of discovery.

(3) "Product of discovery" means:

(A) the original or a copy of a deposition, interrogatory, document, thing, result of inspection of land or other property, examination, or admission that is obtained by any method of discovery in a judicial or administrative proceeding of an adversarial nature;

(B) a digest, analysis, selection, compilation, or derivation of any item listed in Paragraph (A); and

(C) an index, instruction, or other aid or means of access to any item listed in Paragraph (A).

(4) "Racketeering investigation" means any inquiry conducted by the attorney general or a local prosecutor for the purpose of ascertaining whether any person is or has been engaged in or is actively preparing to engage in activities that may constitute a racketeering violation.

(5) "Racketeering violation" means conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code.

Sec. 140B.052. CIVIL INVESTIGATIVE DEMAND. If the attorney general or a local prosecutor has reason to believe that a person may be in possession, custody, or control of any documentary material or other evidence or may have any information relevant to a civil racketeering investigation, the attorney general or local prosecutor may, before beginning a civil proceeding under this chapter, issue in writing and serve on the person a civil investigative demand requiring the person to:

(1) produce any of the documentary material for inspection and copying;

(2) answer in writing any written interrogatories;

(3) give oral testimony; or

(4) provide any combination of civil investigative demands under Subdivisions (1)-(3).

Sec. 140B.053. CONTENTS OF DEMAND. (a) A civil investigative demand issued under Section 140B.052 must:

(1) describe the nature of the activities that are the subject of the investigation;

(2) state each statute the activity violates; and

(3) advise the person on whom the demand is served that the person has the right to object to the demand as provided for in this subchapter.

(b) A demand for production of documentary material must:

(1) describe the class of material to be produced with reasonable specificity so that the material demanded is fairly identified;

(2) prescribe a return date that provides a reasonable period of time within which the material is to be produced; and

(3) identify the individual to whom the material is to be made available for inspection and copying.

(c) A demand for answers to written interrogatories must:

(1) propound the interrogatories with definiteness and certainty;

(2) prescribe a date by which answers to the interrogatories must be submitted; and

(3) identify the individual to whom the answers should be submitted.

(d) Each demand for the giving of oral testimony must:

(1) prescribe a reasonable date, time, and place at which the testimony will begin; and

(2) identify the individual who will conduct the examination.

Sec. 140B.054. SERVICE; PROOF OF SERVICE. (a) Service of any civil investigative demand or petition filed under Section 140B.055 or 140B.060 may be made on any natural person by delivering a duly executed copy of the demand or petition to the person to be served or by mailing a copy by registered or certified mail, return receipt requested, to the person at the person's residence or principal office or place of business.

(b) Service of any demand or petition filed under Section 140B.055 or 140B.060 may be made on any person other than a natural person by delivering a duly executed copy of the demand or petition to a person to whom delivery would be appropriate under state law if the demand or petition were process in a civil suit.

(c) A verified return by the individual serving any demand or petition filed under Section 140B.055 or 140B.060 setting forth the manner of service is proof of service. In the case of service by registered or certified mail, the return must be accompanied by the return post office receipt of delivery of the demand or petition.

Sec. 140B.055. PETITION FOR ORDER MODIFYING OR SETTING ASIDE DEMAND. (a) At any time before the return date specified in a civil investigative demand or not later than the 30th day after the date the demand was served, whichever period is shorter, the person who has been served, and in the case of a demand for a product of discovery the person from whom the discovery was obtained, may file a petition for an order modifying or setting aside the demand in the district court in the county of the person's residence or principal office or place of business or a district court of Travis County. The petition must specify each ground upon which the petitioner relies in seeking the relief sought. The petition may be based on any failure of a demand to comply with the provisions of this subchapter or on any constitutional or other legal right or privilege of the petitioner.

(b) The petitioner shall serve a copy of the petition on the attorney general or local prosecutor, as applicable, in accordance with Section 140B.054. The attorney general or local prosecutor may submit an answer to the petition.

(c) In ruling on the petition under this section, the court shall presume absent evidence to the contrary that the attorney general or local prosecutor issued the demand in good faith and within the scope of the attorney general's or local prosecutor's authority.

Sec. 140B.056. COMPLIANCE WITH DEMAND. (a) A person on whom a civil investigative demand is served under this subchapter shall comply with the terms of the demand unless otherwise provided by court order.

(b) The time for compliance with the demand wholly or partly does not run during the pendency of any petition filed under Section 140B.055, provided that the petitioner shall comply with any portions of the demand not sought to be modified or set aside.

Sec. 140B.057. DOCUMENTARY MATERIAL. (a) Any person on whom any civil investigative demand for the production of documentary material has been duly served under this subchapter shall make the material available to the attorney general or local prosecutor, as applicable, for inspection and copying during normal business hours on the return date specified in the demand at the person's principal office or place of business or as otherwise may be agreed on by the person and the attorney general or local prosecutor. The attorney general or local prosecutor shall bear the expense of any copying. The person may substitute copies for originals of all or part of the requested documents if the originals are made available for inspection. The attorney general or local prosecutor may elect to obtain or review information in an electronic format. The person shall indicate in writing which, if any, of the documents produced contain trade secrets or confidential information.

(b) The production of documentary material in response to any demand must be made under a sworn certificate in the form the demand designates by a natural person having knowledge of the facts and circumstances relating to the production to the effect that all of the requested material in the possession, custody, or control of the person to whom the demand is directed has been produced.

Sec. 140B.058. INTERROGATORIES. (a) Each interrogatory in any civil investigative demand duly served must be answered separately and fully in writing, unless it is objected to, in which case the basis for the objection shall be set forth in lieu of an answer. The person shall indicate in writing which, if any, of the answers contain trade secrets or confidential information.

(b) Answers to interrogatories must be submitted under a sworn certificate in the form the related demand designates by a natural person having knowledge of the facts and circumstances relating to the preparation of the answers to the effect that all of the requested information in the possession, custody, control, or knowledge of the person to whom the demand is directed has been set forth fully and accurately.

Sec. 140B.059. ORAL EXAMINATION. (a) The examination of any person pursuant to a civil investigative demand for oral testimony duly served must be taken before any person authorized to administer oaths and affirmations under the laws of this state or the United States. The person before whom the testimony is to be taken shall put the witness on oath or affirmation and shall personally or by someone acting under the person's direction and in the person's presence record the witness's testimony. At the expense of the attorney general or local prosecutor, and except as provided by this subsection, the testimony must be taken stenographically and may be transcribed. The attorney general or local

prosecutor may take audio and video recordings of the testimony by providing notice to the person to be examined not later than the seventh day before the day the person is to be examined.

(b) The oral testimony of any person taken pursuant to a demand served must be taken within 100 miles of the county where the person resides, is found, or transacts business or in any other place agreed on by the person and the attorney general or local prosecutor.

(c) Any person compelled to appear under a demand for oral testimony may be accompanied, represented, and advised by counsel. Counsel may advise the person in confidence, either on the request of the person or on the counsel's own initiative, with respect to any question arising in connection with the examination.

(d) The individual conducting the examination on behalf of the attorney general or local prosecutor shall exclude from the place of examination all other persons except the person being examined, the person's counsel, the counsel of the person to whom the demand has been issued, the person before whom the testimony is to be taken, any stenographer taking the testimony, audiographer, videographer, and any person assisting the individual conducting the examination.

(e) During the examination, the person being examined or the person's counsel may object on the record to any question in accordance with Rule 199.5(e), Texas Rules of Civil Procedure. An objection may properly be made, received, and entered on the record when it is claimed that the person is entitled to refuse to answer the question on grounds of any constitutional or other privilege, including the privilege against self-incrimination. Neither that person nor the person's counsel may otherwise object to or refuse to answer any question or interrupt the oral examination. If the person refuses to answer any question, the attorney general or local prosecutor may petition the district court in the county where the examination is being conducted for an order compelling the person to answer the question.

(f) After the testimony has been fully transcribed, the person before whom the testimony was taken shall promptly transmit the transcript of the testimony to the witness and a copy of the transcript to the attorney general or local prosecutor. The witness must have a reasonable opportunity to examine the transcript and make any changes in form or substance accompanied by a statement of the reasons for the changes. The witness shall then sign and return the transcript. If the witness does not return the transcript to the person before whom the testimony was taken not later than the 20th day after the date the transcript was provided to the witness, the witness may be deemed to have waived the right to make changes. The officer shall then certify on the transcript that the witness was duly sworn and that the transcript is a true record of the testimony given by the witness and promptly transmit a copy of the certified transcript to the attorney general or local prosecutor.

(g) On request, the attorney general or local prosecutor shall furnish a copy of the certified transcript to the witness.

(h) The attorney general or local prosecutor may provide the witness the same fees and mileage reimbursement that are paid to witnesses in the district courts of this state.

Sec. 140B.060. FAILURE TO COMPLY WITH DEMAND PETITION FOR ENFORCEMENT. If a person fails to comply with a civil investigative demand duly served on the person, the attorney general or local prosecutor may file in the district court in the county in which the person resides, is found, or transacts business or in a district court of Travis County and may serve on the person a petition for an order of the court for enforcement. If the person transacts business in more than one county and the attorney general or local prosecutor elects not to file the petition in Travis County, the petition must be filed in the county of the person's principal office or place of business in the state or in any other county as may be agreed on by the person and the attorney general or local prosecutor.

Sec. 140B.061. CRIMINAL OFFENSE: DELIBERATE NONCOMPLIANCE. (a) A person commits an offense if the person, with intent to avoid, evade, or prevent compliance with a civil investigative demand issued under this subchapter, knowingly removes from any place, conceals, withholds, destroys, mutilates, alters, or by any other means falsifies any documentary material or otherwise provides inaccurate information.

(b) An offense under this section is a Class A misdemeanor.

Sec. 140B.062. DISCLOSURE AND USE OF MATERIAL AND INFORMATION. (a) The civil investigative demand issued by the attorney general or local prosecutor, any information obtained, maintained, or created in response to the demand, or any documentary material, product of discovery, or other record derived or created during an investigation from the information, is not subject to disclosure under Chapter 552, Government Code, and is not subject to disclosure, discovery, subpoena, or other means of legal compulsion for the release, except as described in Subsections (b) and (c).

(b) The attorney general or local prosecutor may not release or disclose information that is obtained in response to a demand or any documentary material, product of discovery, or other record derived from the information except:

- (1) by court order for good cause shown;
- (2) with the consent of the person who provided the information to the attorney general or local prosecutor;
- (3) to an employee or other person under the direction of the attorney general or local prosecutor;
- (4) to an agency of this state, the United States, or another state or foreign country;
- (5) to a political subdivision of this state; or
- (6) to a person authorized by the attorney general or local prosecutor to receive the information.

(c) The attorney general or local prosecutor may use information obtained in response to a demand, or any documentary material, product of discovery, or other record derived or created from the information as the attorney general or local prosecutor determines necessary in the enforcement of this chapter, including presentation before court.

Sec. 140B.063. JURISDICTION. If a petition is filed in the district court in any county, the court has jurisdiction to hear and determine the matter presented and to enter any order required to implement this chapter. Any final order is subject to appeal. Failure to comply with any final order entered by a court under this chapter is punishable by the court as contempt of the order.

Sec. 140B.064. NONEXCLUSIVE PROCEDURES. Nothing in this chapter precludes the attorney general or local prosecutor from using any procedure not specified in this chapter in conducting a racketeering investigation.

SUBCHAPTER C. CIVIL REMEDIES

Sec. 140B.101. CIVIL REMEDIES. A district court may, after making due provision for the rights of innocent persons, enjoin conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code, by issuing appropriate orders and judgments, including:

(1) ordering a defendant to divest of any interest in any enterprise, including real property;

(2) imposing reasonable restrictions on the future activities or investments of a defendant, including prohibiting a defendant from engaging in the same type of endeavor as the enterprise in which the defendant was engaged in conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code;

(3) ordering the dissolution or reorganization of an enterprise;

(4) ordering the suspension or revocation of a license, permit, or approval previously granted to an enterprise by any state agency; or

(5) ordering the forfeiture of the charter of a corporation organized under the laws of this state, or the revocation of a certificate allowing a foreign corporation to conduct business within this state, on finding that:

(A) the board of directors or a managerial agent acting on behalf of the corporation, in conducting the affairs of the corporation, has authorized or engaged in conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code; and

(B) for the prevention of future criminal activity, the public interest requires the charter of the corporation forfeited and the corporation dissolved or the certificate revoked.

Sec. 140B.102. CIVIL FORFEITURE OF PROPERTY. (a) All property, real or personal, including money, used in the course of, intended for use in the course of, derived from, or realized through conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code, is subject to civil forfeiture to the state under this chapter.

(b) An investigative agency, on behalf of this state, may bring a civil action for forfeiture:

(1) in the district court for the judicial district in which real or personal tangible property described by Subsection (a) is located;

(2) in a district court in this state regarding intangible property described by Subsection (a); and

(3) in the county in which real or personal tangible property described by Subsection (a) was seized.

(c) On entry of a final judgment of forfeiture in favor of the state, the title of the state to the forfeited property shall relate back:

(1) in the case of real property or a beneficial interest:

(A) to the date of filing of a lien notice under Chapter 68, Property Code, in the official records of the county where the real property or beneficial trust is located;

(B) if no lien notice is filed, to the date of the filing of any notice of lis pendens under Section 68.056(a), Property Code, in the official records of the county where the real property or beneficial interest is located; or

(C) if no lien notice or notice of lis pendens is filed, to the date of recording of the final judgment of forfeiture in the official records of the county where the real property or beneficial interest is located; or

(2) in the case of personal property, to the date the personal property was seized by the investigative agency.

(d) For purposes of this section, a beneficial interest is considered to be located where real property owned by the trustee is located.

Sec. 140B.103. CONVEYANCE OF PROPERTY SUBJECT TO FORFEITURE. (a) If property subject to forfeiture is conveyed, alienated, disposed of, diminished in value, or otherwise rendered unavailable for forfeiture, the investigative agency may, on behalf of the state, bring an action in any district court against the person named in the lien notice under Chapter 68, Property Code, or the defendant in the relevant civil action or criminal proceeding. If a civil action is pending, the action shall be filed only in the court where the civil action is pending.

(b) The court in an action brought under Subsection (a) shall:

(1) enter final judgment against the person named in the lien notice or the defendant in the relevant civil action or criminal proceeding in an amount equal to:

(A) the fair market value of the property; and

(B) the investigative costs and attorney fees incurred by the investigative agency in the action; or

(2) order the forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

Sec. 140B.104. DISPOSITION OF FORFEITED PROPERTY. (a) The state shall dispose of all forfeited property as soon as commercially feasible. If property is not exercisable or transferable for value by the state, the state may destroy or otherwise dispose of the property.

(b) All forfeitures or dispositions under this subchapter shall be made with due provision for the rights of innocent persons.

(c) The state shall promptly distribute the proceeds realized from the forfeiture and disposition of property under this section in accordance with Subchapter D.

Sec. 140B.105. SEIZURE OF PROPERTY. (a) Property subject to forfeiture under this subchapter may be seized by a law enforcement officer on court process. Seizure without process may be made if:

(1) the seizure is incident to a lawful arrest or search conducted under a warrant issued under Chapter 18, Code of Criminal Procedure; or

(2) the property subject to seizure has been the subject of a previous judgment in favor of the state in a forfeiture action brought under this subchapter.

(b) For a seizure conducted under this section, an investigative agency shall promptly commence a forfeiture action under Section 140B.102.

Sec. 140B.106. STORAGE OF SEIZED PROPERTY PENDING FORFEITURE ACTION. Property taken or detained under this subchapter is not subject to replevin but is considered to be in the custody of the law enforcement officer making the seizure, subject only to the order of the court. When property is seized under this subchapter, pending forfeiture and final disposition, the law enforcement officer may:

(1) place the property under seal;

(2) remove the property to a place designated by a court; or

(3) require another agency authorized by law to take custody of the property and remove it to an appropriate location.

Sec. 140B.107. CIVIL ACTION BROUGHT BY ATTORNEY GENERAL, LOCAL PROSECUTOR, OR STATE AGENCY. (a) The office of the attorney general, a local prosecutor, or a state agency having jurisdiction over conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code, may institute civil actions under this subchapter. The attorney general or a state agency may institute an action under Section 140B.101 or 140B.102 only if the attorney general or agency receives the consent of the applicable local prosecutor to bring the action.

(b) In an action brought under this subchapter, the district court shall proceed as soon as practicable to the hearing and determination. Pending final determination, the district court may at any time enter injunctions, prohibitions, or restraining orders, or take actions, including the acceptance of satisfactory performance bonds, the court considers proper.

Sec. 140B.108. EFFECT OF FINAL JUDGMENT OR DECREE. A final judgment or decree rendered in favor of this state in a criminal proceeding under state law prevents the defendant from asserting in any subsequent civil action brought under this chapter any matter as to which that judgment or decree would be an estoppel as between the parties.

Sec. 140B.109. OTHER RELIEF AVAILABLE TO ATTORNEY GENERAL. (a) The attorney general may bring an action against a person who engages in conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code, to obtain:

(1) injunctive relief;

(2) a civil penalty as provided by this section; and

(3) reasonable attorney's fees and reasonably incurred costs of investigation or litigation.

(b) A defendant in an action brought under this section is subject to a civil penalty not to exceed:

(1) \$100,000 if the defendant is an individual; or

(2) \$1 million if the defendant is not an individual.

(c) The attorney general shall deposit a civil penalty collected under this section to the credit of the general revenue fund. The attorney general shall deposit attorney's fees and costs collected under this section into the attorney general law enforcement account, which may be used to investigate and enforce this chapter.

(d) Any party to an action brought under this section may petition the court for entry of a consent decree or for approval of a settlement agreement. The proposed decree or settlement must specify the alleged violations, the future obligations of the parties, the relief agreed on, and the reasons for entering into the consent decree or settlement agreement.

Sec. 140B.110. NOTICE TO LOCAL PROSECUTOR. (a) In a reasonable time before bringing an action or on initiating an investigation on racketeering, the attorney general shall provide notice to the local prosecutor who appears to have primary jurisdiction over the criminal prosecution of any target of an investigation under this chapter at the time of the notice concerning the attorney general's intent to bring an action under this chapter or investigate racketeering, as applicable.

(b) The notices described by Subsection (a) must describe or otherwise identify the defendant to the action or the suspect, as applicable.

Sec. 140B.111. COOPERATION WITH LOCAL PROSECUTOR. (a) A local prosecutor who receives notice under Section 140B.110 may notify the attorney general of a related pending criminal investigation or prosecution.

(b) Notification to the attorney general under Subsection (a) must be in writing and describe or otherwise identify the defendant or suspect in the criminal investigation or proceeding.

(c) On receipt of notice described by Subsection (a), the attorney general shall coordinate and cooperate with the local prosecutor to ensure that the filing of an action under this chapter does not interfere with an ongoing criminal investigation or prosecution. The attorney general shall update the local prosecutor on matters affecting the action or the investigation.

Sec. 140B.112. ABATEMENT OF ACTION. If the local prosecutor determines that an action brought under this chapter would interfere with an ongoing criminal investigation or prosecution after notifying the attorney general of the investigation or prosecution under Section 140B.111, the local prosecutor may request, in writing, that the attorney general abate the action. On receipt of this request, the attorney general shall abate the action.

Sec. 140B.113. LIMITATIONS; TOLLING. (a) Notwithstanding any other law, the attorney general or a local prosecutor must bring an action under this chapter not later than the fifth anniversary of the later of:

(1) the date the conduct that is the basis for the action terminates; or

(2) the date the cause of action accrues.

(b) If an indictment for an offense under Section 72.02, 72.03, or 72.04, Penal Code, is presented or a civil action is brought, or intervened in, to punish, prevent, or restrain conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code, the running of the period of limitations prescribed by this section with respect to any cause of action arising under Section 140B.109 that is wholly or partly based on a matter complained of in the indictment or the pleadings in the action, as applicable, is suspended during the pendency of the prosecution or litigation of the action, as applicable, and extended for two years following its termination.

Sec. 140B.114. MULTIPLE REMEDIES ALLOWED. The application of one civil remedy under a provision of this chapter does not preclude the application of any other remedy, civil or criminal, under this chapter or any other law. Civil remedies under this chapter are supplemental and not mutually exclusive.

SUBCHAPTER D. DISPOSITION OF FUNDS OBTAINED THROUGH FORFEITURE ACTIONS

Sec. 140B.151. INITIAL DISTRIBUTION. (a) A court entering a judgment of forfeiture in an action brought under Subchapter C retains jurisdiction to direct the distribution of any cash or cash proceeds realized from the forfeiture and disposition of the property. The court shall direct the distribution of the funds in the following order of priority:

(1) statutory fees to which the clerk of the court may be entitled;

(2) claims against the property by persons who have previously been judicially determined to be innocent persons and whose interests are preserved from forfeiture by the court and not otherwise satisfied; and

(3) subject to Subsection (c), claims for restitution by victims of the racketeering activity.

(b) A claim under Subsection (a)(2) may include a claim by a person appointed by the court as receiver pending litigation.

(c) If the attorney general brought the forfeiture action, restitution shall be distributed through the compensation to victims of crime fund. If the attorney general did not bring the forfeiture action, restitution shall be distributed by the clerk of the court.

Sec. 140B.152. DISTRIBUTION OF REMAINING MONEY. (a) Following satisfaction of all valid claims under Section 140B.151, the remaining money obtained in the forfeiture proceeding shall be deposited as follows:

(1) 25 percent into the appropriate trust fund of the attorney general or local prosecutor's office that filed the civil forfeiture action as provided by Subsection (c);

(2) 25 percent into the applicable law enforcement trust fund of the investigative agency that conducted the investigation that resulted in or significantly contributed to the forfeiture of the property as provided by Subsection (d); and

(3) 50 percent into the general revenue fund.

(b) If a forfeiture action is filed by the attorney general or a local prosecutor, the court entering the judgment of forfeiture shall, taking into account the overall effort and contribution to the investigation and forfeiture action by the agencies that filed the action, make a pro rata apportionment among those agencies of the money available for distribution to those agencies as provided by this subchapter. If multiple investigative agencies have contributed to the forfeiture of the property, the court that entered the judgment of forfeiture shall, taking into account the overall effort and contribution of the agencies to the investigation and forfeiture action, make a pro rata apportionment among those investigative agencies of the money available for distribution to the investigative agencies as provided by this subchapter.

(c) If a forfeiture action is filed by the attorney general, any money obtained by the attorney general under this section shall be deposited in the same manner described by Article 59.06(k)(3), Code of Criminal Procedure, and may be expended for the purposes and in the manner authorized by that section.

(d) If a forfeiture action is filed by a district or county attorney, any money obtained by the district or county attorney's office under this section may be used to pay the costs of investigations under Subchapter B and the resulting criminal prosecutions and civil actions. Such costs may include:

- (1) all taxable costs;
- (2) costs of protecting, maintaining, and forfeiting the property;
- (3) employees' base salaries and compensation for overtime; and
- (4) other costs that are directly attributable to the investigation, prosecution, or civil action.

(e) Any money distributed to an investigative agency under Subsection (a) shall be deposited in the applicable law enforcement fund or account established for that agency and expended for the purposes and in the manner authorized for that fund or account. In addition, any money distributed to an investigative agency under this section may be used to pay the costs of investigations under Subchapter B and the resulting criminal prosecutions and civil actions. Such costs may include:

- (1) all taxable costs;
- (2) costs of protecting, maintaining, and forfeiting the property;
- (3) employees' base salaries and compensation for overtime; and
- (4) other costs directly attributable to the investigation, prosecution, or civil action.

Sec. 140B.153. EFFECT ON SETTLEMENTS. (a) This subchapter may not be construed to limit the authority of an entity that files a forfeiture action under Subchapter C to settle a claim for forfeiture.

(b) Any proceeds arising from a settlement or from the sale of property obtained in a settlement shall be distributed in the manner described by Sections 140B.151 and 140B.152.

Sec. 140B.154. TEMPORARY DEPOSIT IN COURT REGISTRY. Pending the final distribution of the cash or cash proceeds under this subchapter, the court may authorize the cash or cash proceeds to be deposited in the court registry or in a qualified public depository.

SECTION 3. Article 12.01, Code of Criminal Procedure, is amended to read as follows:

Art. 12.01. FELONIES. Except as provided in Articles 12.015 and [Article] 12.03, felony indictments may be presented within these limits, and not afterward:

- (1) no limitation:
 - (A) murder and manslaughter;
 - (B) sexual assault under Section 22.011(a)(2), Penal Code, or aggravated sexual assault under Section 22.021(a)(1)(B), Penal Code;
 - (C) sexual assault, if:
 - (i) during the investigation of the offense biological matter is collected and the matter:
 - (a) has not yet been subjected to forensic DNA testing; or
 - (b) has been subjected to forensic DNA testing and the testing results show that the matter does not match the victim or any other person whose identity is readily ascertained; or
 - (ii) probable cause exists to believe that the defendant has committed the same or a similar sex offense against five or more victims;
 - (D) continuous sexual abuse of young child or disabled individual under Section 21.02, Penal Code;
 - (E) indecency with a child under Section 21.11, Penal Code;
 - (F) an offense involving leaving the scene of an accident under Section 550.021, Transportation Code, if the accident resulted in the death of a person;
 - (G) trafficking of persons under Section 20A.02(a)(7) or (8), Penal Code;
 - (H) continuous trafficking of persons under Section 20A.03, Penal Code; or
 - (I) compelling prostitution under Section 43.05(a)(2), Penal Code;
 - (2) ten years from the date of the commission of the offense:
 - (A) theft of any estate, real, personal or mixed, by an executor, administrator, guardian or trustee, with intent to defraud any creditor, heir, legatee, ward, distributee, beneficiary or settlor of a trust interested in such estate;
 - (B) theft by a public servant of government property over which the public servant exercises control in the public servant's official capacity;
 - (C) forgery or the uttering, using, or passing of forged instruments;
 - (D) injury to an elderly or disabled individual punishable as a felony of the first degree under Section 22.04, Penal Code;
 - (E) sexual assault, except as provided by Subdivision (1) or (7);
 - (F) arson;
 - (G) trafficking of persons under Section 20A.02(a)(1), (2), (3), or (4), Penal Code; or
 - (H) compelling prostitution under Section 43.05(a)(1), Penal Code;
 - (3) seven years from the date of the commission of the offense:
 - (A) misapplication of fiduciary property or property of a financial institution;

- (B) fraudulent securing of document execution;
 - (C) a felony violation under Chapter 162, Tax Code;
 - (D) false statement to obtain property or credit under Section 32.32, Penal Code;
 - (E) money laundering;
 - (F) credit card or debit card abuse under Section 32.31, Penal Code;
 - (G) fraudulent use or possession of identifying information under Section 32.51, Penal Code;
 - (H) exploitation of a child, elderly individual, or disabled individual under Section 32.53, Penal Code;
 - (I) health care fraud under Section 35A.02, Penal Code; or
 - (J) bigamy under Section 25.01, Penal Code, except as provided by Subdivision (6);
- (4) five years from the date of the commission of the offense:
 - (A) theft or robbery;
 - (B) except as provided by Subdivision (5), kidnapping or burglary;
 - (C) injury to an elderly or disabled individual that is not punishable as a felony of the first degree under Section 22.04, Penal Code;
 - (D) abandoning or endangering a child; or
 - (E) insurance fraud;
 - (5) if the investigation of the offense shows that the victim is younger than 17 years of age at the time the offense is committed, 20 years from the 18th birthday of the victim of one of the following offenses:
 - (A) sexual performance by a child under Section 43.25, Penal Code;
 - (B) aggravated kidnapping under Section 20.04(a)(4), Penal Code, if the defendant committed the offense with the intent to violate or abuse the victim sexually; or
 - (C) burglary under Section 30.02, Penal Code, if the offense is punishable under Subsection (d) of that section and the defendant committed the offense with the intent to commit an offense described by Subdivision (1)(B) or (D) of this article or Paragraph (B) of this subdivision;
 - (6) ten years from the 18th birthday of the victim of the offense:
 - (A) trafficking of persons under Section 20A.02(a)(5) or (6), Penal Code;
 - (B) injury to a child under Section 22.04, Penal Code; or
 - (C) bigamy under Section 25.01, Penal Code, if the investigation of the offense shows that the person, other than the legal spouse of the defendant, whom the defendant marries or purports to marry or with whom the defendant lives under the appearance of being married is younger than 18 years of age at the time the offense is committed;
 - (7) two years from the date the offense was discovered: sexual assault punishable as a state jail felony under Section 22.011(f)(2), Penal Code; or
 - (8) three years from the date of the commission of the offense: all other felonies.

SECTION 4. Chapter 12, Code of Criminal Procedure, is amended by adding Article 12.015 to read as follows:

Art. 12.015. RACKETEERING AND UNLAWFUL DEBT COLLECTION. (a) Except as provided by Subsection (b), a felony indictment for an offense under Section 72.02, 72.03, or 72.04, Penal Code, must be presented not later than five years from the date of the commission of the offense.

(b) If the attorney general or a local prosecutor, as defined by Section 140B.001, Civil Practice and Remedies Code, brings an action in the name of the state under Chapter 140B, Civil Practice and Remedies Code, during the limitations period described by Subsection (a), that limitations period is suspended while the attorney general's or local prosecutor's action is pending. If a limitations period is suspended under this subsection, the limitations period is extended for two years.

SECTION 5. Section 71.02(a), Penal Code, is amended to read as follows:

(a) A person commits an offense if, with the intent to establish, maintain, or participate in a combination or in the profits of a combination or as a member of a criminal street gang, the person commits or conspires to commit one or more of the following:

(1) murder, capital murder, arson, aggravated robbery, robbery, burglary, theft, aggravated kidnapping, kidnapping, aggravated assault, aggravated sexual assault, sexual assault, continuous sexual abuse of young child or disabled individual, solicitation of a minor, forgery, deadly conduct, assault punishable as a Class A misdemeanor, burglary of a motor vehicle, or unauthorized use of a motor vehicle;

(2) any gambling offense punishable as a Class A misdemeanor;

(3) promotion of prostitution, aggravated promotion of prostitution, or compelling prostitution;

(4) unlawful manufacture, transportation, repair, or sale of firearms or prohibited weapons;

(5) unlawful manufacture, delivery, dispensation, or distribution of a controlled substance or dangerous drug, or unlawful possession of a controlled substance or dangerous drug through forgery, fraud, misrepresentation, or deception;

(5-a) causing the unlawful delivery, dispensation, or distribution of a controlled substance or dangerous drug in violation of Subtitle B, Title 3, Occupations Code;

(5-b) any unlawful possession with intent to deliver a controlled substance or dangerous drug;

(6) any unlawful wholesale promotion or possession of any obscene material or obscene device with the intent to wholesale promote the same;

(7) any offense under Subchapter B, Chapter 43, depicting or involving conduct by or directed toward a child younger than 18 years of age;

(8) any felony offense under Chapter 32;

(9) any offense under Chapter 36;

(10) any offense under Chapter 34, 35, or 35A;

(11) any offense under Section 37.11(a);

- (12) any offense under Chapter 20A;
- (13) any offense under Section 37.10;
- (14) any offense under Section 38.06, 38.07, 38.09, or 38.11;
- (15) any offense under Section 42.10;
- (16) any offense under Section 46.06(a)(1) or 46.14;
- (17) any offense under Section 20.05 or 20.06;
- (18) any offense under Section 16.02; or
- (19) any offense classified as a felony under the Tax Code.

SECTION 6. Title 11, Penal Code, is amended by adding Chapter 72 to read as follows:

CHAPTER 72. RACKETEERING AND UNLAWFUL DEBT COLLECTION

Sec. 72.01. DEFINITIONS. In this chapter:

(1) "Enterprise" has the meaning assigned by Section 140B.001, Civil Practice and Remedies Code.

(2) "Money" means funds as defined by Section 34.01.

(3) "Pattern of racketeering" means engaging in at least two incidents of racketeering conduct that have the same or similar intents, results, accomplices, victims, or methods of commission or that otherwise are interrelated by distinguishing characteristics and are not isolated incidents, the last of which occurred not later than the fifth anniversary of the date of a previous incident of racketeering conduct.

(4) "Pecuniary value" means:

(A) anything of value in the form of money, a negotiable instrument, or a commercial interest or anything else the primary significance of which is economic advantage; or

(B) any other property or service that has a value in excess of \$100.

(5) "Racketeering" means to commit, to attempt to commit, to conspire to commit, or to solicit, coerce, or intimidate another person to commit:

(A) a felony offense under The Securities Act (Title 12, Government Code);

(B) an offense under Section 20.03 (kidnapping);

(C) an offense under Section 20.04 (aggravated kidnapping);

(D) an offense under Section 20.07 (operation of stash house);

(E) a felony offense under Chapter 37 (perjury and other falsification);

(F) a felony offense under Section 38.03 (resisting arrest, search, or transportation);

(G) a felony offense under Section 38.05 (hindering apprehension or prosecution);

(H) a felony offense under Chapter 43 (public indecency); or

(I) an offense under Section 71.02 (engaging in organized criminal activity).

(6) "Real property" has the meaning assigned by Section 140B.001, Civil Practice and Remedies Code.

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

(A) in violation of:

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

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

(iii) Chapter 47, relating to gambling; or

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

Sec. 72.02. USE OF PROCEEDS DERIVED FROM RACKETEERING OR UNLAWFUL DEBT COLLECTION. (a) A person commits an offense if the person intentionally uses or invests, whether directly or indirectly, any part of any proceeds knowingly derived, directly or indirectly, from a pattern of racketeering or through the collection of an unlawful debt, or the proceeds derived from the investment or use of those proceeds, in acquiring title to, or any right, interest, or equity in, real property or in the establishment or operation of any enterprise.

(b) An offense under this section is a felony of the second degree.

(c) If conduct that constitutes an offense under this section also constitutes an offense under any other law, the actor may be prosecuted under this section, the other law, or both.

Sec. 72.03. ACQUISITION OF INTEREST IN PROPERTY OR CONTROL OF ENTERPRISE THROUGH RACKETEERING OR UNLAWFUL DEBT COLLECTION. (a) A person commits an offense if the person, knowingly through a pattern of racketeering or through the collection of an unlawful debt, acquires or maintains, directly or indirectly, any interest in or control of any enterprise or real property.

(b) An offense under this section is a felony of the second degree.

(c) If conduct that constitutes an offense under this section also constitutes an offense under any other law, the actor may be prosecuted under this section, the other law, or both.

Sec. 72.04. PARTICIPATION IN ENTERPRISE THROUGH RACKETEERING OR UNLAWFUL DEBT COLLECTION. (a) A person commits an offense if the person is employed by or associated with an enterprise and knowingly conducts or participates, directly or indirectly, in that enterprise through a pattern of racketeering or the collection of an unlawful debt.

(b) An offense under this section is a felony of the second degree.

(c) If conduct that constitutes an offense under this section also constitutes an offense under any other law, the actor may be prosecuted under this section, the other law, or both.

Sec. 72.05. ALTERNATIVE FINE. Notwithstanding any other law, a court, after a hearing, may impose a fine, instead of an otherwise applicable fine, on a person convicted of an offense under Section 72.02, 72.03, or 72.04, through which the person derived pecuniary value or by which the person caused personal injury, property damage, or other loss, that does not exceed:

(1) the greater of:

(A) three times the gross value gained as a result of the offense; or

(B) three times the gross loss caused as a result of the offense; and

(2) the amount of the court costs and the reasonably incurred costs of investigation and prosecution.

SECTION 7. Subtitle B, Title 5, Property Code, is amended by adding Chapter 68 to read as follows:

CHAPTER 68. RICO LIENS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 68.001. DEFINITIONS. In this chapter:

(1) "Beneficial interest," "investigative agency," "local prosecutor," and "real property" have the meanings assigned by Section 140B.001, Civil Practice and Remedies Code.

(2) "RICO lien notice" means a lien notice filed under Section 68.051 or 68.052.

(3) "Trustee":

(A) means:

(i) a person acting as trustee under a trust established under the Texas Trust Code (Subtitle B, Title 9, Property Code) in which the trustee holds legal or record title to real property;

(ii) a person who holds legal or record title to real property in which another person has a beneficial interest; or

(iii) a successor trustee to a person described by Subparagraph (i) or (ii); and

(B) does not include a person appointed or acting as a personal representative as defined by Section 22.031, Estates Code, or appointed or acting as a trustee of a testamentary trust or as a trustee of an indenture of trust under which any bonds have been or are to be issued.

SUBCHAPTER B. RICO LIEN NOTICE

Sec. 68.051. GENERAL RICO LIEN NOTICE. (a) On the institution by an investigative agency of a civil action brought under Chapter 140B, Civil Practice and Remedies Code, the investigative agency, then or at any time during the pendency of the action, may file a RICO lien notice in the official records of any one or more counties. The attorney general must receive the consent of the applicable local prosecutor before filing a RICO lien.

(b) A filing fee or other charge may not be required as a condition for filing the RICO lien notice, and the clerk of the district court, on the presentation of a RICO lien notice, shall immediately record it in the official records.

Sec. 68.052. ATTORNEY GENERAL OR LOCAL PROSECUTOR RICO LIEN NOTICE. (a) In addition to the authority to file a RICO lien notice under Section 68.051, the attorney general or a local prosecutor may apply ex parte to a

district court and, on petition supported by sworn affidavit, obtain an order authorizing the filing of a RICO lien notice against real property on a showing of probable cause to believe that the property was used in the course of, intended for use in the course of, derived from, or realized through conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code.

(b) If the RICO lien notice authorization is granted, the attorney general or local prosecutor shall, after filing the notice, immediately provide notice to the owner of the property by:

(1) serving the notice in the manner provided by law for the service of process;

(2) mailing the notice, postage prepaid, by certified mail to the owner at the owner's last known address and obtaining evidence of the delivery; or

(3) if service by a method described by Subdivision (1) or (2) cannot be accomplished, posting the notice on the premises.

(c) The owner of the property may move the court to discharge the lien, and that motion shall be set for hearing at the earliest possible time.

(d) The court shall discharge the lien if the court finds that:

(1) there is no probable cause to believe that the property was used in the course of, intended for use in the course of, derived from, or realized through conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code;
or

(2) the owner of the property neither knew nor reasonably should have known that the property was used in the course of, intended for use in the course of, derived from, or realized through conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code.

(e) Testimony presented by the property owner at the hearing:

(1) is not admissible against the property owner in any criminal proceeding except in a criminal prosecution for perjury or false statement; and

(2) does not constitute a waiver of the property owner's constitutional right against self-incrimination.

(f) Except as provided by Subsection (g), a RICO lien notice secured under this section is valid for a period of 90 days from the date the court granted authorization and may be extended for an additional 90 days by the court for good cause shown.

(g) If a civil action is instituted under Chapter 140B, Civil Practice and Remedies Code, and a RICO lien notice is filed under this subchapter, the term of the lien notice is governed by this subchapter.

(h) The filing of a RICO lien notice, regardless of whether subsequently discharged or otherwise lifted, constitutes notice to the owner and knowledge by the owner that the property was used in the course of, intended for use in the course of, derived from, or realized through conduct constituting an offense under Section 72.02, 72.03, or 72.04, Penal Code, such that lack of such notice and knowledge is not a defense in any subsequent civil action under Chapter 140B, Civil Practice and Remedies Code, or a subsequent criminal proceeding under Chapter 72, Penal Code.

Sec. 68.053. FORMAT OF NOTICE. (a) A RICO lien notice must be signed by the attorney general or the attorney general's designee or by a local prosecutor or the local prosecutor's designee.

(b) A RICO lien notice must be in the form prescribed by the attorney general and must include:

(1) the name of the person against whom a civil action has been brought under Chapter 140B, Civil Practice and Remedies Code, and at the discretion of the investigative agency may also include any other aliases, names, or fictitious names under which the person may be known and any corporation, partnership, or other entity that is either controlled or entirely owned by the person;

(2) if known to the investigative agency, the current residence and business addresses of the person named in the notice and of the other names included in the notice;

(3) a reference to an applicable civil action, stating:

(A) that an action under Chapter 140B, Civil Practice and Remedies Code, has been brought against the person named in the notice;

(B) the name of each county in which the action has been brought;

and

(C) if known to the investigative agency at the time of filing the notice, the cause number of the action;

(4) a statement that the notice is being filed under this chapter; and

(5) the name and address of the investigative agency filing the notice and the name of the individual signing the notice.

(c) A RICO lien notice must apply only to one person and, to the extent applicable, any other aliases, names, or fictitious names of that person, including the names of corporations, partnerships, or other entities, to the extent permitted by Subsection (b)(1). A separate notice must be filed for each person against whom the investigative agency desires to file a RICO lien notice under this subchapter.

Sec. 68.054. SERVICE OF NOTICE. (a) An investigative agency shall, as soon as practicable after the filing of each RICO lien notice, provide to the person named in the notice:

(1) a copy of the recorded notice; or

(2) a copy of the notice that states each county in which the notice has been recorded.

(b) The failure of the investigative agency to provide a copy of a RICO lien notice under this section does not invalidate or otherwise affect the notice.

Sec. 68.055. CREATION AND PRIORITY OF RICO LIEN. (a) Filing a RICO lien notice creates, from the time of its filing, a lien in favor of the state on the following property of the person named in the notice and against any other names set forth in the notice:

(1) any real property situated in the county where the notice is filed then or thereafter owned by the person or under any of the names; and

(2) any beneficial interest situated in the county where the notice is filed then or thereafter owned by the person or under any of the names.

(b) The lien shall commence and attach as of the time of filing of a RICO lien notice and shall continue thereafter until expiration, termination, or release of the notice under this subchapter. The lien created in favor of the state is superior to the interest of any other person in the real property or beneficial interest if the interest is acquired subsequent to the filing of the notice.

(c) For purposes of this section, a beneficial interest is considered to be located where real property owned by the trustee is located.

Sec. 68.056. LIS PENDENS; INTERESTS OF PERSONS ACQUIRING INTEREST IN PROPERTY. (a) In conjunction with a civil action brought under Chapter 140B, Civil Practice and Remedies Code, an investigative agency may file without prior court order in any county a notice of lis pendens under Section 12.007. In such case, a person acquiring an interest in the subject real property or beneficial interest, if the real property or beneficial interest is acquired subsequent to the filing of the notice of lis pendens, shall take the interest subject to the civil action and any subsequent judgment of forfeiture.

(b) In conjunction with a civil action brought under Chapter 140B, Civil Practice and Remedies Code, if a RICO lien notice has been filed, an investigative agency may name as a defendant, in addition to the person named in the notice, any person acquiring an interest in the real property or beneficial interest subsequent to the filing of the notice. If a judgment of forfeiture is entered in the action in favor of the state, the interest of any person in the property that was acquired subsequent to the filing of the notice shall be subject to the notice and judgment of forfeiture.

Sec. 68.057. DUTIES OF TRUSTEE; CRIMINAL OFFENSE. (a) A trustee who acquires actual knowledge that a RICO lien notice or a civil action brought under Chapter 140B, Civil Practice and Remedies Code, or criminal proceeding brought under Chapter 72, Penal Code, has been filed against a person for whom the trustee holds legal or record title to real property shall immediately furnish to the appropriate investigative agency:

(1) the name and address of the person, as known to the trustee;

(2) the name and address, as known to the trustee, of each other person for whose benefit the trustee holds title to the real property; and

(3) if requested by the investigative agency, a copy of the trust agreement or other instrument under which the trustee holds legal or record title to the real property.

(b) A trustee who violates this section commits an offense. An offense under this subsection is a Class B misdemeanor.

Sec. 68.058. LIABILITY OF TRUSTEE FOR CONVEYANCE OF TITLE. (a) A trustee who conveys title to real property for which, at the time of the conveyance, a RICO lien notice naming a person who, to the actual knowledge of the trustee, holds a beneficial interest in the trust has been filed in the county where the real property is situated is liable to the state for the greatest of:

(1) the amount of proceeds received directly by the person named in the notice as a result of the conveyance;

(2) the amount of proceeds received by the trustee as a result of the conveyance and distributed to the person named in the notice; or

(3) the fair market value of the interest of the person named in the notice in the real property conveyed.

(b) Notwithstanding Subsection (a)(3), if a trustee conveys the real property and holds the proceeds that would otherwise be paid or distributed to the beneficiary or at the direction of the beneficiary or the beneficiary's designee, the trustee's liability does not exceed the amount of the proceeds held for so long as the proceeds are held by the trustee.

(c) An investigative agency may bring a civil action in any district court against a trustee to recover from the trustee the amount described by Subsection (a) and is entitled to recover investigative costs and attorney's fees incurred by the investigative agency.

Sec. 68.059. EFFECT ON TRUST OF RICO LIEN NOTICE. (a) The filing of a RICO lien notice does not constitute a lien on the record title to real property as owned by a trustee except to the extent that the trustee is named in the notice.

(b) The filing of a RICO lien notice does not affect the use to which real property or a beneficial interest owned by the person named in the notice may be put or the right of the person to receive any avails, rents, or other proceeds resulting from the use and ownership, but not the sale, of the property until a judgment of forfeiture is entered.

Sec. 68.060. TRUST EXCEPTIONS. (a) This chapter does not apply to a conveyance by a trustee under a court order, unless that court order is entered in an action between the trustee and the beneficiary.

(b) Unless the trustee has actual knowledge that a person owning a beneficial interest in the trust is named in a RICO lien notice or is otherwise a defendant in a civil action brought under Chapter 140B, Civil Practice and Remedies Code, this subchapter does not apply to a conveyance by the trustee:

(1) required under the terms of the trust agreement that is a matter of public record before the filing of the lien notice; or

(2) to all of the persons who own beneficial interests in the trust.

Sec. 68.061. RIGHTS OF INNOCENT PERSONS. All forfeitures or dispositions under this chapter must be made with due provision for the rights of innocent persons.

Sec. 68.062. EXPIRATION, RENEWAL, AND RELEASE OF RICO LIEN NOTICE. (a) Unless renewed by the investigative agency, a RICO lien notice expires on the sixth anniversary of the date it was filed. If the investigative agency renews the notice, the notice expires on the sixth anniversary of the date it was renewed. The investigative agency may renew the notice only once.

(b) The investigative agency filing a RICO lien notice may wholly or partly release the notice or may release any specific real property or beneficial interest from the notice on the investigative agency's own terms. A release of the notice may be filed in the official records of any county. A charge or fee may not be imposed for the filing of the release.

Sec. 68.063. EFFECT OF CRIMINAL CASE ON RICO LIEN NOTICE. If a civil action has not been brought by an investigative agency seeking a forfeiture of any property owned by the person named in the RICO lien notice, the acquittal

in a criminal proceeding brought under Chapter 72, Penal Code, of the person named in the notice or the dismissal of the criminal proceeding terminates the notice and, in such case, the filing of the notice is void. If the criminal proceeding has been dismissed or the person named in the notice has been acquitted in the criminal proceeding, the notice continues for the duration of a civil action brought under Chapter 140B, Civil Practice and Remedies Code.

Sec. 68.064. TERMINATION OR RELEASE OF RICO LIEN NOTICE BY COURT. (a) If a civil action brought under Chapter 140B, Civil Practice and Remedies Code, is not pending against a person named in a RICO lien notice, the person may bring an action in the county where the notice has been filed against the investigative agency that filed the notice seeking a release or extinguishment of the notice.

(b) In an action brought under this section, the court shall, on the motion of the person named in the RICO lien notice, immediately enter an order setting a date for hearing that is not earlier than the fifth day and not later than the 10th day after the date the action is filed, and the order and a copy of the complaint shall be served on the investigative agency not later than the third day after the date the action is filed.

(c) At the hearing set under Subsection (b), the court shall take evidence on the issue of whether any real property or beneficial interest owned by the person named in the RICO lien notice is covered by the notice or is otherwise subject to forfeiture under Chapter 140B, Civil Practice and Remedies Code.

(d) If, at the hearing under Subsection (b), the person named in the RICO lien notice shows by a preponderance of the evidence that the notice is not applicable to the person or that any real property or beneficial interest owned by the person is not subject to forfeiture under Chapter 140B, Civil Practice and Remedies Code, the court shall enter a judgment terminating the notice or releasing the real property or beneficial interest from the notice.

(e) A court shall immediately enter its order releasing from a RICO lien notice any specific real property or beneficial interest if a sale of that real property or beneficial interest is pending and the filing of the notice prevents the sale of the property or interest. Proceeds resulting from the sale of that real property or beneficial interest shall be deposited into the registry of the court, subject to the further order of the court.

(f) At the hearing under Subsection (b), the court may release any real property or beneficial interest from the RICO lien notice, on the posting by the person named in the notice of security that is equal to the value of the real property or beneficial interest owned by the person.

(g) If a civil action brought under Chapter 140B, Civil Practice and Remedies Code, is pending against a person named in a RICO lien notice, the court on motion by the person may grant the relief described by this section.

SECTION 8. (a) Chapter 140B, Civil Practice and Remedies Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act.

(b) Section 71.02, Penal Code, as amended by this Act, applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 9. To the extent of any conflict, this Act prevails over another Act of the 88th Legislature, Regular Session, 2023, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 10. This Act takes effect September 1, 2023.

Representative Guillen moved to adopt the conference committee report on **HB 4635**.

The motion to adopt the conference committee report on **HB 4635** prevailed by (Record 2228): 105 Yeas, 35 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bhojani; Bonnen; Bowers; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Campos; Capriglione; Clardy; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Flores; Frank; Gates; Gerdes; Geren; Gervin-Hawkins; González, M.; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Holland; Hull; Hunter; Isaac; Jetton; Johnson, A.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Metcalf; Meyer; Meza; Moody; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Price; Raney; Raymond; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Walle; Wilson.

Nays — Anchía; Bernal; Bryant; Bucy; Canales; Cole; Collier; Davis; Dutton; Gámez; González, J.; Hinojosa; Howard; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Martinez Fischer; Morales, C.; Neave Criado; Perez; Plesa; Ramos; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Turner; Vo; Wu.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Dorazio; Goodwin; Zwiener.

HB 3 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Burrows submitted the following conference committee report on **HB 3**:

Austin, Texas, May 25, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Nichols
Hancock
Campbell
Paxton
Blanco

On the part of the senate

Burrows
Bonnen
Moody
K. King
T. King

On the part of the house

HB 3, A bill to be entitled An Act relating to measures for ensuring public school safety, including the development and implementation of purchases relating to and funding for public school safety and security requirements and the provision of safety-related resources.

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

SECTION 1. Section 7.028(a), Education Code, is amended to read as follows:

(a) Except as provided by Section 21.006(k), 22.093(l), 22.096, 28.006, 29.001(5), 29.010(a), 33.006(h), 37.1083, 37.1084, 38.003, or 39.003, the agency may monitor compliance with requirements applicable to a process or program provided by a school district, campus, program, or school granted charters under Chapter 12, including the process described by Subchapter F, Chapter 11, or a program described by Subchapter B, C, D, E, F, H, or I, Chapter 29, or Subchapter A, Chapter 37, only as necessary to ensure:

- (1) compliance with federal law and regulations;
- (2) financial accountability, including compliance with grant requirements;
- (3) data integrity for purposes of:
 - (A) the Public Education Information Management System (PEIMS); and
 - (B) accountability under Chapters 39 and 39A; and
- (4) qualification for funding under Chapter 48.

SECTION 2. Sections 7.061(b) and (c), Education Code, are amended to read as follows:

(b) The commissioner shall adopt or amend rules as necessary to ensure that facilities [building] standards for new and existing instructional facilities and other school district and open-enrollment charter school facilities, including construction quality, performance, operational, and other standards related to the safety and security of school facilities, provide a secure and safe environment. In adopting or amending rules under this section, the commissioner shall include the use of best practices for:

- (1) the design and construction of new facilities; and
- (2) the improvement, renovation, and retrofitting of existing facilities.

(c) Not later than September 1 of each even-numbered year, the commissioner shall review all rules adopted or amended under this section and amend the rules as necessary to ensure that facilities [building] standards for school district and open-enrollment charter school facilities continue to provide a secure and safe environment. The commissioner shall, in consultation with the Texas School Safety Center, identify and adopt any changes recommended under Section 37.221.

SECTION 3. Subchapter B, Chapter 8, Education Code, is amended by adding Section 8.064 to read as follows:

Sec. 8.064. SCHOOL SAFETY SUPPORT. (a) A regional education service center shall act as a school safety resource, using materials and resources developed by the Texas School Safety Center or the agency in accordance with Chapter 37, for school districts and open-enrollment charter schools in the region served by the center. The center may assist a school district or open-enrollment charter school directly or in collaboration with the Texas School Safety Center and local law enforcement agencies, as applicable:

(1) in developing and implementing a multihazard emergency operations plan under Section 37.108;

(2) in establishing a school safety and security committee under Section 37.109;

(3) in conducting emergency school drills and exercises;

(4) in addressing deficiencies in campus security identified by a school safety review team under Section 37.1084; and

(5) by providing guidance on any other matter relating to school safety and security.

(b) A regional education service center:

(1) shall provide assistance as necessary to the region's school safety review team established under Section 37.1084; and

(2) may provide assistance as necessary to school districts and open-enrollment charter schools in the region served by the center through the direct provision of positive behavioral interventions and supports to a student enrolled in one of those districts or schools to mitigate or prevent future harmful, threatening, or violent behavior by the student.

SECTION 4. Section 12.104(b), Education Code, as amended by Chapters 542 (**SB 168**), 887 (**SB 1697**), 915 (**HB 3607**), 974 (**SB 2081**), and 1046 (**SB 1365**), Acts of the 87th Legislature, Regular Session, 2021, is reenacted and amended to read as follows:

(b) An open-enrollment charter school is subject to:

(1) a provision of this title establishing a criminal offense;

(2) the provisions in Chapter 554, Government Code; and

(3) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A) the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance with this subchapter as determined by the commissioner;

(B) criminal history records under Subchapter C, Chapter 22;

- (C) reading instruments and accelerated reading instruction programs under Section 28.006;
- (D) accelerated instruction under Section 28.0211;
- (E) high school graduation requirements under Section 28.025;
- (F) special education programs under Subchapter A, Chapter 29;
- (G) bilingual education under Subchapter B, Chapter 29;
- (H) prekindergarten programs under Subchapter E or E-1, Chapter 29, except class size limits for prekindergarten classes imposed under Section 25.112, which do not apply;
- (I) extracurricular activities under Section 33.081;
- (J) discipline management practices or behavior management techniques under Section 37.0021;
- (K) health and safety under Chapter 38;
- (L) the provisions of Subchapter A, Chapter 39;
- (M) public school accountability and special investigations under Subchapters A, B, C, D, F, G, and J, Chapter 39, and Chapter 39A;
- (N) the requirement under Section 21.006 to report an educator's misconduct;
- (O) intensive programs of instruction under Section 28.0213;
- (P) the right of a school employee to report a crime, as provided by Section 37.148;
- (Q) bullying prevention policies and procedures under Section 37.0832;
- (R) the right of a school under Section 37.0052 to place a student who has engaged in certain bullying behavior in a disciplinary alternative education program or to expel the student;
- (S) the right under Section 37.0151 to report to local law enforcement certain conduct constituting assault or harassment;
- (T) a parent's right to information regarding the provision of assistance for learning difficulties to the parent's child as provided by Sections 26.004(b)(11) and 26.0081(c) and (d);
- (U) establishment of residency under Section 25.001;
- (V) school safety requirements under Sections 37.0814, 37.108, 37.1081, 37.1082, 37.1083, 37.1084, 37.1085, 37.1086, 37.109, 37.113, 37.114, 37.1141, 37.115, 37.207, and 37.2071 and Subchapter J, Chapter 37;
- (W) the early childhood literacy and mathematics proficiency plans under Section 11.185;
- (X) the college, career, and military readiness plans under Section 11.186; and
- (Y) [~~X~~] parental options to retain a student under Section 28.02124.

SECTION 5. Subchapter Z, Chapter 22, Education Code, is amended by adding Section 22.904 to read as follows:

Sec. 22.904. MENTAL HEALTH TRAINING. (a) Except as otherwise provided by this section, a school district shall require each district employee who regularly interacts with students enrolled at the district to complete an

evidence-based mental health training program designed to provide instruction to participants regarding the recognition and support of children and youth who experience a mental health or substance use issue that may pose a threat to school safety.

(b) A school district may not require a district employee who has previously completed mental health training offered by a local mental health authority under Section 1001.203, Health and Safety Code, to complete the training required by this section.

(c) From funds appropriated for the purpose, the agency shall provide an allotment to each school district to assist the district in complying with this section. The amount of an allotment provided to a school district under this subsection may not exceed the costs incurred by the district for employees' travel, training fees, and compensation for the time spent completing the training required by this section. The agency may proportionally reduce each district's allotment if the amount appropriated is insufficient to pay for all costs incurred by districts under this subsection.

(d) The State Board for Educator Certification shall propose rules allowing an educator to receive credit toward the educator's continuing education requirements under Section 21.054(g) for the educator's participation in mental health training under this section.

(e) The commissioner shall adopt rules to implement this section, including rules specifying the training fees and travel expenses subject to reimbursement under Subsection (c).

SECTION 6. Section 25.002(a), Education Code, is amended to read as follows:

(a) If a parent or other person with legal control of a child under a court order enrolls the child in a public school, the parent or other person or the school district in which the child most recently attended school shall furnish to the school district:

(1) the child's birth certificate or another document suitable as proof of the child's identity;

(2) a copy of the child's records from the school the child most recently attended if the child has been previously enrolled in a school in this state or another state, including for a child who most recently attended a public school in this state, a copy of the child's disciplinary record and any threat assessment involving the child's behavior conducted under Section 37.115; and

(3) a record showing that the child has the immunizations as required under Section 38.001, in the case of a child required under that section to be immunized, proof as required by that section showing that the child is not required to be immunized, or proof that the child is entitled to provisional admission under that section and under rules adopted under that section.

SECTION 7. Section 25.036, Education Code, is amended by adding Subsection (c) to read as follows:

(c) In the case of a transfer under this section, a child's school district of residence shall provide the receiving district with the child's disciplinary record and any threat assessment involving the child's behavior conducted under Section 37.115.

SECTION 8. Section 37.081, Education Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as follows:

(a) The board of trustees of any school district may:

(1) employ or contract with security personnel;

(2) [?] enter into a memorandum of understanding with a local law enforcement agency or a county or municipality that is the employing political subdivision of commissioned peace officers for the provision of school resource officers;

(3) for the purposes of providing security personnel, contract with a security services contractor licensed under Chapter 1702, Occupations Code, for the provision of a commissioned security officer, as defined by Section 1702.002, Occupations Code, who has completed the Level II or III training course required by the Department of Public Safety; [?] and

(4) commission peace officers to carry out this subchapter.

~~(a-1) [If a board of trustees authorizes a person employed as security personnel to carry a weapon, the person must be a commissioned peace officer.]~~

The jurisdiction of a peace officer, a school resource officer, or security personnel under this section shall be determined by the board of trustees and may include all territory in the boundaries of the school district and all property outside the boundaries of the district that is owned, leased, or rented by or otherwise under the control of the school district and the board of trustees that employ or contract with, as applicable, the peace officer or security personnel or that enter into a memorandum of understanding for the provision of a school resource officer.

(a-2) A memorandum of understanding for the provision of school resource officers entered into under Subsection (a) must:

(1) be in the form of an interlocal contract under Chapter 791, Government Code; and

(2) use a proportionate cost allocation methodology to address any costs or fees incurred by the school district or the local law enforcement agency, county, or municipality, as applicable.

(a-3) The cost allocation methodology used under Subsection (a-2)(2) may allow a local law enforcement agency, county, or municipality, as applicable, to recoup direct costs incurred as a result of the contract but may not allow the agency, county, or municipality to profit under the contract.

(a-4) A school district, local law enforcement agency, county, or municipality that enters into a memorandum of understanding under Subsection (a) may seek funding from federal, state, and private sources to support the cost of providing school resource officers under this section.

SECTION 9. Section 37.0812(a), Education Code, is amended to read as follows:

(a) A school district peace officer or school resource officer shall complete an active shooter response training program approved by the Texas Commission on Law Enforcement at least once in each four-year period.

SECTION 10. Subchapter C, Chapter 37, Education Code, is amended by adding Section 37.0814 to read as follows:

Sec. 37.0814. ARMED SECURITY OFFICER REQUIRED. (a) The board of trustees of each school district shall determine the appropriate number of armed security officers for each district campus. The board must ensure that at least one armed security officer is present during regular school hours at each district campus.

(b) A security officer described by Subsection (a) must be:

(1) a school district peace officer;

(2) a school resource officer; or

(3) a commissioned peace officer employed as security personnel under

Section 37.081.

(c) If the board of trustees of a school district is unable to comply with this section, the board may claim a good cause exception from the requirement to comply with this section if the district's noncompliance is due to the availability of:

(1) funding; or

(2) personnel who qualify to serve as a security officer described by

Subsection (a).

(d) The board of trustees of a school district that claims a good cause exception under Subsection (c) must develop an alternative standard with which the district is able to comply, which may include providing a person to act as a security officer who is:

(1) a school marshal; or

(2) a school district employee or a person with whom the district

contracts who:

(A) has completed school safety training provided by a qualified handgun instructor certified in school safety under Section 411.1901, Government Code; and

(B) carries a handgun on school premises in accordance with written regulations or written authorization of the district under Section 46.03(a)(1)(A), Penal Code.

(e) The board of trustees of a school district must develop and maintain documentation of the district's implementation of and compliance with this section, including documentation related to a good cause exception claimed under Subsection (c), and shall, if requested by the agency, provide that documentation to the agency in the manner prescribed by the agency.

SECTION 11. Subchapter C, Chapter 37, Education Code, is amended by adding Section 37.089 to read as follows:

Sec. 37.089. ROLE OF PERSONS CARRYING A FIREARM ON SCHOOL GROUNDS. (a) Subject to Subsection (b), a person permitted to carry a firearm on the campus of a school district may not perform the routine law enforcement duties of a peace officer, including making arrests, unless the duty is

performed in response to an emergency that poses a threat of death or serious bodily injury to a student, school district employee, or other individual at the district campus.

(b) Subsection (a) does not apply to a commissioned peace officer who is assigned law enforcement duties that are included in campus and district documents describing the role of peace officers in the district as required by Section 37.081(d).

SECTION 12. Section 37.108, Education Code, is amended by amending Subsections (a), (b), and (f) and adding Subsection (h) to read as follows:

(a) Each school district or public junior college district shall adopt and implement a multihazard emergency operations plan for use in the district's facilities. The plan must address prevention, mitigation, preparedness, response, and recovery as defined by the Texas School Safety Center in conjunction with the governor's office of homeland security, ~~and~~ the commissioner of education, and the ~~or~~ commissioner of higher education~~], as applicable~~. The plan must provide for:

(1) training in responding to an emergency for district employees, including substitute teachers;

(2) measures to ensure district employees, including substitute teachers, have classroom access to a telephone, including a cellular telephone, or another electronic communication device allowing for immediate contact with district emergency services or emergency services agencies, law enforcement agencies, health departments, and fire departments;

(3) measures to ensure district communications technology and infrastructure are adequate to allow for communication during an emergency;

(4) if the plan applies to a school district, mandatory school drills and exercises, including drills required under Section 37.114, to prepare district students and employees for responding to an emergency;

(5) measures to ensure coordination with the Department of State Health Services and local emergency management agencies, law enforcement, health departments, and fire departments in the event of an emergency; ~~and~~

(6) the implementation of a safety and security audit as required by Subsection (b); and

(7) any other requirements established by the Texas School Safety Center in consultation with the agency and relevant local law enforcement agencies.

(b) At least once every three years, each school district or public junior college district shall conduct a safety and security audit of the district's facilities. A [To the extent possible, a] district, or a person included in the registry established by the Texas School Safety Center under Section 37.2091 who is engaged by the district to conduct a safety and security audit, shall follow safety and security audit procedures developed by the Texas School Safety Center in coordination with the commissioner of education or commissioner of higher education, as applicable [or a person included in the registry established by the Texas School Safety Center under Section 37.2091].

(f) A school district shall include in its multihazard emergency operations plan:

(1) a chain of command that designates the individual responsible for making final decisions during a disaster or emergency situation and identifies other individuals responsible for making those decisions if the designated person is unavailable;

(2) provisions that address physical and psychological safety for responding to a natural disaster, active shooter, and any other dangerous scenario identified for purposes of this section by the agency or the Texas School Safety Center;

(3) provisions for ensuring the safety of students in portable buildings;

(4) provisions for ensuring that students and district personnel with disabilities are provided equal access to safety during a disaster or emergency situation;

(5) provisions for providing immediate notification to parents, guardians, and other persons standing in parental relation in circumstances involving a significant threat to the health or safety of students, including identification of the individual with responsibility for overseeing the notification;

(6) provisions for supporting the psychological safety of students, district personnel, and the community during the response and recovery phase following a disaster or emergency situation that:

(A) are aligned with best practice-based programs and research-based practices recommended under Section 38.351;

(B) include strategies for ensuring any required professional development training for suicide prevention and grief-informed and trauma-informed care is provided to appropriate school personnel;

(C) include training on integrating psychological safety and suicide prevention strategies into the district's plan, such as psychological first aid for schools training, from an approved list of recommended training established by the commissioner and Texas School Safety Center for:

(i) members of the district's school safety and security committee under Section 37.109;

(ii) district school counselors and mental health professionals;

and
(iii) educators and other district personnel as determined by the district;

(D) include strategies and procedures for integrating and supporting physical and psychological safety that align with the provisions described by Subdivision (2); and

(E) implement trauma-informed policies;

(7) a policy for providing a substitute teacher access to school campus buildings and materials necessary for the substitute teacher to carry out the duties of a district employee during an emergency or a mandatory emergency drill;

[end]

(8) the name of each individual on the district's school safety and security committee established under Section 37.109 and the date of each committee meeting during the preceding year; and

(9) certification that the district is in compliance with Section 37.117.

(h) The Texas School Safety Center and the agency shall provide school safety-related data collected by the center or agency to each other on request.

SECTION 13. Section 37.1081(a), Education Code, is amended to read as follows:

(a) If the board of trustees of a school district receives notice of noncompliance under Section 37.207(e) or 37.2071(d) or (g) [37.2071(g)], the board shall hold a public hearing to notify the public of:

(1) the district's failure to:

(A) submit or correct deficiencies in a multihazard emergency operations plan; or

(B) report the results of a safety and security audit to the Texas School Safety Center as required by law;

(2) the dates during which the district has not been in compliance; and

(3) the names of each member of the board of trustees and the superintendent serving in that capacity during the dates the district was not in compliance.

SECTION 14. Subchapter D, Chapter 37, Education Code, is amended by adding Sections 37.1083, 37.1084, 37.1085, 37.1086, and 37.1131 to read as follows:

Sec. 37.1083. AGENCY MONITORING OF SCHOOL DISTRICT SAFETY AND SECURITY REQUIREMENTS. (a) The agency shall monitor the implementation and operation of requirements related to school district safety and security, including school district:

(1) multihazard emergency operations plans; and

(2) safety and security audits.

(b) The agency shall establish an office of school safety and security within the agency that consists of individuals with substantial expertise and experience in school or law enforcement safety and security operations and oversight at the local, state, or federal level to coordinate the agency's monitoring of school district safety and security requirements under this section. The director of the office is appointed by the governor and confirmed by the senate and must report directly to the commissioner.

(c) The agency shall, in coordination with the Texas School Safety Center and relevant local law enforcement agencies, provide technical assistance to school districts to support the implementation and operation of safety and security requirements.

(d) As part of the technical assistance provided under Subsection (c), the agency shall conduct a detailed vulnerability assessment of each school district on a random basis determined by the agency once every four years. The assessment must:

(1) assess facility access controls, emergency operations procedures, and other school safety requirements; and

(2) to the greatest extent practicable, coincide with the safety and security audit required under Section 37.108.

(e) The agency shall use a rubric developed by the office of school safety and security in collaboration with the Texas School Safety Center to conduct a vulnerability assessment of a school district under Subsection (d).

(f) On completion of a vulnerability assessment under Subsection (d), the agency shall provide to the superintendent and school safety and security committee established under Section 37.109 for the applicable school district a report on the results of the assessment that includes recommendations and required corrective actions to address any deficiencies in campus security identified by the agency.

(g) The agency may engage a third party as necessary to enable the agency to monitor the implementation and operation of school district safety and security requirements under this section.

(h) The agency may require a school district to submit information necessary for the agency to monitor the implementation and operation of school district safety and security requirements under this section, including:

(1) notice of an event requiring a district's emergency response including the discovery of a firearm on a campus; and

(2) information regarding the district's response and use of emergency operations procedures during an event described by Subdivision (1).

(i) The agency may review school district records as necessary to ensure compliance with this subchapter and Subchapter G.

(j) Any document or information collected, identified, developed, or produced relating to the monitoring of school district safety and security requirements under this section is confidential under Sections 418.177 and 418.181, Government Code, and not subject to disclosure under Chapter 552, Government Code.

(k) The commissioner may adopt rules as necessary to administer this section.

Sec. 37.1084. REGIONAL SCHOOL SAFETY REVIEW TEAMS. (a) In this section:

(1) "Office" means the office of school safety and security established under Section 37.1083.

(2) "Team" means a school safety review team established under this section.

(b) The office shall establish a school safety review team in each region served by a regional education service center. A team shall annually conduct on-site general intruder detection audits of school district campuses in the team's region. In conducting an intruder detection audit, a team must:

(1) use a rubric developed by the office in consultation with the Texas School Safety Center;

(2) not later than the seventh day before the date of a scheduled audit, notify the superintendent of the school district in which the campus being audited is located; and

(3) on completion of the audit, provide to the superintendent and school safety and security committee established under Section 37.109 for the school district in which the campus is located a report on the results of the audit that includes recommendations and required corrective actions to address any deficiencies in campus security identified by the team.

(c) A regional education service center shall provide support as necessary to assist the region's team in conducting intruder detection audits under this section.

(d) A report produced by a team under this section is confidential and not subject to disclosure under Chapter 552, Government Code.

Sec. 37.1085. ASSIGNMENT OF CONSERVATOR FOR NONCOMPLIANCE WITH SCHOOL SAFETY AND SECURITY REQUIREMENTS. (a) Except as provided by Subsection (c), the commissioner may assign a conservator under Chapter 39A if a school district fails to:

(1) submit to any required monitoring, assessment, or audit under Section 37.1083 or 37.1084;

(2) comply with applicable safety and security requirements; or

(3) address in a reasonable time period, as determined by commissioner rule, issues raised by the agency's monitoring, assessment, or audit of the district under Section 37.1083 or 37.1084.

(b) A conservator assigned to a district under this section may exercise the powers and duties of a conservator under Section 39A.003 only to correct a failure identified under Subsection (a).

(c) This section does not apply to a school district's failure to comply with Section 37.0814 or a good cause exception claimed under that section.

Sec. 37.1086. GUIDELINES FOR MULTHAZARD EMERGENCY OPERATIONS PLAN PROVISIONS FOR INDIVIDUALS WITH DISABILITIES OR IMPAIRMENTS. (a) The agency shall establish guidelines for the provisions in a school district's multihazard emergency operations plan under Section 37.108(f)(4) to ensure the safety of students and district personnel with disabilities or impairments during a disaster or emergency situation, in consultation with:

(1) the Texas School Safety Center;

(2) regional education service centers;

(3) public school educators who work with students with disabilities or impairments; and

(4) advocacy groups representing individuals with disabilities or impairments.

(b) A school district must follow the guidelines established by the agency under Subsection (a) in adopting and implementing the district's multihazard emergency operations plan under Section 37.108.

Sec. 37.1131. NOTIFICATION REGARDING VIOLENT ACTIVITY. (a) The agency shall develop model standards for providing notice regarding violent activity that has occurred or is being investigated at a school district campus or other district facility or at a district-sponsored activity to parents, guardians, and

other persons standing in parental relation to students who are assigned to the campus, regularly use the facility, or are attending the activity, as applicable. The standards must:

- (1) include electronic notification through text messaging and e-mail;
- (2) provide an option for real-time notification; and
- (3) protect student privacy.

(b) Each school district shall adopt a policy for providing notice described by Subsection (a) in a manner that meets the standards adopted under that subsection.

SECTION 15. Section 37.115, Education Code, is amended by amending Subsection (c) and adding Subsection (j-1) to read as follows:

(c) The board of trustees of each school district shall establish a threat assessment and safe and supportive school team to serve at each campus of the district and shall adopt policies and procedures for the teams. The team is responsible for developing and implementing the safe and supportive school program under Subsection (b) at the district campus served by the team. The policies and procedures adopted under this section must:

(1) be consistent with the model policies and procedures developed by the Texas School Safety Center;

(2) require each team to complete training provided by the Texas School Safety Center or a regional education service center regarding evidence-based threat assessment programs; ~~and~~

(3) require each team established under this section to report the information required under Subsection (k) regarding the team's activities to the agency; and

(4) require each district campus to establish a clear procedure for a student to report concerning behavior exhibited by another student for assessment by the team or other appropriate school employee.

(j-1) Materials and information provided to or produced by a team during a threat assessment of a student under this section must be maintained in the student's school record until the student's 24th birthday.

SECTION 16. Subchapter D, Chapter 37, Education Code, is amended by adding Section 37.117 to read as follows:

Sec. 37.117. EMERGENCY RESPONSE MAP AND WALK-THROUGH. Each school district and open-enrollment charter school shall provide to the Department of Public Safety and all appropriate local law enforcement agencies and emergency first responders:

(1) an accurate map of each district campus and school building that is developed and documented in accordance with the standards described by Section 37.351 related to developing site and floor plans, access control, and exterior door numbering; and

(2) an opportunity to conduct a walk-through of each district campus and school building using the map described by Subdivision (1).

SECTION 17. Sections 37.2071(b), (c), (d), (f), (g), and (h), Education Code, are amended to read as follows:

(b) A school district or public junior college district shall submit its multihazard emergency operations plan to the center:

(1) not later than the 30th day after the date [on request of] the center requests the submission; and

(2) in accordance with the center's review cycle developed under Subsection (a).

(c) The center shall review each district's multihazard emergency operations plan submitted under Subsection (b) and:

(1) verify the plan meets the requirements of Section 37.108; or

(2) provide the district with written notice:

(A) describing the plan's deficiencies; ~~and~~

(B) including specific recommendations to correct the deficiencies;

and

(C) stating that the district must correct the deficiencies in its plan and resubmit the revised plan to the center.

(d) If a district fails to submit its multihazard emergency operations plan to the center for review following a notification by the center that the district has failed to submit the district's plan, the center shall provide the district with written notice stating that the district must hold a public hearing under Section 37.1081[±]

~~[(1) has failed to submit a plan; and~~

~~[(2) must submit a plan to the center for review and verification].~~

(f) If one month [three months] after the date of initial notification of a plan's deficiencies under Subsection (c)(2) ~~[or failure to submit a plan under Subsection (d)]~~ a district has not corrected the plan deficiencies ~~[or has failed to submit a plan]~~, the center shall provide written notice to the district and agency that the district has not complied with the requirements of this section and must comply immediately.

(g) If a school district still has not corrected the plan deficiencies three [or has failed to submit a plan six] months after the date of initial notification under Subsection (c)(2) ~~[or (d)]~~, the center shall provide written notice to the school district stating that the district must hold a public hearing under Section 37.1081.

(h) If a school district has failed to submit a plan, the notice required by Subsection (d) [(g)] must state that the commissioner is authorized to appoint a conservator under Section 37.1082.

SECTION 18. Section 37.2091, Education Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) A school district must confirm that a person is included in the registry established under Subsection (b) before the district may engage the person to provide school safety or security consulting services to the district.

SECTION 19. Subchapter G, Chapter 37, Education Code, is amended by adding Sections 37.221 and 37.222 to read as follows:

Sec. 37.221. FACILITIES STANDARDS REVIEW. (a) At least once every five years, the center shall review the facilities standards for instructional facilities adopted under Section 7.061 and make recommendations to the commissioner regarding any changes necessary to ensure that the facilities standards:

(1) reflect best practices for improving school safety through the design and construction of school facilities; and

(2) are consistent with standards adopted under Chapter 469, Government Code, regarding the elimination of architectural barriers.

(b) The center and commissioner may consult with stakeholders with relevant expertise regarding whether any updates to requirements for the use of funds granted or allocated to school districts for purposes of improving the safety and security of school facilities are necessary to align with best practices.

(c) In updating facilities standards, the commissioner shall:

(1) incorporate input from the center and stakeholders with relevant expertise regarding best practices for standards applicable to the design and construction of school facilities; and

(2) ensure the standards are updated as necessary to ensure compliance with any changes to state law and local building codes.

Sec. 37.222. RESOURCES ON SAFE FIREARM STORAGE. (a) The center, in collaboration with the Department of Public Safety, shall provide to each school district and open-enrollment charter school information and other resources regarding the safe storage of firearms for distribution by the district or school under Subsection (b), including information on:

(1) the offense under Section 46.13, Penal Code; and

(2) ways in which parents and guardians can effectively prevent children from accessing firearms.

(b) Each school district and open-enrollment charter school shall provide the information and other resources described under Subsection (a) to the parent or guardian of each student enrolled in the district or school.

SECTION 20. Chapter 37, Education Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. SAFETY AND SECURITY REQUIREMENTS FOR FACILITIES

Sec. 37.351. FACILITIES STANDARDS COMPLIANCE. (a) A school district must ensure that each district facility complies with each school facilities standard, including performance standards and operational requirements, related to safety and security adopted under Section 7.061 or provided by other law or agency rule.

(b) A school district must develop and maintain documentation of the district's implementation of and compliance with school safety and security facilities standards for each district facility, including a good cause exception claimed under Section 37.353, and shall, if requested by the agency, provide that documentation to the agency in the manner prescribed by the agency.

Sec. 37.352. PURCHASING REQUIREMENTS. A school district shall comply with all applicable state laws and rules relating to procurement for district purchases relating to achieving compliance with the facilities standards adopted under Section 7.061 or provided by other law or agency rule.

Sec. 37.353. GOOD CAUSE EXCEPTION. (a) If a school district is unable to bring a district facility into compliance with a school facilities standard related to safety and security, the district may claim a good cause exception from the requirement to comply with that standard, including for a reason related to:

- (1) the age, physical design, or location of the noncompliant facility;
- (2) the projected remaining use or functional life of the noncompliant facility;
- (3) availability of funding; or
- (4) supply chain obstacles.

(b) A school district that claims a good cause exception under Subsection (a) must develop an alternative performance standard with which the district is able to comply.

Sec. 37.354. FUNDING FOR FACILITIES STANDARDS COMPLIANCE. (a) The commissioner may authorize a school district to use money provided to the district for the purpose of improving school safety and security, including the school safety allotment under Section 48.115 or any other funding or grant money available to the district for that purpose, to comply with the requirements of this subchapter.

(a-1) Funds appropriated in **SB 30**, Acts of the 88th Legislature, Regular Session, 2023, or similar legislation, for the purpose of improving school safety and security, may be used as described by Subsection (a). This subsection expires September 1, 2026.

(b) The commissioner may adopt rules regarding safety and security requirements with which a school district must comply to receive funding or grant money available for the purpose of improving school safety and security.

Sec. 37.355. CONFIDENTIALITY. (a) Any document or information collected, identified, developed, or produced relating to a safety or security requirement under this subchapter is confidential under Sections 418.177 and 418.181, Government Code, and not subject to disclosure under Chapter 552, Government Code.

(b) The commissioner may adopt rules as necessary to administer this section.

SECTION 21. Section 38.022, Education Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A school district may require a person who enters property under the district's control [~~a district campus~~] to display the person's driver's license, [~~or~~] another form of identification containing the person's photograph issued by a governmental entity, or, if applicable, the person's district employee or student identification card. The person must provide the identification on request.

(a-1) A school district may eject a person from district property if:

(1) the person refuses or fails to provide on request identification described by Subsection (a); and

(2) it reasonably appears that the person has no legitimate reason to be on district property.

SECTION 22. Subchapter E, Chapter 45, Education Code, is amended by adding Section 45.1011 to read as follows:

Sec. 45.1011. USE OF BOND PROCEEDS FOR SCHOOL SAFETY COMPLIANCE. (a) The proceeds of bonds issued by a school district for the construction and equipment of school buildings in the district and the purchase of the necessary sites for school buildings may be used to pay the costs associated with complying with school safety and security requirements for school facilities in accordance with Section 37.351.

(b) This subsection applies to a school district that has been determined by the agency, through the agency's monitoring of safety and security requirements under Section 37.1083, to not be in compliance with those requirements. Notwithstanding any other law, a school district to which this subsection applies must use the proceeds of bonds described by Subsection (a) to achieve compliance with applicable safety and security requirements in accordance with Section 37.351 before the district may use those proceeds for any other authorized purpose.

SECTION 23. Section 48.115, Education Code, is amended by amending Subsections (a) and (b) and adding Subsections (a-1), (b-1), (b-2), (c-1), and (e) to read as follows:

(a) Except as provided by Subsection (a-1), [From funds appropriated for that purpose, the commissioner shall provide to] a school district is entitled to an annual allotment equal to the sum of the following amounts or a greater [in the] amount provided by appropriation:

(1) \$10 for each student in average daily attendance, plus \$1 for each student in average daily attendance per every \$50 by which the district's maximum basic allotment under Section 48.051 exceeds \$6,160, prorated as necessary; and

(2) \$15,000 per campus.

(a-1) A school district campus that provides only virtual instruction or utilizes only facilities not subject to the district's control is not included for purposes of determining a school district's allotment under Subsection (a).

(b) Funds allocated under this section must be used to improve school safety and security, including costs associated with:

(1) securing school facilities in accordance with the requirements of Section 37.351, including:

(A) improvements to school infrastructure;

(B) the use or installation of perimeter security fencing conducive to a public school learning environment or physical barriers, which may not include razor wire; ~~and~~

(C) exterior door and window safety and security upgrades, including exterior door numbering and locking systems and security film that provides resistance to a forced entry; and

(D) the purchase and maintenance of:

(i) security cameras and, if the district has already installed security cameras, [✕] other security equipment, including video surveillance as provided by Section 29.022; and

(ii) technology, including communications systems or devices, such as silent panic alert devices, two-way radios, or wireless Internet booster equipment, that facilitates communication and information sharing between students, school personnel, and first responders in an emergency;

(2) providing security for the district, including:

(A) employing school district peace officers, private security officers, and school marshals; and

(B) collaborating with local law enforcement agencies, such as entering into a memorandum of understanding for the assignment of school resource officers to schools in the district;

(3) school safety and security measures [~~training and planning~~], including:

(A) active shooter and emergency response training;

(B) prevention and treatment programs relating to addressing adverse childhood experiences; and

(C) the prevention, identification, and management of emergencies and threats, using evidence-based, effective prevention practices and including:

(i) providing licensed counselors, social workers, and individuals trained in restorative discipline and restorative justice practices;

(ii) providing mental health personnel and support;

(iii) providing behavioral health services;

(iv) establishing threat reporting systems; and

(v) developing and implementing programs focused on restorative justice practices, culturally relevant instruction, and providing mental health support; [~~and~~]

(4) providing programs related to suicide prevention, intervention, and postvention; and

(5) employing a school safety director and other personnel to manage and monitor school safety initiatives and the implementation of school safety requirements for the district.

(b-1) The agency may designate certain technologies that a school district, in using funds allocated under this section, may purchase only from a vendor approved by the agency.

(b-2) If the agency, in coordination with the Texas School Safety Center, determines that entering into a statewide contract with a vendor for the provision of a technology designated under Subsection (b-1) would result in cost savings to school districts, the agency may, after receiving approval from the Legislative Budget Board and office of the governor, enter into a contract with a vendor to provide the technology to each district that uses funds allocated under this section to purchase that technology.

(c-1) The agency, or if designated by the agency, the Texas School Safety Center, shall establish and publish a directory of approved vendors of school safety technology and equipment a school district may select from when using

funds allocated under this section. If a school district uses funds allocated under this section to purchase technology or equipment from a vendor that is not included in the directory, the district must solicit bids from at least three vendors before completing the purchase.

(e) Notwithstanding any other law, a school district may use funds allocated under this section to provide training to a person authorized by the district to carry a firearm on a district campus.

SECTION 24. Subchapter Z, Chapter 411, Government Code, is amended by adding Section 411.951 to read as follows:

Sec. 411.951. CONFIDENTIALITY OF IWATCHTEXAS COMMUNITY REPORTING SYSTEM REPORTS. All suspicious activity reports and school safety reports included in the iWatchTexas community reporting system operated by the department are confidential and not subject to disclosure under Chapter 552.

SECTION 25. Subchapter B, Chapter 85, Local Government Code, is amended by adding Section 85.024 to read as follows:

Sec. 85.024. SCHOOL SAFETY MEETINGS. (a) The sheriff of a county with a total population of less than 350,000 in which a public school is located shall call and conduct semiannual meetings to discuss:

- (1) school safety;
- (2) coordinated law enforcement response to school violence incidents;
- (3) law enforcement agency capabilities;
- (4) available resources;
- (5) emergency radio interoperability;
- (6) chain of command planning; and
- (7) other related subjects proposed by a person in attendance at the

meeting.

(b) The sheriff of a county to which this section applies in which more than one public school is located is only required to hold one semiannual meeting described by Subsection (a). This subsection does not require public schools located within the same county to adopt the same school safety policies.

(c) The following persons shall attend a meeting called under Subsection (a):

- (1) the sheriff or the sheriff's designee;
- (2) the police chief of a municipal police department in the county or the police chief's designee;
- (3) each elected constable in the county or the constable's designees;
- (4) each police chief of a school district's police department or school district security coordinator from each school district located in the county;
- (5) a representative of the Department of Public Safety assigned to the county;
- (6) a representative of each other state agency with commissioned peace officers assigned to the county;
- (7) a person appointed to a command staff position at an emergency medical service in the county;

(8) a person appointed to a command staff position at a municipal emergency medical service in the county;

(9) a person appointed to a command staff position at a fire department in the county;

(10) the superintendent or the superintendent's designee of each school district located in the county;

(11) the person who serves the function of superintendent, or that person's designee, in each open-enrollment charter school located in the county; and

(12) any other person the sheriff considers appropriate.

(d) The sheriff shall invite any federal law enforcement official serving in the county to attend the meeting.

(e) As soon as practicable after a meeting under Subsection (a), the sheriff shall submit a report to the Texas School Safety Center identifying the attendees of the meeting and the subjects discussed. The Texas School Safety Center shall maintain the report and make it publicly available on the center's Internet website. The center may not make publicly available and shall redact any parts of a report that the center determines may expose a safety vulnerability of a school district facility.

SECTION 26. (a) As soon as practicable after the effective date of this Act, the Texas Education Agency shall establish the office of school safety and security and the governor shall appoint the director of that office as required by Section 37.1083, Education Code, as added by this Act.

(b) As soon as practicable after the office of school safety and security has been established, the office shall establish school safety review teams in each region served by a regional education service center as required by Section 37.1084, Education Code, as added by this Act.

SECTION 27. Section 45.1011, Education Code, as added by this Act, applies only to a bond authorized to be issued at an election held on or after the effective date of this Act.

SECTION 28. To the extent of any conflict, this Act prevails over another Act of the 88th Legislature, Regular Session, 2023, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 29. (a) Section 7.028 and Chapter 37, Education Code, as amended by this Act, apply beginning with the 2023-2024 school year.

(b) Notwithstanding Section 22.904, Education Code, as added by this Act, a school district must require the district's employees to complete the mental health training required under that section as follows:

(1) at least 25 percent of the applicable district employees before the beginning of the 2025-2026 school year;

(2) at least 50 percent of the applicable district employees before the beginning of the 2026-2027 school year;

(3) at least 75 percent of the applicable district employees before the beginning of the 2027-2028 school year; and

(4) 100 percent of the applicable district employees before the beginning of the 2028-2029 school year.

SECTION 30. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

(b) Section 48.115, Education Code, as amended by this Act, takes effect September 1, 2023.

Representative Burrows moved to adopt the conference committee report on **HB 3**.

The motion to adopt the conference committee report on **HB 3** prevailed by (Record 2229): 93 Yeas, 49 Nays, 1 Present, not voting.

Yeas — Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Frank; Gámez; Gates; Gerdes; Geren; Goldman(C); Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lozano; Lujan; Martinez; Metcalf; Meyer; Moody; Morales, E.; Morrison; Muñoz; Murr; Noble; Oliverson; Orr; Patterson; Paul; Price; Raney; Raymond; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Wilson.

Nays — Allen; Bernal; Bhojani; Bowers; Bryant; Bucy; Campos; Cole; Collier; Cortez; Davis; Flores; Gervin-Hawkins; González, J.; González, M.; Goodwin; Hernandez; Hinojosa; Howard; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Lopez, R.; Manuel; Martinez Fischer; Meza; Morales, C.; Morales Shaw; Neave Criado; Ordaz; Ortega; Perez; Plesa; Ramos; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker.

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Dutton; Vasut.

STATEMENTS OF VOTE

When Record No. 2229 was taken, I was shown voting yes. I intended to vote no.

Hayes

When Record No. 2229 was taken, I was shown voting no. I intended to vote yes.

Romero

When Record No. 2229 was taken, my vote failed to register. I would have voted yes.

Vasut

HB 2121 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Paul submitted the following conference committee report on **HB 2121**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2121** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Springer
Bettencourt
Middleton
Parker
West

Paul
E. Thompson
Murr
Perez

On the part of the senate

On the part of the house

HB 2121, A bill to be entitled An Act relating to the form of a rendition statement or property report used to render property for ad valorem tax purposes.

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

SECTION 1. Section 22.24(e), Tax Code, is amended to read as follows:

(e) To be valid, a rendition or report must be sworn to before an officer authorized by law to administer an oath. The comptroller may not prescribe or approve a rendition or report form unless the form provides for the person filing the form to swear that the information provided in the rendition or report is true and accurate to the best of the person's knowledge and belief. This subsection does not apply to a rendition or report filed:

- (1) by a secured party, as defined by Section 22.01;
- (2) by [s] the property owner;
- (3) by [s] an employee of the property owner;
- (4) by [~~or~~] an employee of a property owner on behalf of an affiliated entity of the property owner; or
- (5) on behalf of a property owner who is rendering tangible personal property used for the production of income and whose good faith estimate of the market value of that property is not more than \$150,000.

SECTION 2. The change in law made by this Act applies only to the rendition of property for ad valorem tax purposes for a tax year that begins on or after January 1, 2024.

SECTION 3. This Act takes effect January 1, 2024.

Representative Paul moved to adopt the conference committee report on **HB 2121**.

The motion to adopt the conference committee report on **HB 2121** prevailed by (Record 2230): 141 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Johnson, J.D.; Talarico.

HB 1243 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Hefner submitted the following conference committee report on **HB 1243**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 1243** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hughes
Creighton
Kolkhorst
Middleton

Hefner
Burrows
Smith

On the part of the senate

On the part of the house

HB 1243, A bill to be entitled An Act relating to the penalty for the offense of illegal voting; increasing a criminal penalty.

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

SECTION 1. Section 64.012(b), Election Code, is amended to read as follows:

(b) An offense under this section is a felony of the second degree unless the person is convicted of an attempt, in which event it is a state jail felony [~~Class A misdemeanor~~].

SECTION 2. The changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect when the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 3. This Act takes effect September 1, 2023.

Representative Hefner moved to adopt the conference committee report on **HB 1243**.

The motion to adopt the conference committee report on **HB 1243** prevailed by (Record 2231): 86 Yeas, 56 Nays, 2 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Frank; Gates; Gerdes; Geren; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Isaac; Jetton; Kacal; King, K.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Morales, E.; Morrison; Muñoz; Murr; Noble; Oliverson; Ordaz; Orr; Patterson; Paul; Price; Raney; Raymond; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchía; Bernal; Bhojani; Bowers; Bryant; Bucy; Campos; Cole; Collier; Cortez; Davis; Dutton; Flores; Gámez; Gervin-Hawkins; González, J.; González, M.; Goodwin; Hernandez; Hinojosa; Howard; Hunter; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Longoria; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Moody; Morales, C.; Morales Shaw; Neave Criado; Ortega; Perez; Plesa; Ramos; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — King, T.

STATEMENT OF VOTE

When Record No. 2231 was taken, I was shown voting yes. I intended to vote no.

E. Morales

HB 2729 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative C.J. Harris submitted the following conference committee report on **HB 2729**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 2729** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Creighton
King
Parker

C.J. Harris
Buckley
Talarico
Hefner

On the part of the senate

On the part of the house

HB 2729, A bill to be entitled An Act relating to teacher requirements for high quality prekindergarten programs.

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

SECTION 1. Section 29.167, Education Code, is amended by amending Subsections (b) and (d) and adding Subsections (b-1), (b-2), and (b-3) to read as follows:

(b) Each teacher for a prekindergarten program class must:

- (1) be certified under Subchapter B, Chapter 21; and
- (2) have one of the following additional qualifications:

(A) an associate or baccalaureate degree in early childhood education or a related field;

(B) a Child Development Associate (CDA) credential or another early childhood education credential approved by the agency;

(C) [~~B~~] certification offered through a training center accredited by Association Montessori Internationale or through the Montessori Accreditation Council for Teacher Education;

(D) [~~C~~] at least eight years' experience of teaching in a nationally accredited child care program or a Texas Rising Star Program;

(E) [~~(D)~~] be employed as a prekindergarten teacher in a school district that has received approval from the commissioner for the district's prekindergarten-specific instructional training plan that the teacher uses in the teacher's prekindergarten classroom; or

(F) [~~(E)~~] an equivalent qualification.

(b-1) Notwithstanding Subsection (b), each teacher for a prekindergarten class provided by an entity with which a school district contracts to provide a prekindergarten program must:

(1) be supervised by a person who meets the requirements under Subsection (b); and

(2) have one of the following qualifications:

(A) at least two years' experience of teaching in a nationally accredited child care program or a Texas Rising Star Program and:

(i) a Child Development Associate (CDA) credential or another early childhood education credential approved by the agency; or

(ii) certification offered through a training center accredited by Association Montessori Internationale or through the Montessori Accreditation Council for Teacher Education; or

(B) a qualification described by Subsection (b)(2)(A), (D), (E), or (F).

(b-2) A person who supervises a prekindergarten program provided by an entity with which a school district contracts for that purpose may supervise multiple prekindergarten classrooms to:

(1) ensure programmatic compliance; and

(2) support:

(A) classroom instruction;

(B) the developmental needs of students; and

(C) continuous quality improvement, including professional development.

(b-3) Subsections (b-1) and (b-2) and this subsection expire September 1, 2029.

(d) A school district or an entity with which the district contracts to provide a prekindergarten program must attempt to maintain an average ratio in any prekindergarten program class of not less than one qualified [~~certified~~] teacher or teacher's aide for each 11 students.

SECTION 2. This Act applies beginning with the 2023-2024 school year.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

Representative C.J. Harris moved to adopt the conference committee report on **HB 2729**.

The motion to adopt the conference committee report on **HB 2729** prevailed by (Record 2232): 93 Yeas, 47 Nays, 2 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Campos; Capriglione; Clardy; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Frank; Gates; Gerdes; Geren; Gervin-Hawkins; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Isaac; Jetton; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lopez, R.; Lozano; Lujan; Martinez; Metcalf; Meyer; Meza; Morales, E.; Morrison; Muñoz; Murr; Noble; Oliverson; Ordaz; Orr; Patterson; Paul; Price; Raney; Raymond; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchía; Bhojani; Bowers; Bryant; Bucy; Cole; Collier; Davis; Dutton; Flores; Gámez; González, J.; González, M.; Goodwin; Hernandez; Hinojosa; Howard; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Longoria; Manuel; Martinez Fischer; Moody; Morales, C.; Morales Shaw; Neave Criado; Ortega; Perez; Plesa; Ramos; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Bernal; Canales; Hunter.

STATEMENTS OF VOTE

When Record No. 2232 was taken, I was in the house but away from my desk. I would have voted no.

Canales

When Record No. 2232 was taken, I was shown voting yes. I intended to vote no.

R. Lopez

HR 2435 - ADOPTED (by Bucy)

The following privileged resolution was laid before the house:

HR 2435

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 357** (the requirements to access the online tracker of an application for a ballot to be voted by mail and to the date of runoff elections) to consider and take action on the following matter:

House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following SECTIONS to the bill:

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

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

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

(1) must be:

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

and

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

and

(2) may not:

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

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

holiday under Section 1.006(f).

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

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

HR 2435 was adopted by (Record 2233): 142 Yeas, 0 Nays, 3 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C); Thierry.

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

HB 357 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Bucy submitted the following conference committee report on **HB 357**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 357** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hughes
Birdwell
Zaffirini

Bucy
Capriglione
J. González
Manuel
Smith

On the part of the senate

On the part of the house

HB 357, A bill to be entitled An Act relating to the requirements to access the online tracker of an application for a ballot to be voted by mail and to the date of runoff elections.

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

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

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

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

(1) must be:

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

and

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

and

(2) may not:

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

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

holiday under Section 1.006(f).

SECTION 2. Section 86.015(b), Election Code, is amended to read as follows:

(b) The online tool developed or provided under Subsection (a) must require the voter to provide, before permitting the voter to access information described by that subsection:

(1) the voter's name and date of birth [~~registration address~~] and the last four digits of the voter's social security number; and

(2) the voter's:

(A) driver's license number; or

(B) personal identification card number issued by the Department of Public Safety.

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

SECTION 4. This Act takes effect September 1, 2023.

Representative Bucy moved to adopt the conference committee report on **HB 357**.

The motion to adopt the conference committee report on **HB 357** prevailed by (Record 2234): 140 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Anchía; Cook; Talarico.

STATEMENT OF VOTE

When Record No. 2234 was taken, my vote failed to register. I would have voted yes.

Cook

SB 1677 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Price submitted the conference committee report on **SB 1677**.

Representative Price moved to adopt the conference committee report on **SB 1677**.

The motion to adopt the conference committee report on **SB 1677** prevailed by (Record 2235): 134 Yeas, 8 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; VanDeaver; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Cain; Oliverson; Schaefer; Schatzline; Swanson; Tinderholt; Toth; Vasut.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Turner.

HB 4443 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Cunningham submitted the following conference committee report on **HB 4443**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 4443** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Kolkhorst
Alvarado
Middleton
Nichols
Springer
On the part of the senate

Cunningham
Garcia
Lujan
Tepper
Lozano
On the part of the house

HB 4443, A bill to be entitled An Act relating to the allocation of certain federal money provided under the Cranston-Gonzalez National Affordable Housing Act.

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

SECTION 1. Section 2306.111, Government Code, is amended by adding Subsection (j) to read as follows:

(j) Notwithstanding any other law, money provided to this state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.) as a one-time lump sum for a specified use:

(1) is not subject to the allocation requirements under this section or the allocation formula developed by the department under Section 2306.1115; and

(2) may be allocated for the benefit of any area of this state in the manner specified under federal law.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

Representative Cunningham moved to adopt the conference committee report on **HB 4443**.

The motion to adopt the conference committee report on **HB 4443** prevailed by (Record 2236): 121 Yeas, 22 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cortez; Cunningham; Darby; Davis; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Hernandez; Hinojosa; Holland; Howard; Hunter; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Smith; Smithee; Spiller; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Turner; VanDeaver; Vo; Walle; Wu; Zwiener.

Nays — Cain; Cook; Craddick; Dean; Gates; Harris, C.J.; Harrison; Hayes; Hefner; Hull; Isaac; Leo-Wilson; Price; Schaefer; Schatzline; Slawson; Swanson; Tinderholt; Toth; Troxclair; Vasut; Wilson.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

**HB 18 - HOUSE DISCHARGES CONFEREES
HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Slawson called up with senate amendments for consideration at this time,

HB 18, A bill to be entitled An Act relating to the protection of minors from harmful, deceptive, or unfair trade practices in connection with the use of certain digital services.

Representative Slawson moved to discharge the conferees and concur in the senate amendments to **HB 18**.

The motion to discharge the conferees and concur in the senate amendments to **HB 18** prevailed by (Record 2237): 120 Yeas, 21 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bhojani; Bonnen; Bowers; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Campos; Capriglione; Clardy; Cole; Cook; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, M.; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Hull; Isaac; Jetton; Johnson, A.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meza; Moody; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Raney; Raymond; Reynolds; Rogers; Romero; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Walle; Wilson.

Nays — Bernal; Bryant; Bucy; Canales; Collier; Cortez; González, J.; Goodwin; Howard; Hunter; Johnson, J.D.; Johnson, J.E.; Jones, J.; Lopez, R.; Morales, C.; Ramos; Rosenthal; Talarico; Vo; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Meyer; Rose.

STATEMENTS OF VOTE

When Record No. 2237 was taken, I was shown voting no. I intended to vote yes.

Cortez

When Record No. 2237 was taken, I was in the house but away from my desk. I would have voted yes.

Meyer

When Record No. 2237 was taken, I was in the house but away from my desk. I would have voted yes.

Rose

Senate Committee Substitute

CSHB 18, A bill to be entitled An Act relating to the protection of minors from harmful, deceptive, or unfair trade practices in connection with the use of certain digital services and electronic devices, including the use and transfer of electronic devices to students by a public school.

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

ARTICLE 1. SHORT TITLE

SECTION 1.01. This Act may be cited as the Securing Children Online through Parental Empowerment (SCOPE) Act.

ARTICLE 2. USE OF DIGITAL SERVICES BY MINORS

SECTION 2.01. Subtitle A, Title 11, Business & Commerce Code, is amended by adding Chapter 509 to read as follows:

CHAPTER 509. USE OF DIGITAL SERVICES BY MINORS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 509.001. DEFINITIONS. In this chapter:

(1) "Digital service" means a website, an application, a program, or software that performs collection or processing functions with Internet connectivity.

(2) "Digital service provider" means a person who:

(A) owns or operates a digital service;

(B) determines the purpose of collecting and processing the personal identifying information of users of the digital service; and

(C) determines the means used to collect and process the personal identifying information of users of the digital service.

(3) "Harmful material" has the meaning assigned by Section 43.24, Penal Code.

(4) "Known minor" means a person that a digital service provider knows to be a minor.

(5) "Minor" means a child who is younger than 18 years of age who has not had the disabilities of minority removed for general purposes.

(6) "Personal identifying information" means information that identifies, relates to, describes, can be associated with, or can reasonably be linked to, directly or indirectly, a particular consumer or household. The term does not include publicly available information.

(7) "Verified parent" means the parent or guardian of a known minor whose identity and relationship to the minor have been verified by a digital service provider under Section 509.101.

Sec. 509.002. APPLICABILITY. (a) Except to the extent that Section 509.057 applies to any digital service provider, this chapter applies only to a digital service provider who provides a digital service that:

(1) has a primary function of connecting users in a manner that allows users to socially interact with other users on the digital service;

(2) allows a user to create a public or semi-public profile for purposes of signing into and using the digital service; and

(3) allows a user to create or post content that can be viewed by other users of the digital service, including sharing content on:

(A) a message board;

(B) a chat room; or

(C) a landing page or main feed that presents to a user content created and posted by other users.

(b) This chapter does not apply to:

(1) a state agency or a political subdivision of this state;

(2) a financial institution or data subject to Title V, Gramm-Leach-Bliley Act (15 U.S.C. Section 6801 et seq.);

(3) a covered entity or business associate governed by the privacy, security, and breach notification rules issued by the United States Department of Health and Human Services, 45 C.F.R. Parts 160 and 164, established under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.), and the Health Information Technology for Economic and Clinical Health Act (Division A, Title XIII, and Division B, Title IV, Pub. L. No. 111-5);

(4) a small business as defined by the United States Small Business Administration on September 1, 2024;

(5) an institution of higher education;

(6) a digital service provider who processes or maintains user data in connection with the employment, promotion, reassignment, or retention of the user as an employee or independent contractor, to the extent that the user's data is processed or maintained for that purpose;

(7) an operator or provider regulated by Subchapter D, Chapter 32, Education Code, that primarily provides education services to students or educational institutions;

(8) a person subject to the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g) that:

(A) operates a digital service; and

(B) primarily provides education services to students or educational institutions;

(9) a digital service provider who provides a digital service that facilitates e-mail or direct messaging services, if the digital service facilitates only those services; or

(10) a digital service provider who provides a digital service that:

(A) primarily functions to provide a user with access to news, sports, entertainment, commerce, or content selected by the digital service provider; and

(B) allows chat, comment, or other interactive functionality that is incidental to the digital service.

(c) Unless an Internet service provider, Internet service provider's affiliate or subsidiary, search engine, or cloud service provider is responsible for the creation of harmful material or other content described by Section 509.053(a), the Internet service provider, Internet service provider's affiliate or subsidiary, search

engine, or cloud service provider is not considered a digital service provider if the Internet service provider or provider's affiliate or subsidiary, search engine, or cloud service provider solely provides access or connection, including through transmission, download, intermediate storage, access software, or other service, to an Internet website or to other information or content:

- (1) on the Internet; or
- (2) on a facility, system, or network not under the control of the Internet service provider, provider's affiliate or subsidiary, search engine, or cloud service provider.

SUBCHAPTER B. DIGITAL SERVICE PROVIDER DUTIES AND PROHIBITIONS

Sec. 509.051. DIGITAL SERVICE PROVIDER DUTY TO REGISTER AGE OF USER. (a) A digital service provider may not enter into an agreement with a person for access to a digital service unless the person has registered the person's age with the digital service provider.

(b) A person who registers the person's age as younger than 18 years of age is considered to be a known minor to the digital service provider until after the person's 18th birthday.

(c) A digital service provider may not allow a person who registers the person's age to alter the person's registered age, unless the alteration process involves a commercially reasonable review process.

(d) A minor is considered to be a known minor to a digital service provider if:

(1) the minor registers the minor's age under Section 509.051 as younger than 18 years of age; or

(2) the minor's parent or guardian, including a verified parent:

(A) notifies a digital service provider that the minor is younger than 18 years of age;

(B) successfully disputes the registered age of the minor; or

(C) performs another function of a parent or guardian under this chapter

(e) If a minor is a known minor, or if the minor's parent or guardian, including a verified parent, takes an action under Subsection (a), a digital service provider:

(1) is considered to have actual knowledge that the minor is younger than 18 years of age; and

(2) shall treat the minor as a known minor under this chapter.

Sec. 509.052. DIGITAL SERVICE PROVIDER DUTIES RELATING TO AGREEMENT WITH MINOR. Unless a verified parent provides otherwise under Section 509.102, a digital service provider that enters into an agreement with a known minor for access to a digital service:

(1) shall:

(A) limit collection of the known minor's personal identifying information to information reasonably necessary to provide the digital service; and

(B) limit use of the known minor's personal identifying information to the purpose for which the information was collected; and

(2) may not:

(A) allow the known minor to make purchases or engage in other financial transactions through the digital service;

(B) share, disclose, or sell the known minor's personal identifying information;

(C) use the digital service to collect the known minor's precise geolocation data; or

(D) use the digital service to display targeted advertising to the known minor.

Sec. 509.053. DIGITAL SERVICE PROVIDER DUTY TO PREVENT HARM TO KNOWN MINORS. (a) In relation to a known minor's use of a digital service, a digital service provider shall develop and implement a strategy to prevent the known minor's exposure to harmful material and other content that promotes, glorifies, or facilitates:

(1) suicide, self-harm, or eating disorders;

(2) substance abuse;

(3) stalking, bullying, or harassment; or

(4) grooming, trafficking, child pornography, or other sexual exploitation or abuse.

(b) A strategy developed under Subsection (a) may include:

(1) creating and maintaining a comprehensive list of harmful material or other content described by Subsection (a) to block from display to a known minor;

(2) using filtering technology and other protocols to enforce the blocking of material or content on the list under Subdivision (1) uniformly across all platforms on which the digital service operates;

(3) using hash-sharing technology and other protocols to identify recurring harmful material or other content described by Subsection (a);

(4) creating and maintaining a database of keywords used for filter evasion, such as identifiable misspellings, hash-tags, or identifiable homographs;

(5) performing standard human-performed monitoring reviews to ensure efficacy of filtering technology;

(6) making available to users a comprehensive description of the categories of harmful material or other content described by Subsection (a) that will be filtered;

(7) engaging a third party to rigorously review the digital service provider's content filtering technology;

(8) except as provided by Section 509.058, making available the digital service provider's algorithm code to independent security researchers;

(9) participating in industry-specific partnerships to share best practices in preventing access to harmful material or other content described by Subsection (a); or

(10) conducting periodic independent audits to ensure:

(A) continued compliance with the digital service provider's strategy; and

(B) efficacy of filtering technology and protocols used by the digital service provider.

Sec. 509.054. DIGITAL SERVICE PROVIDER DUTY TO CREATE PARENTAL TOOLS. (a) A digital service provider shall create and provide to a verified parent parental tools to allow the verified parent to supervise the verified parent's known minor's use of a digital service.

(b) Parental tools under this section must allow a verified parent to:

(1) control the known minor's privacy and account settings;

(2) alter the duties of a digital service provider under Section 509.052 with regard to the verified parent's known minor;

(3) if the verified parent alters the duty of a digital service provider under Section 509.052(2)(A), restrict the ability of the verified parent's known minor to make purchases or engage in financial transactions; and

(4) monitor the amount of time the verified parent's known minor spends using the digital service.

Sec. 509.055. DIGITAL SERVICE PROVIDER DUTIES REGARDING ADVERTISING AND MARKETING. A digital service provider shall make a commercially reasonable effort to prevent advertisers on the digital service provider's digital service from targeting a known minor with advertisements that facilitate, promote, or offer a product, service, or activity that is unlawful for a minor in this state to use or engage in.

Sec. 509.056. USE OF ALGORITHMS. A digital service provider that uses algorithms to automate the suggestion, promotion, or ranking of information to known minors on the digital service shall:

(1) make a commercially reasonable effort to ensure that the algorithm does not interfere with the digital service provider's duties under Section 509.053; and

(2) disclose in the digital service provider's terms of service, privacy policy, or similar document, in a clear and accessible manner, an overview of:

(A) the manner in which the digital service uses algorithms to provide information or content;

(B) the manner in which algorithms promote, rank, or filter information or content; and

(C) the personal identifying information used as inputs to provide information or content.

Sec. 509.057. DIGITAL SERVICE PROVIDER DUTY AS TO HARMFUL MATERIAL. (a) A digital service provider as defined by Section 509.001 that knowingly publishes or distributes material, more than one-third of which is harmful material or obscene as defined by Section 43.21, Penal Code, must use a commercially reasonable age verification method to verify that any person seeking to access content on or through the provider's digital service is 18 years of age or older.

(b) If a person seeking to access content on or through the provider's digital service is not 18 years of age or older, the digital service provider may not enter into an agreement with the person for access to the digital service.

Sec. 509.058. PROTECTION OF TRADE SECRETS. Nothing in this subchapter may be construed to require a digital service provider to disclose a trade secret.

Sec. 509.059. USE OF KNOWN MINOR'S PERSONAL IDENTIFYING INFORMATION FOR CERTAIN PURPOSES. Nothing in this subchapter may be construed to prevent a digital service provider from collecting, processing, or sharing a known minor's personal identifying information in a manner necessary to comply with:

(1) a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by a governmental entity; or

(2) a law enforcement investigation.

SUBCHAPTER C. VERIFIED PARENTS

Sec. 509.101. VERIFICATION OF PARENT OR GUARDIAN. (a) A digital service provider shall verify, using a commercially reasonable method and for each person seeking to perform an action on a digital service as a minor's parent or guardian:

(1) the person's identity; and

(2) the relationship of the person to the known minor.

(b) A digital service provider shall provide a process by which a person who has been verified under Subsection (a) as the parent or guardian of a known minor may participate in the digital service as the known minor's verified parent as provided by this chapter.

Sec. 509.102. POWERS OF VERIFIED PARENT. (a) A verified parent is entitled to alter the duties of a digital service provider under Section 509.052 with regard to the verified parent's known minor.

(b) A verified parent is entitled to supervise the verified parent's known minor's use of a digital service using tools provided by a digital service provider under Section 509.054.

Sec. 509.103. ACCESS TO KNOWN MINOR'S PERSONAL IDENTIFYING INFORMATION. (a) A known minor's verified parent may submit a request to a digital service provider to:

(1) review and download any personal identifying information associated with the minor in the possession of the digital service provider; and

(2) delete any personal identifying information associated with the minor collected or processed by the digital service provider.

(b) A digital service provider shall establish and make available on the digital service provider's digital service a method by which a known minor's parent or guardian may make a request for access under this section.

Sec. 509.104. MINOR IN CONSERVATORSHIP OF DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES. If a minor is in the conservatorship of the Department of Family and Protective Services, the department may designate the minor's caregiver or a member of the department's staff to perform the functions of the minor's parent or guardian under this chapter.

SUBCHAPTER D. ENFORCEMENT

Sec. 509.151. DECEPTIVE TRADE PRACTICE; ENFORCEMENT BY ATTORNEY GENERAL. A violation of this chapter is a deceptive act or practice actionable under Subchapter E, Chapter 17, solely as an enforcement action by the consumer protection division of the attorney general's office.

Sec. 509.152. PRIVATE CAUSE OF ACTION. (a) Except as provided by Subsection (b), this chapter may not be construed as providing a basis for, or being subject to, a private right of action for a violation of this chapter.

(b) If a digital service provider violates this chapter, the parent or guardian of a known minor affected by that violation may bring a cause of action seeking:

(1) a declaratory judgment under Chapter 37, Civil Practice and Remedies Code; or

(2) an injunction against the digital service provider.

ARTICLE 3. USE AND TRANSFER OF ELECTRONIC DEVICES BY STUDENTS

SECTION 3.01. The heading to Subchapter C, Chapter 32, Education Code, is amended to read as follows:

SUBCHAPTER C. TRANSFER OF DATA PROCESSING EQUIPMENT AND ELECTRONIC DEVICES TO STUDENTS

SECTION 3.02. Section 32.101, Education Code, is amended to read as follows:

Sec. 32.101. DEFINITIONS [DEFINITION]. In this subchapter:

(1) "Data [~~,-data~~] processing" has the meaning assigned by Section 2054.003, Government Code.

(2) "Electronic device" means a device that is capable of connecting to a cellular network or the Internet, including:

(A) a computer;

(B) a smartphone; or

(C) a tablet.

(3) "Internet filter" means a software application that is capable of preventing an electronic device from accessing certain websites or displaying certain online material.

SECTION 3.03. Subchapter C, Chapter 32, Education Code, is amended by adding Section 32.1021 to read as follows:

Sec. 32.1021. STANDARDS. The agency shall adopt standards for permissible electronic devices and software applications used by a school district or open-enrollment charter school. In adopting the standards, the agency must:

(1) minimize data collection conducted on students through electronic devices and software applications;

(2) ensure direct and informed parental consent is required for a student's use of a software application necessary for the administration of:

(A) an assessment instrument under Subchapter B, Chapter 39; or

(B) an assessment relating to college, career, or military readiness for which student performance is considered in evaluating a school district's performance under Section 39.054;

(3) ensure software applications do not conduct mental health assessments or other assessments unrelated to educational curricula that are intended to collect information about students without direct and informed parental consent;

(4) ensure that parents are provided the resources necessary to understand cybersecurity risks and online safety regarding their child's use of electronic devices before the child uses an electronic device at the child's school;

(5) specify periods of time during which an electronic device transferred to a student must be deactivated in the interest of student safety;

(6) consider necessary adjustments by age level to the use of electronic devices in the classroom to foster development of students' abilities regarding spending school time and completing assignments without the use of an electronic device;

(7) consider appropriate restrictions on student access to social media websites or applications with an electronic device transferred to a student by a district or school;

(8) require a district or school, before using a social media application for an educational purpose, to determine that an alternative application that is more secure and provides the same educational functionality as the social media application is unavailable for that educational purpose;

(9) consider the required use of an Internet filter capable of notifying appropriate school administrators, who are then required to notify the student's parent, if a student accesses inappropriate or concerning content or words, including content related to:

(A) self-harm;

(B) suicide;

(C) violence to others; or

(D) illicit drugs;

(10) assign to the appropriate officer of a district or school the duty to receive complaints or concerns regarding student use of electronic devices, including cybersecurity and online safety concerns, from district or school staff, other students, or parents; and

(11) provide methods by which a district or school may ensure an operator, as that term is defined by Section 32.151, that contracts with the district or school to provide software applications complies with Subchapter D.

SECTION 3.04. Section 32.104, Education Code, is amended to read as follows:

Sec. 32.104. REQUIREMENTS FOR TRANSFER. Before transferring data processing equipment or an electronic device to a student, a school district or open-enrollment charter school must:

(1) adopt rules governing transfers under this subchapter, including provisions for technical assistance to the student by the district or school;

(2) determine that the transfer serves a public purpose and benefits the district or school; ~~and~~

(3) remove from the equipment any offensive, confidential, or proprietary information, as determined by the district or school;

(4) adopt rules establishing programs promoting parents as partners in cybersecurity and online safety that involve parents in students' use of transferred equipment or electronic devices; and

(5) for the transfer of an electronic device to be used for an educational purpose, install an Internet filter that blocks and prohibits pornographic or obscene materials or applications, including from unsolicited pop-ups, installations, and downloads.

ARTICLE 4. STUDY OF EFFECTS OF MEDIA ON MINORS

SECTION 4.01. (a) A joint committee of the legislature shall conduct a study on the effects of media on minors.

(b) The joint committee shall consist of:

(1) members of the house of representatives appointed by the speaker of the house of representatives; and

(2) members of the senate appointed by the lieutenant governor.

(c) In conducting the study, members of the joint committee shall confer with experts on the subject.

(d) The members of the joint committee shall examine:

(1) the health and developmental effects of media on minors; and

(2) the effects of exposure by a minor to various forms of media, including:

(A) social media platforms;

(B) software applications;

(C) Internet websites;

(D) television programming;

(E) motion pictures and film;

(F) artificial intelligence;

(G) mobile devices;

(H) computers;

(I) video games;

(J) virtual and augmented reality; and

(K) other media formats the joint committee considers necessary.

ARTICLE 5. TRANSITION AND EFFECTIVE DATE

SECTION 5.01. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 5.02. Article 3 of this Act applies beginning with the 2023-2024 school year.

SECTION 5.03. (a) Except as provided by Subsection (b) of this section, this Act takes effect September 1, 2024.

(b) Article 3 of this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Article 3 of this Act takes effect September 1, 2023.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend CSHB 18 (senate committee report) as follows:

(1) In SECTION 2.01 of the bill, in added Section 509.001(1), Business & Commerce Code (page 1, lines 38 and 39), strike "performs collection or processing functions" and substitute "collects or processes personal identifying information".

(2) In SECTION 2.01 of the bill, strike added Section 509.001(6), Business & Commerce Code (page 1, lines 55 through 59), and substitute the following:

(6) "Personal identifying information" means any information, including sensitive information, that is linked or reasonably linkable to an identified or identifiable individual. The term includes pseudonymous information when the information is used by a controller or processor in conjunction with additional information that reasonably links the information to an identified or identifiable individual. The term does not include deidentified information or publicly available information.

(3) In SECTION 2.01 of the bill, in added Section 509.002(a)(1), Business & Commerce Code (page 2, line 7), strike "has a primary function of connecting" and substitute "connects".

(4) In SECTION 2.01 of the bill, in added Section 509.002(a)(3)(C), Business & Commerce Code (page 2, line 18), between "page" and "or", insert "video channel".

(5) In SECTION 2.01 of the bill, in added Section 509.002(b)(9), Business & Commerce Code (page 2, line 49), strike "provider who provides" and substitute "provider's provision of".

(6) In SECTION 2.01 of the bill, in added Section 509.002(b)(10), Business & Commerce Code (page 2, line 52), strike "provider who provides" and substitute "provider's provision of".

(7) In SECTION 2.01 of the bill, in added Section 509.002(b)(10)(A), Business & Commerce Code (page 2, line 55), strike "entertainment".

(8) In SECTION 2.01 of the bill, in added Section 509.002(b)(10)(A), Business & Commerce Code (page 2, lines 55 and 56), between "content" and "selected", insert "primarily generated or".

(9) In SECTION 2.01 of the bill, in added Section 509.002(c), Business & Commerce Code (page 2, lines 64 and 65), strike "a digital service provider" and substitute "to be a digital service provider or to offer a digital service".

(10) In SECTION 2.01 of the bill, in added Section 509.051(a), Business & Commerce Code (page 3, line 9), strike "for access to" and substitute "to create an account with".

(11) In SECTION 2.01 of the bill, in added Section 509.053, Business & Commerce Code (page 3, line 68, through page 4, line 31), strike Subsection (b) and substitute the following:

(b) A strategy developed under Subsection (a):

(1) must include:

(A) creating and maintaining a comprehensive list of harmful material or other content described by Subsection (a) to block from display to a known minor;

(B) using filtering technology and other protocols to enforce the blocking of material or content on the list under Paragraph (A);

(C) using hash-sharing technology and other protocols to identify recurring harmful material or other content described by Subsection (a);

(D) creating and maintaining a database of keywords used for filter evasion, such as identifiable misspellings, hash-tags, or identifiable homoglyphs;

(E) performing standard human-performed monitoring reviews to ensure efficacy of filtering technology;

(F) making available to users a comprehensive description of the categories of harmful material or other content described by Subsection (a) that will be filtered; and

(G) except as provided by Section 509.058, making available the digital service provider's algorithm code to independent security researchers; and

(2) may include:

(A) engaging a third party to rigorously review the digital service provider's content filtering technology;

(B) participating in industry-specific partnerships to share best practices in preventing access to harmful material or other content described by Subsection (a); or

(C) conducting periodic independent audits to ensure:

(i) continued compliance with the digital service provider's strategy; and

(ii) efficacy of filtering technology and protocols used by the digital service provider.

(12) In SECTION 2.01 of the bill, in added Section 509.054(b)(4), Business & Commerce Code (page 4, line 48), between "monitor" and "the", insert "and limit".

(13) In SECTION 2.01 of the bill, in added Section 509.057(b), Business & Commerce Code (page 5, line 13), strike "provider's digital service" and substitute "digital service of a provider for which age verification is required under this section".

(14) In SECTION 2.01 of the bill, in added Section 509.059, Business & Commerce Code (page 5, line 23), strike "comply with".

(15) In SECTION 2.01 of the bill, in added Section 509.059, Business & Commerce Code (page 5, lines 24 through 26), strike Subdivisions (1) and (2) and substitute the following:

(1) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or summons by a governmental entity;

(2) comply with a law enforcement investigation;

(3) detect, block, or prevent the distribution of unlawful, obscene, or other harmful material to a known minor;

(4) block or filter spam;

(5) prevent criminal activity; or

(6) protect the security of a digital service.

(16) In SECTION 2.01 of the bill, in added Section 509.152, Business & Commerce Code (page 6, between lines 12 and 13), insert the following:

(c) A court may not certify an action brought under this section as a class action.

(17) In SECTION 3.03 of the bill, in added Section 32.1021(2), Education Code (page 6, line 40), between "application" and "necessary", insert ", other than a software application".

HJR 3 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Bonnen submitted the following conference committee report on **HJR 3**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HJR 3** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
Campbell
Creighton
Hinojosa
Nichols
On the part of the senate

Bonnen
Burrows
Hernandez
Kuempel
Walle
On the part of the house

HJR 3, A joint resolution proposing a constitutional amendment relating to the Texas University Fund, which provides funding to certain institutions of higher education to achieve national prominence as major research universities and drive the state economy.

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

SECTION 1. Section 49-g, Article III, Texas Constitution, is amended by adding Subsections (p) and (q) to read as follows:

(p) On the first business day occurring on or after the 90th day of each state fiscal year, an amount equal to the interest income, dividends, and investment earnings attributable to the economic stabilization fund for the preceding state fiscal year, not to exceed the amount determined under Subsection (q) of this section, is appropriated from the economic stabilization fund to the comptroller of public accounts for the purpose of immediate deposit to the credit of the Texas University Fund. For purposes of this subsection, the amount of interest income, dividends, and investment earnings attributable to the economic stabilization fund for a state fiscal year is computed by:

(1) determining the amount of interest and dividends due to the fund for that fiscal year, including any interest credited to general revenue under Subsection (i) of this section;

(2) adding to the amount determined under Subdivision (1) of this subsection an amount equal to the increase, if any, in the fair market value of the fund between the last day of that fiscal year and the last day of the preceding state fiscal year; and

(3) subtracting from the amount determined under Subdivision (2) of this subsection the amount of any expenses of managing the investments of money in the fund that are paid from the fund during that fiscal year.

(q) The amount of the appropriation made under Subsection (p) of this section may not exceed:

(1) for the state fiscal year beginning September 1, 2023, \$100 million;

or

(2) for a state fiscal year beginning on or after September 1, 2024, the amount determined under this subsection for the preceding state fiscal year adjusted by the increase, if any, in the general price level during the preceding state fiscal year, as determined by the comptroller of public accounts on the basis of changes in the consumer price index published by the Bureau of Labor Statistics of the United States Department of Labor or a successor agency and not to exceed two percent per state fiscal year.

SECTION 2. Section 20, Article VII, Texas Constitution, is amended by amending Subsections (a) and (g) and adding Subsection (i) to read as follows:

(a) There is established the Texas University Fund [~~national research university fund~~] for the purpose of providing a dedicated, independent, and equitable source of funding to enable emerging research universities in this state to achieve national prominence as major research universities.

(g) The legislature shall establish criteria by which a state university may become eligible to receive a portion of the distributions from the fund. A state university that is entitled to participate in dedicated funding provided by Section 18 of this article is [~~becomes eligible to receive a portion of the distributions from the fund in a state fiscal biennium remains eligible to receive additional distributions from the fund in any subsequent state fiscal biennium. The University of Texas at Austin and Texas A&M University are~~] not eligible to receive money from the fund.

(i) For purposes of Section 22, Article VIII, of this constitution:

(1) money in the fund is dedicated by this constitution; and

(2) an appropriation of state tax revenues for the purpose of depositing money to the credit of the fund is treated as if it were an appropriation of revenues dedicated by this constitution.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment relating to the Texas University Fund, which provides funding to certain institutions of higher education to achieve national prominence as major research universities and drive the state economy."

Representative Bonnen moved to adopt the conference committee report on **HJR 3**.

The motion to adopt the conference committee report on **HJR 3** prevailed by (Record 2238): 110 Yeas, 30 Nays, 1 Present, not voting.

Yeas — Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bhojani; Bonnen; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Cook; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman(C); González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Martinez; Martinez Fischer; Metcalf; Meyer; Moody; Morales, E.; Morrison; Muñoz; Murr; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Plesa; Price; Raney; Raymond; Reynolds; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Spiller; Stucky; Talarico; Tepper; Thimesch; Thompson, E.; Toth; Troxclair; VanDeaver; Walle; Wilson; Zwiener.

Nays — Allen; Bernal; Bowers; Bryant; Cain; Collier; Cortez; Dutton; González, J.; Harrison; Johnson, J.D.; Lalani; Manuel; Meza; Morales, C.; Morales Shaw; Neave Criado; Perez; Ramos; Romero; Rose; Sherman; Smithee; Swanson; Thierry; Thompson, S.; Tinderholt; Vasut; Vo; Wu.

Present, not voting — Mr. Speaker.

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Hinojosa; Landgraf; Rosenthal; Turner.

STATEMENTS OF VOTE

When Record No. 2238 was taken, I was in the house but away from my desk. I would have voted yes.

Hinojosa

When Record No. 2238 was taken, I was in the house but away from my desk. I would have voted yes.

Landgraf

When Record No. 2238 was taken, I was shown voting no. I intended to vote yes.

Neave Criado

When Record No. 2238 was taken, I was shown voting yes. I intended to vote no.

Reynolds

When Record No. 2238 was taken, I was in the house but away from my desk. I would have voted yes.

Rosenthal

When Record No. 2238 was taken, I was shown voting yes. I intended to vote no.

Schaefer

When Record No. 2238 was taken, I was shown voting no. I intended to vote yes.

Smithee

When Record No. 2238 was taken, I was shown voting no. I intended to vote yes.

Thierry

When Record No. 2238 was taken, I was shown voting yes. I intended to vote no.

Toth

HB 4843 - MOTION TO DISCHARGE CONFEREES

Representative Holland called up with senate amendments for consideration at this time,

HB 4843, A bill to be entitled An Act relating to increasing the criminal penalty for the offense of unlawful possession of a firearm by a person convicted of a felony.

Representative Holland moved to discharge the conferees and concur in the senate amendments to **HB 4843**.

HB 4843 - POINT OF ORDER

Representative J. Jones raised a point of order against further consideration of **HB 4843** under Rule 11, Section 2, of the House Rules on the grounds that the senate amendments change the original purpose of the bill. The point of order was withdrawn.

The motion to discharge conferees was withdrawn.

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 4).

SB 22 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Guillen submitted the conference committee report on **SB 22**.

Representative Guillen moved to adopt the conference committee report on **SB 22**.

The motion to adopt the conference committee report on **SB 22** prevailed by (Record 2239): 140 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier;

Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, T.; Kitzman; Klick; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — DeAyala; King, K.; Kuempel.

STATEMENTS OF VOTE

When Record No. 2239 was taken, I was in the house but away from my desk. I would have voted yes.

DeAyala

When Record No. 2239 was taken, I was in the house but away from my desk. I would have voted yes.

K. King

When Record No. 2239 was taken, I was in the house but away from my desk. I would have voted yes.

Kuempel

HB 4390 - MOTION TO DISCHARGE CONFEREES

Representative Button called up with senate amendments for consideration at this time,

HB 4390, A bill to be entitled An Act relating to the Texas Industry-Recognized Apprenticeship Programs Grant Program.

Representative Button moved to discharge the conferees and concur in the senate amendments to **HB 4390**.

HB 4390 - POINT OF ORDER

Representative Turner raised a point of order against further consideration of **HB 4390** under Rule 11, Section 2, of the House Rules. The speaker sustained the point of order, announcing his decision to the house as follows:

Mr. Turner raises a point of order against further consideration of **HB 4390** under Rule 11, Section 2, on the grounds that the senate amendments are not germane to the house bill.

The engrossed house bill specifically excluded a class of apprenticeship programs from eligibility for certain Texas Workforce Commission grants. The senate amendments removed that specific exclusion.

Ordinarily, if an amendment removes an express exclusion, and in so doing broadens the class embraced by the bill, the amendment is not germane. See Deschler ch. 28, § 8.5. That is the case here.

Accordingly, the point of order is well-taken and sustained.

The chair directs the chief clerk to return the bill to the senate for further action.

HB 4390 with senate amendments was returned to the senate.

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 5).

REMARKS ORDERED PRINTED

Representative Holland moved to print all remarks on **HB 1500**.

The motion prevailed.

HR 2462 - ADOPTED (by Shaheen)

The following privileged resolution was laid before the house:

HR 2462

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 12** (the authority to regulate sexually oriented performances and to restricting those performances on the premises of a commercial enterprise, on public property, or in the presence of an individual younger than 18 years of age; authorizing a civil penalty; creating a criminal offense) to consider and take action on the following matter:

House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 3 of the bill, by adding Section 43.28(a)(1)(E), Penal Code, to read as follows:

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

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

HR 2462 was adopted by (Record 2240): 87 Yeas, 44 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Bowers; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Capriglione; Clardy; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Dutton; Frank; Gates; Gerdes; Geren; Guerra; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Morales, E.; Morrison; Murr; Noble; Oliverson; Ordaz; Orr; Patterson; Paul; Price; Raney; Rogers; Schaefer; Schatzline; Shine; Slawson; Smithee; Spiller; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Walle; Wilson.

Nays — Anchía; Bernal; Bryant; Campos; Canales; Cole; Collier; Davis; Flores; Gámez; González, J.; González, M.; Goodwin; Hernandez; Hinojosa; Howard; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Moody; Morales, C.; Muñoz; Neave Criado; Ortega; Perez; Plesa; Ramos; Reynolds; Romero; Rose; Rosenthal; Sherman; Thierry; Thompson, S.; Turner; Vo; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Bhojani; Bucy; Gervin-Hawkins; Guillen; Johnson, A.; Johnson, J.D.; Longoria; Morales Shaw; Raymond; Schofield; Smith; Talarico.

STATEMENT OF VOTE

When Record No. 2240 was taken, I was in the house but away from my desk. I would have voted no.

Bhojani

SB 12 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Patterson submitted the conference committee report on **SB 12**.

Representative Patterson moved to adopt the conference committee report on **SB 12**.

The motion to adopt the conference committee report on **SB 12** prevailed by (Record 2241): 87 Yeas, 54 Nays, 2 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Capriglione; Clardy; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Dutton; Frank; Gates; Gerdes; Geren; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Morales, E.; Morrison; Muñoz; Murr; Noble; Oliverson; Orr; Patterson; Paul; Price; Raney; Raymond; Rogers; Schaefer; Schatzline;

Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchiá; Bernal; Bhojani; Bowers; Bryant; Bucy; Canales; Cole; Collier; Cortez; Davis; Flores; Gámez; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Hernandez; Hinojosa; Howard; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Lalani; Longoria; Lopez, R.; Manuel; Martinez; Martinez Fischer; Meza; Moody; Morales, C.; Neave Criado; Ordaz; Ortega; Perez; Plesa; Ramos; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thompson, S.; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Campos; Morales Shaw.

STATEMENT OF VOTE

When Record No. 2241 was taken, my vote failed to register. I would have voted no.

Morales Shaw

HR 2470 - ADOPTED (by C. Bell)

The following privileged resolution was laid before the house:

HR 2470

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 5344** (the eligibility of certain retired firefighters, police officers, and emergency medical services providers to purchase continued health benefits coverage; the creation of certain special purpose districts and the name, powers, and duties of the 3 B&J Municipal Utility District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following new SECTIONS to the bill:

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

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

(b) This chapter applies to a person who:

(1) retires from:

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

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

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

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

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

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

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

CHAPTER 4001. DENTON COUNTY MUNICIPAL MANAGEMENT

DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4001.0101. DEFINITIONS. In this chapter:

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

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

(3) "Director" means a board member.

(4) "District" means the Denton County Municipal Management District No. 2.

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

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

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

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

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

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

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

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

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

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

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

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

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

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

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

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

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

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

(1) organization, existence, or validity;

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

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

(4) legality or operation.

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

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

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

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

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

SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

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

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

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

(c) Temporary directors serve until the earlier of:

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

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

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

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

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

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

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

(b) The nonprofit corporation:

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

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

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

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

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

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

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

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

(2) provide district personnel and services.

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

(1) Chapter 380, Local Government Code; and

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

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

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

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

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

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

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

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

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

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

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

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

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

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

(e) An order dividing the district must:

(1) name each new district;

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

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

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

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

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

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

SUBCHAPTER D. ASSESSMENTS

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

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

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

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

- (1) are a first and prior lien against the property assessed;
- (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
- (3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

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

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

SUBCHAPTER E. TAXES AND BONDS

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

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

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

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

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

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

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

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

- (1) revenue other than ad valorem taxes, including contract revenues;

or

(2) contract payments, provided that the requirements of Section 49.108, Water Code, have been met.

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

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

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

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

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

SUBCHAPTER I. DISSOLUTION

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

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

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

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

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

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

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

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

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

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

TRACT I:

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

BEGINNING AT A 1/2 INCH IRON PIN FOUND AT THE SOUTHERN MOST SOUTHEAST CORNER OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955 AND BEING ON THE WEST LINE OF A DEED TO F. JEFFERY CHARNEY, RECORDED IN VOLUME 3035, PAGE 534, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND BEING ON THE NORTHERN MOST NORTHEAST CORNER OF A TRACT DESCRIBED IN A DEED TO ROYAL WHITE JONES, RECORDED IN VOLUME 1231, PAGE 701, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 71 DEGREES 47 MINUTES 53 SECONDS WEST WITH THE SOUTH LINE OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, A DISTANCE OF 5542.39 FEET TO A 1/2 INCH IRON PIN SET AT THE SOUTHERN MOST SOUTHWEST CORNER OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955, AN

INNER ELL CORNER OF A TRACT DESCRIBED IN A DEED TO CASEY MARK HARRINGTON, RECORDED IN VOLUME 2031, PAGE 348, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

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

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

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

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

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

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

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

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

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

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

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

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

1.) NORTH 55 DEGREES 38 MINUTES 38 SECONDS EAST, A DISTANCE OF 110.80 FEET;

2.) NORTH 51 DEGREES 23 MINUTES 04 SECONDS EAST, A DISTANCE OF 278.21 FEET;

3.) SOUTH 70 DEGREES 46 MINUTES 01 SECONDS EAST, A DISTANCE OF 415.87 FEET;

4.) SOUTH 40 DEGREES 58 MINUTES 38 SECONDS EAST, A DISTANCE OF 604.83 FEET;

5.) SOUTH 51 DEGREES 09 MINUTES 01 SECONDS EAST, A DISTANCE OF 410.80 FEET;

6.) SOUTH 37 DEGREES 53 MINUTES 33 SECONDS EAST, A DISTANCE OF 82.37 FEET;

7.) SOUTH 18 DEGREES 46 MINUTES 16 SECONDS EAST, A DISTANCE OF 75.16 FEET;

8.) SOUTH 05 DEGREES 46 MINUTES 16 SECONDS WEST, A DISTANCE OF 49.39 FEET;

9.) SOUTH 22 DEGREES 04 MINUTES 06 SECONDS WEST, A DISTANCE OF 308.38 FEET;

10.) SOUTH 26 DEGREES 11 MINUTES 20 SECONDS WEST, A DISTANCE OF 76.63 FEET;

11.) SOUTH 26 DEGREES 11 MINUTES 20 SECONDS WEST, A DISTANCE OF 547.10 FEET;

12.) SOUTH 46 DEGREES 12 MINUTES 54 SECONDS EAST, A DISTANCE OF 174.23 FEET;

13.) NORTH 86 DEGREES 27 MINUTES 32 SECONDS EAST, A DISTANCE OF 417.50 FEET;

14.) NORTH 53 DEGREES 53 MINUTES 06 SECONDS EAST, A DISTANCE OF 225.22 FEET;

15.) SOUTH 70 DEGREES 20 MINUTES 06 SECONDS EAST, A DISTANCE OF 93.57 FEET;

- 16.) SOUTH 54 DEGREES 37 MINUTES 57 SECONDS EAST, A DISTANCE OF 330.11 FEET;
- 17.) NORTH 64 DEGREES 44 MINUTES 37 SECONDS EAST, A DISTANCE OF 674.49 FEET;
- 18.) NORTH 84 DEGREES 14 MINUTES 43 SECONDS EAST, A DISTANCE OF 100.20 FEET;
- 19.) SOUTH 56 DEGREES 23 MINUTES 54 SECONDS EAST, A DISTANCE OF 116.40 FEET;
- 20.) SOUTH 06 DEGREES 22 MINUTES 27 SECONDS WEST, A DISTANCE OF 228.98 FEET;
- 21.) SOUTH 52 DEGREES 30 MINUTES 28 SECONDS WEST, A DISTANCE OF 271.35 FEET;
- 22.) SOUTH 87 DEGREES 06 MINUTES 16 SECONDS WEST, A DISTANCE OF 326.84 FEET;
- 23.) SOUTH 63 DEGREES 22 MINUTES 32 SECONDS WEST, A DISTANCE OF 93.18 FEET;
- 24.) SOUTH 19 DEGREES 39 MINUTES 44 SECONDS WEST, A DISTANCE OF 274.65 FEET;
- 25.) SOUTH 06 DEGREES 09 MINUTES 26 SECONDS EAST, A DISTANCE OF 129.80 FEET;
- 26.) SOUTH 59 DEGREES 41 MINUTES 10 SECONDS EAST, A DISTANCE OF 155.04 FEET;
- 27.) NORTH 61 DEGREES 09 MINUTES 15 SECONDS EAST, A DISTANCE OF 459.27 FEET;
- 28.) SOUTH 85 DEGREES 11 MINUTES 12 SECONDS EAST, A DISTANCE OF 101.67 FEET;
- 29.) SOUTH 50 DEGREES 11 MINUTES 20 SECONDS EAST, A DISTANCE OF 160.52 FEET;
- 30.) SOUTH 19 DEGREES 38 MINUTES 33 SECONDS EAST, A DISTANCE OF 218.07 FEET;
- 31.) SOUTH 08 DEGREES 39 MINUTES 06 SECONDS WEST, A DISTANCE OF 110.67 FEET;
- 32.) SOUTH 60 DEGREES 37 MINUTES 40 SECONDS WEST, A DISTANCE OF 111.17 FEET;
- 33.) NORTH 71 DEGREES 44 MINUTES 44 SECONDS WEST, A DISTANCE OF 205.32 FEET;
- 34.) NORTH 58 DEGREES 00 MINUTES 21 SECONDS WEST, A DISTANCE OF 175.42 FEET;
- 35.) SOUTH 60 DEGREES 53 MINUTES 09 SECONDS WEST, A DISTANCE OF 81.38 FEET;
- 36.) SOUTH 19 DEGREES 12 MINUTES 39 SECONDS EAST, A DISTANCE OF 180.46 FEET;
- 37.) SOUTH 31 DEGREES 27 MINUTES 36 SECONDS EAST, A DISTANCE OF 348.51 FEET;
- 38.) SOUTH 08 DEGREES 24 MINUTES 19 SECONDS WEST, A DISTANCE OF 80.11 FEET;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHAPTER 7962. JARRELL ESTATES MUNICIPAL UTILITY DISTRICT

NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7962.0101. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Jarrell Estates Municipal Utility District No. 1.

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

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

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

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

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

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

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

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

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

(1) organization, existence, or validity;

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

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

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

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 7962.0103;

or

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

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

- (1) the date permanent directors are elected under Section 7962.0103;

or

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

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

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

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

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

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

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

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

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

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

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

(f) An order dividing the district shall:

(1) name each new district;

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

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

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

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

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

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

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

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

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7962.0403.

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

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

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

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

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

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

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N 32° 07' 47" W 379.77 feet to an angle point;
N 33° 01' 44" W 321.50 feet to an angle point;
N 50° 45' 25" W 315.12 feet to an angle point;
N 41° 41' 33" W 368.36 feet to an angle point;
N 17° 54' 39" W 267.13 feet to an angle point;
N 22° 26' 20" W 168.35 feet to an angle point;
N 46° 44' 55" W 100.13 feet to an angle point;
N 71° 41' 21" W 102.15 feet to an angle point;
N 81° 36' 11" W 539.79 feet to the POINT OF BEGINNING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- S 18° 59' 07" W 95.53 feet to a 5/8" iron pin set for an angle point;
- S 44° 19' 36" W 271.53 feet to a 5/8" iron pin set for an angle point;
- S 43° 01' 41" W 369.83 feet to a 1/2" iron pin found for an angle point;
- S 42° 33' 02" W 219.62 feet to a 1/2" iron pin found for an angle point;
- S 04° 07' 18" W 76.42 feet to a 5/8" iron pin set for an angle point;
- S 37° 56' 47" W 139.57 feet, at 79.09 feet pass a found 2" pipe post, continuing to the Southwest corner of this tract;

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

- N 41° 03' 59" W 131.42 feet to an angle point;
- N 11° 53' 19" W 40.63 feet to an angle point;
- N 76° 36' 27" W 45.17 feet to an angle point;
- N 30° 48' 05" W 126.68 feet to an angle point;
- N 78° 57' 33" W 87.41 feet to an angle point;
- N 12° 44' 59" E 79.02 feet to an angle point;
- N 11° 00' 13" W 73.47 feet to an angle point;
- S 88° 36' 10" W 82.16 feet to an angle point;
- N 66° 02' 15" W 98.65 feet to an angle point;
- N 06° 27' 32" W 106.86 feet to an angle point;
- N 30° 17' 17" E 145.33 feet to an angle point;
- N 03° 28' 06" W 75.42 feet to an angle point;
- N 37° 44' 59" W 146.89 feet to an angle point;
- N 63° 26' 06" W 145.44 feet to an angle point;
- N 38° 31' 49" W 136.06 feet to an angle point;
- N 12° 39' 09" W 86.38 feet to an angle point;
- N 04° 05' 08" W 70.68 feet to an angle point;
- S 86° 18' 31" W 52.15 feet to an angle point;
- N 76° 52' 51" W 106.01 feet to an angle point;
- N 12° 38' 00" W 83.15 feet to an angle point;
- N 23° 29' 55" W 105.25 feet to an angle point;
- N 10° 37' 11" E 136.64 feet to an angle point;
- N 04° 47' 52" W 86.56 feet to an angle point;
- N 34° 45' 21" W 139.44 feet to an angle point;
- N 06° 54' 40" W 77.72 feet to an angle point;
- N 17° 40' 47" E 51.12 feet to an angle point;
- N 52° 40' 44" E 193.31 feet to an angle point;
- N 18° 45' 31" E 85.20 feet to an angle point;
- N 23° 41' 26" W 105.23 feet to an angle point;
- N 86° 35' 59" W 152.93 feet to an angle point;
- N 60° 31' 27" W 77.06 feet to an angle point;
- N 30° 15' 23" W 81.04 feet to an angle point;
- N 67° 37' 12" W 107.25 feet to an angle point;

S 79° 56' 22" W 183.67 feet to an angle point;

N 73° 48' 39" W 94.15 feet to an angle point;

S 88° 10' 54" W 91.93 feet to an angle point;

N 53° 44' 46" W 180.85 feet to an angle point;

N 74° 50' 45" W 120.88 feet to an angle point;

N 39° 12' 26" W 60.40 feet to the Southwest corner of said 195.5 Acre Tract and the Northwest corner of this tract;

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

(d) BEGINNING: At a 2" pipe post found in the South line of County Road 232 and the lower East line of a 649.53 Acre Tract (Document # #2004074055, Official Public Records, described in Volume 2520, Page 200 and Volume 2598, Page 457, Official Public Records) for the Northwest corner of this tract from which a 2" pipe post found in the North line of said county road for the upper Southwest corner of a 1419.57 Acre Tract (this day surveyed) bears N 00° 18' 48" E 56.15 feet;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBCHAPTER A. GENERAL PROVISIONS

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

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Williamson County Municipal Utility District No. 49.

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

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

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

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

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

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

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

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

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

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

SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

- (1) Mark Tickner;
 - (2) Nick Easley;
 - (3) Walter Duke;
 - (4) Zachary Summers; and
 - (5) Noah Terrazas.
- (b) Temporary directors serve until the earlier of:

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

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

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

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

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

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

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

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

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

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

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

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

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

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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

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

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

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

TRACT 1:

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

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

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

THENCE S 68°212'37" W, with the north boundary line of said 0.5039-acre tract, same being the north right-of-way line of said County Road 305, through the interior of said 60.57-acre tract, a distance of 1258.78 feet to a 1/2" iron rod found on a point in the east boundary line of a called 3.92-acre tract of land conveyed to Gary R. Sheley and Rosita R. Sheley, by instrument recorded in Document No. 2009090657 of said Official Public Records, same being the west boundary line of said 60.57-acre tract, for the southwest corner hereof;

THENCE N 21°39'56" W, departing the north right-of-way line of said County Road 305, with, in part, the east boundary lines of: said 3.92-acre tract, a called 10.00-acre tract of land conveyed to Dudley K. Bukowsky and Tami Bukowsky by instrument recorded in Document No. 2008016420 of said Official Public Records, Lot 5, Bukowsky Subdivision, recorded in Document No. 2019064044 of said Official Public Records, a called 10.51-acre tract of land conveyed to Kerry Conaway, Jr., by instrument recorded in Document No. 2006005509 of said Official Public Records and a called 10.51-acre tract of land conveyed to Darral Henderson and Elaine Henderson by instrument recorded in Document No. 2006032860 of said Official Public Records, a distance of 2053.57 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set, for the southwest corner of a called 60.99-acre tract of land conveyed to Wayne E. Cavalier and Cyndi Pietan Cavalier, by instrument recorded in Document No. 2012099245 of said Official Public Records, for the northwest corner hereof;

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

TRACT 2:

A 110.720 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS. BEING ALL OF A CALLED 113 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 486, PAGE 442 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, A 110.720 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS. BEING ALL OF A CALLED 113 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 486, PAGE 442 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, SAID 110.720 ACRE TRACT BEING

MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.:

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

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

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

THENCE N 21°00'19" W, with the east boundary line of said 17.0 acre tract, same being a west boundary line of said 113 acre tract, a distance of 582.80 feet to a 1/2" iron rod found for the southwest corner of a called 64.797 acre tract of land conveyed to Jose G. Garcia, by instrument recorded in Document No. 2017005987 of said Official Public records, same being the southeast corner of called 10.789 acre tract of land conveyed to the Belinda Ramsey Living Trust, by instrument recorded in Document No. 2019022035 of said Official Public Records, same being the northeast corner of said 17.0 acre tract, also being the northernmost northwest corner of said 113 acre tract, for the northernmost northwest hereof;

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

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

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

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

TRACT 3:

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

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

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

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

THENCE N 21°05'48" W, with the west boundary line of said 169.5-acre tract, and in part, crossing through the right-of-way of said County Road 308, a distance of 2071.04 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set, being the southwest corner of a called 113 acre tract of land conveyed to the Letts Family Trust, by instrument recorded in Volume 486, Page

442 of said deed records, same being the northwest corner of said 169.5-acre tract, for the northwest corner hereof, from which a 5/8" iron rod found for the northwest corner of said 113 acre tract bears N 21°22'58" W, 2048.33 feet;

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

1. N 68°47'37" E, a distance of 1275.22 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof,

2. N 21°25'27" W, a distance of 386.24 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof, and

3. N 68°41'10" E, a distance of 2332.32 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set being the northeast corner of said 169.5-acre tract, for the northeast corner hereof;

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

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

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

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

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

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

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

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

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

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

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

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

~~[(1)]~~ the board shall provide for the annual imposition of ~~[impose]~~ a continuing direct annual ad valorem tax, without limit to the rate or amount of the tax while all or part of the bonds are outstanding as provided by Sections 54.601 and 54.602, Water Code ~~[at a rate not to exceed the rate approved at an election held under Section 8221.151, for each year that all or part of the bonds are outstanding; and~~

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

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

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

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

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

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

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

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

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

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

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

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

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

Explanation: This change is necessary to:

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

(2) create certain special purpose districts; and

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

(2) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text not in disagreement in SECTION 5 of the bill, in added Sections 7968A.0106(a) and (b), Special District Local Laws Code, by striking "Section 2" and substituting "Section 5(b)".

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

(3) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTIONS 9 and 11 of the bill, adding local notice and effective date language, to read as follows:

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

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

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

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

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

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

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

HR 2470 was adopted by (Record 2242): 129 Yeas, 1 Nays, 3 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bungarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Craddick; Cunningham; Darby; Davis; Dean; Dorazio; Dutton; Flores; Gámez; Gates; Gerdes; Geren; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; Kitzman; Klick; Lalani; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Wilson; Wu.

Nays — Noble.

Present, not voting — Mr. Speaker; Goldman(C); Zwiener.

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Cortez; DeAyala; Frank; Gervin-Hawkins; Hefner; King, T.; Kuempel; Lambert; Rosenthal; Stucky; Talarico; Walle.

STATEMENTS OF VOTE

When Record No. 2242 was taken, I was in the house but away from my desk. I would have voted yes.

DeAyala

When Record No. 2242 was taken, I was shown voting yes. I intended to vote no.

Holland

When Record No. 2242 was taken, I was in the house but away from my desk. I would have voted yes.

Kuempel

HB 5344 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative C. Bell submitted the following conference committee report on **HB 5344**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
 President of the Senate

The Honorable Dade Phelan
 Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 5344** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Creighton
 Parker
 LaMantia
 Flores

C. Bell
 Metcalf
 Moody
 Muñoz
 Shine

On the part of the senate

On the part of the house

HB 5344, A bill to be entitled An Act relating to the eligibility of certain retired firefighters, police officers, and emergency medical services providers to purchase continued health benefits coverage; the creation of certain special purpose districts and the name, powers, and duties of the 3 B&J Municipal Utility District; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

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

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

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

(b) This chapter applies to a person who:

(1) retires from:

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

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

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

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

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

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

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

CHAPTER 4001. DENTON COUNTY MUNICIPAL MANAGEMENT
DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4001.0101. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "County" means Denton County, Texas.
- (3) "Director" means a board member.
- (4) "District" means the Denton County Municipal Management

District No. 2.

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

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

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

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

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

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

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

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

- (1) developing and diversifying the economy of the state;
- (2) eliminating unemployment and underemployment; and
- (3) developing or expanding transportation and commerce.

(d) The district will:

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

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

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

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

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

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

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

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

(1) organization, existence, or validity;

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

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

(4) legality or operation.

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

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

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

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

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

SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

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

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

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

(c) Temporary directors serve until the earlier of:

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

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

chapter.

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

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

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

reappointment.

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

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

(b) The nonprofit corporation:

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

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

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

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

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

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

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

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

(2) provide district personnel and services.

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

(1) Chapter 380, Local Government Code; and

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

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

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

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

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

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

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

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

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

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

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

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

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

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

(e) An order dividing the district must:

(1) name each new district;

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

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

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

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

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

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

SUBCHAPTER D. ASSESSMENTS

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

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

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

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

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

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

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

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

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

SUBCHAPTER E. TAXES AND BONDS

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

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

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

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

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

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

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

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

(1) revenue other than ad valorem taxes, including contract revenues;

or

(2) contract payments, provided that the requirements of Section 49.108, Water Code, have been met.

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

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

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

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

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

SUBCHAPTER I. DISSOLUTION

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

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

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

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

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

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

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

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

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

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

TRACT I:

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

BEGINNING AT A 1/2 INCH IRON PIN FOUND AT THE SOUTHERN MOST SOUTHEAST CORNER OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955 AND BEING ON THE WEST LINE OF A DEED TO F. JEFFERY CHARNEY, RECORDED IN VOLUME 3035, PAGE 534, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND BEING ON THE NORTHERN MOST NORTHEAST CORNER OF A TRACT DESCRIBED IN A DEED TO ROYAL WHITE JONES, RECORDED IN VOLUME 1231, PAGE 701, DEED RECORDS, DENTON COUNTY, TEXAS;

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

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

THENCE SOUTH 89 DEGREES 24 MINUTES 00 SECONDS EAST, A DISTANCE OF 154.60 FEET TO A 1/2 INCH IRON PIN SET FOR CORNER AT AN INNER ELL CORNER OF SAID CLEAR CREEK RIDGE TRACT IN VOLUME 5127, PAGE 1955 AND THE SOUTHEAST CORNER OF A TRACT

DESCRIBED IN A DEED TO MARY TOM CRAVENS CURNUTT, RECORDED IN VOLUME 2505, PAGE 298, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

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

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

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

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

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

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

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

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

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

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

1.) NORTH 55 DEGREES 38 MINUTES 38 SECONDS EAST, A DISTANCE OF 110.80 FEET;

2.) NORTH 51 DEGREES 23 MINUTES 04 SECONDS EAST, A DISTANCE OF 278.21 FEET;

3.) SOUTH 70 DEGREES 46 MINUTES 01 SECONDS EAST, A DISTANCE OF 415.87 FEET;

4.) SOUTH 40 DEGREES 58 MINUTES 38 SECONDS EAST, A DISTANCE OF 604.83 FEET;

5.) SOUTH 51 DEGREES 09 MINUTES 01 SECONDS EAST, A DISTANCE OF 410.80 FEET;

6.) SOUTH 37 DEGREES 53 MINUTES 33 SECONDS EAST, A DISTANCE OF 82.37 FEET;

7.) SOUTH 18 DEGREES 46 MINUTES 16 SECONDS EAST, A DISTANCE OF 75.16 FEET;

8.) SOUTH 05 DEGREES 46 MINUTES 16 SECONDS WEST, A DISTANCE OF 49.39 FEET;

9.) SOUTH 22 DEGREES 04 MINUTES 06 SECONDS WEST, A DISTANCE OF 308.38 FEET;

10.) SOUTH 26 DEGREES 11 MINUTES 20 SECONDS WEST, A DISTANCE OF 76.63 FEET;

11.) SOUTH 26 DEGREES 11 MINUTES 20 SECONDS WEST, A DISTANCE OF 547.10 FEET;

12.) SOUTH 46 DEGREES 12 MINUTES 54 SECONDS EAST, A DISTANCE OF 174.23 FEET;

13.) NORTH 86 DEGREES 27 MINUTES 32 SECONDS EAST, A DISTANCE OF 417.50 FEET;

14.) NORTH 53 DEGREES 53 MINUTES 06 SECONDS EAST, A DISTANCE OF 225.22 FEET;

15.) SOUTH 70 DEGREES 20 MINUTES 06 SECONDS EAST, A DISTANCE OF 93.57 FEET;

16.) SOUTH 54 DEGREES 37 MINUTES 57 SECONDS EAST, A DISTANCE OF 330.11 FEET;

17.) NORTH 64 DEGREES 44 MINUTES 37 SECONDS EAST, A DISTANCE OF 674.49 FEET;

18.) NORTH 84 DEGREES 14 MINUTES 43 SECONDS EAST, A DISTANCE OF 100.20 FEET;

19.) SOUTH 56 DEGREES 23 MINUTES 54 SECONDS EAST, A DISTANCE OF 116.40 FEET;

- 20.) SOUTH 06 DEGREES 22 MINUTES 27 SECONDS WEST, A DISTANCE OF 228.98 FEET;
- 21.) SOUTH 52 DEGREES 30 MINUTES 28 SECONDS WEST, A DISTANCE OF 271.35 FEET;
- 22.) SOUTH 87 DEGREES 06 MINUTES 16 SECONDS WEST, A DISTANCE OF 326.84 FEET;
- 23.) SOUTH 63 DEGREES 22 MINUTES 32 SECONDS WEST, A DISTANCE OF 93.18 FEET;
- 24.) SOUTH 19 DEGREES 39 MINUTES 44 SECONDS WEST, A DISTANCE OF 274.65 FEET;
- 25.) SOUTH 06 DEGREES 09 MINUTES 26 SECONDS EAST, A DISTANCE OF 129.80 FEET;
- 26.) SOUTH 59 DEGREES 41 MINUTES 10 SECONDS EAST, A DISTANCE OF 155.04 FEET;
- 27.) NORTH 61 DEGREES 09 MINUTES 15 SECONDS EAST, A DISTANCE OF 459.27 FEET;
- 28.) SOUTH 85 DEGREES 11 MINUTES 12 SECONDS EAST, A DISTANCE OF 101.67 FEET;
- 29.) SOUTH 50 DEGREES 11 MINUTES 20 SECONDS EAST, A DISTANCE OF 160.52 FEET;
- 30.) SOUTH 19 DEGREES 38 MINUTES 33 SECONDS EAST, A DISTANCE OF 218.07 FEET;
- 31.) SOUTH 08 DEGREES 39 MINUTES 06 SECONDS WEST, A DISTANCE OF 110.67 FEET;
- 32.) SOUTH 60 DEGREES 37 MINUTES 40 SECONDS WEST, A DISTANCE OF 111.17 FEET;
- 33.) NORTH 71 DEGREES 44 MINUTES 44 SECONDS WEST, A DISTANCE OF 205.32 FEET;
- 34.) NORTH 58 DEGREES 00 MINUTES 21 SECONDS WEST, A DISTANCE OF 175.42 FEET;
- 35.) SOUTH 60 DEGREES 53 MINUTES 09 SECONDS WEST, A DISTANCE OF 81.38 FEET;
- 36.) SOUTH 19 DEGREES 12 MINUTES 39 SECONDS EAST, A DISTANCE OF 180.46 FEET;
- 37.) SOUTH 31 DEGREES 27 MINUTES 36 SECONDS EAST, A DISTANCE OF 348.51 FEET;
- 38.) SOUTH 08 DEGREES 24 MINUTES 19 SECONDS WEST, A DISTANCE OF 80.11 FEET;
- 39.) SOUTH 44 DEGREES 00 MINUTES 08 SECONDS WEST, A DISTANCE OF 157.91 FEET;
- 40.) SOUTH 69 DEGREES 06 MINUTES 14 SECONDS WEST, A DISTANCE OF 188.37 FEET;
- 41.) SOUTH 03 DEGREES 39 MINUTES 31 SECONDS WEST, A DISTANCE OF 190.40 FEET;
- 42.) SOUTH 62 DEGREES 37 MINUTES 49 SECONDS EAST, A DISTANCE OF 165.30 FEET;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 3. (a) Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7960 to read as follows:

CHAPTER 7960. DEER CREEK RANCH MUNICIPAL UTILITY DISTRICT

NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7960.0101. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Deer Creek Ranch Municipal Utility District No. 1.

Sec. 7960.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7960.0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7960.0104. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7960.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

Sec. 7960.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

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

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

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

Sec. 7960.0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 3(b) of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 3(b) of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

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

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7960.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7960.0202, directors serve staggered four-year terms.

Sec. 7960.0202. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to

the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7960.0103;

or

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

(c) If permanent directors have not been elected under Section 7960.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection

(d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7960.0103;

or

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

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7960.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7960.0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7960.0303. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7960.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 7960.0305. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 7960.0306. DIVISION OF DISTRICT. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) An order dividing a district may create one or more new districts and may provide for the continuation of the district.

(c) An order dividing the district shall:

(1) name any new district;

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

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

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

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

(e) The district may be divided only if the district:

(1) has never issued any bonds; and

(2) is not imposing ad valorem taxes.

(f) A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 3(b) of the Act enacting this chapter.

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

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

(i) A new district created by the division of the district shall hold a confirmation and directors' election.

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

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

(l) The district may continue to rely on confirmation, directors', bond, or tax elections held prior to the division.

(m) Municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7960.0401. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7960.0403.

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

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

Sec. 7960.0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7960.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Sec. 7960.0403. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7960.0501. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7960.0502. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7960.0503. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

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

A 685.400 ACRE TRACT OF LAND SITUATED IN THE THOMAS POLK SURVEY, ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 35, ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 396, THE SAMUEL W. DAVIS SURVEY, ABSTRACT NO.

1087 AND THE SAMUEL W. DAVIS SURVEY, ABSTRACT NO. 165, LOCATED IN BELL COUNTY, TEXAS AND McCLENNAN COUNTY, TEXAS AND BEING A PORTION OF A CALLED 730.417 ACRE TRACT OF LAND CONVEYED TO VWB TRUST BY INSTRUMENTS RECORDED IN DOCUMENT NO. 20160034747 OF THE OFFICIAL PUBLIC RECORDS OF BELL COUNTY, TEXAS AND IN DOCUMENT NO. 2016029961 OF THE OFFICIAL PUBLIC RECORDS OF McCLENNAN COUNTY, TEXAS. SAID 685.400 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE:

BEGINNING at a 1/2" iron rod found on a point being the northeast corner of said 730.417-acre tract of land, for the northeast corner and POINT OF BEGINNING hereof;

THENCE with the east boundary line of said 730.417-acre tract, the following three (3) courses and distances:

1. S 29°39'16" E for a distance of 23.01 feet to an angle point hereof,
2. S 29°37'25" E for a distance of 486.87 feet to an angle point hereof, and
3. S 29°29'03" E for a distance of 493.85 feet to a point being the northeast corner of a called 5.525-acre tract of land conveyed to Larry Pietsch et ux, by instrument recorded in Document No. 2010000488 of the Official Public Records of Falls County, Texas, for an angle point hereof;

THENCE with the north boundary line of said 5.525-acre tract, the following two (2) courses and distances:

1. S 57°58'39" W for a distance of 542.26 feet to an angle point hereof, and
2. S 56°02'27" W for a distance of 58.49 feet to a point being the northwest corner of said 5.525-acre tract, for an angle point hereof;

THENCE with west boundary line of said 5.525-acre tract, S 32°56'37" E for a distance of 396.46 feet to a point being the northwest corner of a called 5.075-acre tract of land conveyed to Larry Pietsch et ux, by instrument recorded in Document no. 2010000485 of the Official Public Records of Falls County, Texas, same being the southwest corner of said 5.525-acre tract, for an angle point hereof;

THENCE with the west boundary line of said 5.075-acre tract, S 14°23'05" E for a distance of 363.73 feet to a point being the southwest corner of said 5.075-acre tract for an angle point hereof;

THENCE with the south boundary line of said 5.075-acre tract N 59°41'47" E for a distance of 143.92 feet to a point in the approximate west boundary line of Falls County, Texas, same being the approximate east boundary line of Bell County, Texas, for an angle point hereof;

THENCE departing the south boundary line of said 5.075-acre tract with the approximate west boundary line of Falls County, Texas, same being the approximate east boundary line of Bell County, Texas and through the interior of said 730.417 acre tract, S 32°52'48" E for a distance of 2076.93 feet to a point in

the north right-of-way line of County Road 498 (right-of-way width varies), same being the southern boundary line of said 730.417-acre tract for the southeast corner hereof;

THENCE with the north right-of-way line of County Road 498, same being the southern boundary line of said 730.417-acre tract, the following six (6) courses and distances:

1. S 59°45'11" W for a distance of 307.98 feet to a point
2. S 56°40'31" W for a distance of 452.77 feet to an angle point hereof,
3. S 59°50'03" W for a distance of 818.71 feet to an angle point hereof,
4. S 59°28'26" W for a distance of 725.73 feet to an angle point hereof,
5. S 59°11'05" W for a distance of 653.72 feet to 1/2" iron rod found on a point, for an angle point hereof, and
6. S 15°31'38" W for a distance of 522.86 feet to a 1/2" iron rod found on a point being the northeasterly corner of a called 125-acre tract of land conveyed to Jackie Elizabeth Bounds, et al by instrument recorded on Document No. 2020014897 of the Official Public Records of Bell County, Texas, same being a southeasterly corner of said 730.417-acre tract, for a southeasterly corner hereof;

THENCE with the northerly boundary line of said 125-acre tract, same being the southerly boundary line of said 730.417-acre tract, the following four (4) courses and distances:

1. N 68°17'07" W for a distance of 1982.29 feet to an angle point hereof,
2. S 20°13'41" W for a distance of 1194.63 feet to a 1/2" iron rod found on an angle point hereof,
3. N 70°00'40" W for a distance of 1040.46 feet to a 1/2" iron rod found on an angle point hereof, and
4. S 20°16'01" W for a distance of 913.53 feet to a point in the north boundary line of called 50.00-acre tract of land conveyed to Howard Thomas Daye and Glenda Marie Daye, by instrument recorded in Document No. 20085002539 of the Official Public Records of Bell County, Texas, same being the southwesterly corner of said 125-acre tract, for an angle point hereof;

THENCE with, in part, the northerly boundary lines of: said 50.002-acre tract, a called 9.68-acre tract conveyed to Arthur Poston, by instrument recorded in Volume 5990, Page 314 of the Probate Records of Bell County, Texas and a called 64-acre tract of land conveyed to John D. Price and Vi Price, by instrument recorded in Volume 3324, Page 204 of the Deed Records of Bell County, Texas, respectively, same being the southerly boundary line of said 730.417-acre tract, N 69°43'06" W for a distance of 1577.88 feet to a 1/2" iron rod found on a point in the southeasterly boundary line of a called 89.5-acre tract of land conveyed to the H.B. Hillyard, Jr. and Julia I. Hillyard Revocable Living Trust, by instrument recorded in Volume 1845, Page 808 of the Deed Records of McClennan County, Texas, for an angle point hereof;

THENCE with the southeasterly boundary line of said 89.5-acre tract, same being the southerly boundary line of said 730.417-acre tract, N 57°14'15" E for a distance of 1017.80 feet to a 1/2" iron rod found on a point being the northeast corner of said 89.5-acre tract, for an angle point hereof;

THENCE with the northerly boundary line of said 89.5-acre tract, same being the southerly boundary line of said 730.417-acre tract, N 73°22'08" W for a distance of 2682.51 feet to a to a 1/2" iron rod found on a point in the easterly right-of-way of Neal Road (right-of-way width varies), said point being the northwest corner of said 89.5-acre tract, same being the southwesterly corner of said 730.417-acre tract, for the southwesterly corner hereof;

THENCE with the easterly right-of-way line of said Neal Road, same being the westerly boundary line of said 730.417-acre tract, the following two (2) courses and distances:

N 16°44'59" E for a distance of 641.51 feet to an angle point hereof,
and

N 16°43'27" E for a distance of 1649.96 feet to a 1/2:" iron rod found on a point in the southerly margin of Franklin Road, said point being the northwest corner of said 730.417-acre tract, for the northwest corner hereof;

THENCE with the southerly margin of said Franklin Road, same being the northwesterly boundary line of said 730.417-acre tract, the following three (3) courses and distances:

1. N 88°45'56" E for a distance of 1956.89 feet to an angle point hereof,
2. S 89°44'59" E for a distance of 1153.82 feet to a 1/2" iron rod found on for an angle point hereof, and
3. N 59°40'59" E for a distance of 1208.65 feet to an angle point hereof;

THENCE departing the southerly margin of Franklin Road, through the interior of said 730.417-acre tract, S 61°17'12" E for a distance of 29.19 feet to a point being the northwesterly corner of a called 10.00-acre tract of land conveyed to Kimberly Worthington, by instrument recorded in Document No. 2021020842 of the Official Public Records of McClennan County, Texas, for an angle point hereof;

THENCE with the westerly, southerly and easterly boundary lines, respectively, of said 10.00-acre tract the following twelve (12) courses and distances:

1. S 61°17'12" E for a distance of 324.55 feet to an angle point hereof,
2. N 06°20'39" E for a distance of 80.42 feet to an angle point hereof,
3. N 57°20'12" E for a distance of 81.81 feet to an angle point hereof,
4. S 23°32'20" E for a distance of 67.80 feet to an angle point hereof,
5. S 08°42'13" E for a distance of 181.25 feet to an angle point hereof,
6. N 39°25'15" E for a distance of 103.44 feet to an angle point hereof,
7. S 22°37'59" E for a distance of 186.24 feet to an angle point hereof,
8. N 57°23'30" E for a distance of 88.53 feet to an angle point hereof,
9. S 29°10'57" E for a distance of 72.30 feet to an angle point hereof,
10. N 59°40'57" E for a distance of 20.00 feet to an angle point hereof,
11. N 59°40'57" E for a distance of 489.21 feet to an angle point hereof, and
12. N 30°19'01" W for a distance of 663.75 feet to a point being the northeasterly corner of said 10.00-acre tract for an angle point hereof;

THENCE departing the boundary line of said 10.00-acre tract, through the interior of said 730.417-acre tract, N 30°19'01" W for a distance of 25.02 feet to a point in the southerly margin of Franklin Road, same being the northwesterly boundary line of said 730.417-acre tract, the following three (3) courses and distances:

1. N 59°40'59" E for a distance of 701.97 feet to an angle point hereof,
2. N 60°40'09" E for a distance of 1305.59 feet to an angle point hereof, and
3. N 60°36'34" E for a distance of 617.98 feet to a point to the POINT OF BEGINNING and containing 685.400 acres in the McClennan County, Texas and Bell County, Texas. Said tract being described in accordance with a survey prepared under Job No. 59012-22 by Pape-Dawson Engineers, Inc.

(c) If the Act enacting this section does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7960, Special District Local Laws Code, as added by Subsection (a) of this section, is amended by adding Section 7960.0307 to read as follows:

Sec. 7960.0307. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(d) Section 3(c) of this Act is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

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

CHAPTER 7962. JARRELL ESTATES MUNICIPAL UTILITY DISTRICT
NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7962.0101. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Jarrell Estates Municipal Utility District No. 1.

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

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

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

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

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

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

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

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

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

(1) organization, existence, or validity;

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

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

(1) Jake Newman;

(2) Davis Craig;

(3) Brad Harwick;

(4) LouAnn Covington; and

(5) Stephen Fowler.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7962.0103;

or

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

chapter.

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

(1) the date permanent directors are elected under Section 7962.0103;

or

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

reappointment.

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

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) An order dividing the district shall:

(1) name each new district;

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

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

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

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

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

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

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

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

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7962.0403.

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

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

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

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

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

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

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N 32° 07' 47" W 379.77 feet to an angle point;
N 33° 01' 44" W 321.50 feet to an angle point;
N 50° 45' 25" W 315.12 feet to an angle point;
N 41° 41' 33" W 368.36 feet to an angle point;
N 17° 54' 39" W 267.13 feet to an angle point;
N 22° 26' 20" W 168.35 feet to an angle point;
N 46° 44' 55" W 100.13 feet to an angle point;
N 71° 41' 21" W 102.15 feet to an angle point;
N 81° 36' 11" W 539.79 feet to the POINT OF BEGINNING.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N 76° 36' 27" W 45.17 feet to an angle point;

N 30° 48' 05" W 126.68 feet to an angle point;

N 78° 57' 33" W 87.41 feet to an angle point;

N 12° 44' 59" E 79.02 feet to an angle point;

N 11° 00' 13" W 73.47 feet to an angle point;

S 88° 36' 10" W 82.16 feet to an angle point;

N 66° 02' 15" W 98.65 feet to an angle point;

N 06° 27' 32" W 106.86 feet to an angle point;

N 30° 17' 17" E 145.33 feet to an angle point;

N 03° 28' 06" W 75.42 feet to an angle point;

N 37° 44' 59" W 146.89 feet to an angle point;

N 63° 26' 06" W 145.44 feet to an angle point;

N 38° 31' 49" W 136.06 feet to an angle point;

N 12° 39' 09" W 86.38 feet to an angle point;

N 04° 05' 08" W 70.68 feet to an angle point;

S 86° 18' 31" W 52.15 feet to an angle point;
N 76° 52' 51" W 106.01 feet to an angle point;
N 12° 38' 00" W 83.15 feet to an angle point;
N 23° 29' 55" W 105.25 feet to an angle point;
N 10° 37' 11" E 136.64 feet to an angle point;
N 04° 47' 52" W 86.56 feet to an angle point;
N 34° 45' 21" W 139.44 feet to an angle point;
N 06° 54' 40" W 77.72 feet to an angle point;
N 17° 40' 47" E 51.12 feet to an angle point;
N 52° 40' 44" E 193.31 feet to an angle point;
N 18° 45' 31" E 85.20 feet to an angle point;
N 23° 41' 26" W 105.23 feet to an angle point;
N 86° 35' 59" W 152.93 feet to an angle point;
N 60° 31' 27" W 77.06 feet to an angle point;
N 30° 15' 23" W 81.04 feet to an angle point;
N 67° 37' 12" W 107.25 feet to an angle point;
S 79° 56' 22" W 183.67 feet to an angle point;
N 73° 48' 39" W 94.15 feet to an angle point;
S 88° 10' 54" W 91.93 feet to an angle point;
N 53° 44' 46" W 180.85 feet to an angle point;
N 74° 50' 45" W 120.88 feet to an angle point;
N 39° 12' 26" W 60.40 feet to the Southwest corner of said 195.5 Acre Tract

and the Northwest corner of this tract;

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

(d) BEGINNING: At a 2" pipe post found in the South line of County Road 232 and the lower East line of a 649.53 Acre Tract (Document # #2004074055, Official Public Records, described in Volume 2520, Page 200 and Volume 2598, Page 457, Official Public Records) for the Northwest corner of this tract from which a 2" pipe post found in the North line of said county road for the upper Southwest corner of a 1419.57 Acre Tract (this day surveyed) bears N 00° 18' 48" E 56.15 feet;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 5. (a) Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7968A to read as follows:

CHAPTER 7968A. MONTGOMERY COUNTY MUNICIPAL UTILITY
DISTRICT NO. 236

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7968A.0101. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Montgomery County Municipal Utility District No. 236.

Sec. 7968A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7968A.0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7968A.0104. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7968A.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

Sec. 7968A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

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

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

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

Sec. 7968A.0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 5(b) of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 5(b) of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

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

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7968A.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7968A.0202, directors serve staggered four-year terms.

Sec. 7968A.0202. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7968A.0103;

or

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

(c) If permanent directors have not been elected under Section 7968A.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7968A.0103;

or

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

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7968A.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7968A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7968A.0303. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7968A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 7968A.0305. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7968A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7968A.0403.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 7968A.0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7968A.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 7968A.0403. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7968A.0501. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7968A.0502. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7968A.0503. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

(b) Montgomery County Municipal Utility District No. 236 initially includes all the territory contained in the following area:

A 231.1123 ACRE TRACT OF LAND IN THE S. TERRY SURVEY, ABSTRACT NO. 564, MONTGOMERY COUNTY, TEXAS, BEING OUT OF AND A PART OF A CALLED 1,702.2 ACRE TRACT CONVEYED TO DAYAKAR PUSKOOR, TRUSTEE OF 1992 GUNIGANTI CREDIT SHELTER TRUSTS, AKA THE GUNIGANTI FAMILY TRUSTS AS RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NUMBER (M.C.C.F. NO.) 2019097078 (DESCRIBED UNDER M.C.C.F. NO. 2012127211), THE SAID 231.1123 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED

BY METES AND BOUNDS AS FOLLOWS, (WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE, AS DETERMINED BY GPS MEASUREMENTS):

COMMENCING at a 3/4-inch iron rod found marking an angle in the west line of said 1,702.2 acre tract, and the west line of a called 150.00 acre tract, conveyed to TC LB Royal Pines, LP as recorded under M.C.C.F. NO. 2021171601;

THENCE, North 03°35'35" West, along the west line of said 1,702.2 acre tract, and said 150.00 acre tract, passing at a distance of 10.54 feet, a found 5/8" iron rod with cap stamped "TERRA", passing at a distance of 874 feet, the approximate centerline of White Oak Creek, being the northwest corner of the said 150.00 acre tract, continuing along the west line of said 1,702.2 acre tract a total distance of 4,572.60 feet, to a 1/2" iron rod found marking the northeast corner of Lot 6, Block 3, White Oak Crossing Sec 4 (WOC4), map or plat thereof recorded under Cabinet (Cab.) Z, Sheet (Sht.) 3640 Montgomery County Map Records (M.C.M.R.), and an interior corner of said 1,702.2 acre tract, and the herein described tract;

THENCE, South 87°08'26" West, along the north lines of said WOC4, and White Oak Crossing Sec 3 (WOC3), map or plat thereof recorded under Cab. Z, Sht. 2286 M.C.M.R., common with the southerly line of said 1,702.2 acre tract and the herein described tract, a distance of 2,132.46 feet, to a 5/8" iron rod with cap stamped "HOVIS" found marking the northwest corner of Lot 19, Block 5, of said WOC3;

THENCE, North 07°21'12" West, departing said common line, over and across said WOC3, A 19.14 acre tract conveyed to Prabhakar R. Guniganti as recorded under M.C.C.F. NO. 2016114018, and said 1,702.2 acre tract, a distance of 4,946.84 feet, to the west line of said 1,702.2 acre tract marking the southwest corner, and POINT OF BEGINNING of the herein described tract;

THENCE, North 02°19'57" West, along the west line of said 1,702.2 acre tract, passing at a distance of 7.13 feet the southerly Right-Of-Way (R.O.W.) line of State Highway 99 (A.K.A. Grand Parkway), as described in the agreed final judgement recorded under M.C.C.F. NO. 2022115684, passing at a distance of 407.22 feet, the northerly R.O.W. line of said State Highway 99, continuing a total distance of 2,694.43 feet, to the northwest corner of said 1,702.2 acre tract and the herein described tract;

THENCE, North 86°56'15" East, along the northerly line of said 1,702.2 acre tract, a distance of 2,313.87 feet, to an angle in the north line of said 1,702.2 acre tract and the herein described tract;

THENCE, North 88°18'37" East, along the northerly line of said 1,702.2 acre tract, a distance of 84.62 feet, to the northeast corner of the herein described tract;

THENCE, over and across said 1,702.2 acre tract, the following twenty nine (29) courses and distances:

South 01°34'11" East, a distance of 523.07 feet, to an angle in the east line of the herein described tract;

South 88°20'05" East, a distance of 320.48 feet, to an angle in the east line of the herein described tract;

South 72°57'20" East, a distance of 524.04 feet, to an angle in the east line of the herein described tract;

South 55°07'09" East, a distance of 242.85 feet, to an angle in the east line of the herein described tract;

South 26°44'17" East, a distance of 274.37 feet, to an angle in the east line of the herein described tract;

South 34°39'23" East, a distance of 466.61 feet, to an angle in the east line of the herein described tract;

South 29°43'18" East, a distance of 94.04 feet, to an angle in the east line of the herein described tract;

South 03°45'41" West, a distance of 196.73 feet, to an angle in the east line of the herein described tract;

South 27°52'41" East, a distance of 382.54 feet, to an angle in the east line of the herein described tract;

South 29°14'09" East, a distance of 98.06 feet, to an angle in the east line of the herein described tract;

South 18°42'01" West, a distance of 156.58 feet, to an angle in the east line of the herein described tract;

South 45°05'06" West, a distance of 138.46 feet, to an angle in the east line of the herein described tract;

South 72°00'22" West, a distance of 171.11 feet, to an angle in the east line of the herein described tract;

South 64°09'37" West, a distance of 133.85 feet, to the beginning of a curve to the right;

In a southwesterly direction, along said curve to the right, having a radius of 3,014.66 feet, a central angle of 01°26'03" (chord bears South 64°04'47" West, 75.45 feet) and an arc distance of 75.45 feet, to the beginning of a reverse curve to the left;

In a southwesterly direction, along said reverse curve to the left, having a radius of 100.00 feet, a central angle of 13°17'38" (chord bears South 57°47'21" West, 23.15 feet) and an arc distance of 23.20 feet, to the beginning of a reverse curve to the right;

In a southwesterly direction, along said reverse curve to the right, having a radius of 500.00 feet, a central angle of 12°42'15" (chord bears South 57°29'40" West, 110.64 feet) and an arc distance of 110.86 feet, to the beginning of a reverse curve to the left;

In a southwesterly direction, along said reverse curve to the left, having a radius of 100.00 feet, a central angle of 07°23'59" (chord bears South 60°08'48" West, 12.91 feet) and an arc distance of 12.92 feet, to the beginning of a reverse curve to the right;

In a southwesterly direction, along said reverse curve to the right, having a radius of 100.00 feet, a central angle of 23°30'02" (chord bears South 68°11'50" West, 40.73 feet) and an arc distance of 41.02 feet, to the point of tangency;

South $79^{\circ}56'51''$ West, a distance of 52.57 feet, to the beginning of a curve to the right;

In a westerly direction, along said curve to the right, having a radius of 100.00 feet, a central angle of $24^{\circ}12'11''$ (chord bears North $87^{\circ}57'04''$ West, 41.93 feet) and an arc distance of 42.24 feet, to the point of compound curvature;

In a northwesterly direction, along said compound curve to the right, having a radius of 500.00 feet, a central angle of $01^{\circ}07'37''$ (chord bears North $75^{\circ}17'10''$ West, 9.83 feet) and an arc distance of 9.83 feet, to the point of reverse curvature;

In a southwesterly direction, along said reverse curve to the left, having a radius of 100.00 feet, a central angle of $59^{\circ}15'48''$ (chord bears South $75^{\circ}38'44''$ West, 98.88 feet) and an arc distance of 103.43 feet, to the point of tangency;

South $46^{\circ}00'50''$ West, a distance of 240.66 feet, to an angle in the southerly line of the herein described tract;

North $47^{\circ}45'22''$ West, a distance of 351.90 feet, to the beginning of a curve to the right;

In a northwesterly direction, along said curve to the right, having a radius of 1,250.00 feet, a central angle of $01^{\circ}33'58''$ (chord bears North $46^{\circ}58'23''$ West, 34.17 feet) and an arc distance of 34.17 feet, to the point of tangency;

South $53^{\circ}50'57''$ West, a distance of 302.10 feet, to the beginning of a curve to the left;

In a southwesterly direction, along said curve to the left, having a radius of 2,000.00 feet, a central angle of $17^{\circ}35'11''$ (chord bears South $45^{\circ}03'21''$ West, 611.48 feet) and an arc distance of 613.89 feet, to the point of tangency;

South $36^{\circ}15'45''$ West, a distance of 406.05 feet, to an angle in the southerly line of the herein described tract;

THENCE, North $68^{\circ}09'29''$ West, a distance of 1,868.05 feet, to the POINT OF BEGINNING, and containing 231.1123 acres of land.

(c) If the Act enacting this section does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7968A, Special District Local Laws Code, as added by Subsection (a) of this section, is amended by adding Section 7968A.0306 to read as follows:

Sec. 7968A.0306. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(d) Subsection (c) of this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 6. (a) Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8010A to read as follows:

CHAPTER 8010A. WILLIAMSON COUNTY MUNICIPAL UTILITY
DISTRICT NO. 49

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8010A.0101. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental

Quality.

(3) "Director" means a board member.

(4) "District" means the Williamson County Municipal Utility District No. 49.

Sec. 8010A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8010A.0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8010A.0104. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8010A.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

Sec. 8010A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8010A.0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 6(b) of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 6(b) of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8010A.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8010A.0202, directors serve staggered four-year terms.

Sec. 8010A.0202. TEMPORARY DIRECTORS. (a) The temporary board consists of:

(1) Mark Tickner;

(2) Nick Easley;

(3) Walter Duke;

(4) Zachary Summers; and

(5) Noah Terrazas.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8010A.0103;

or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8010A.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection

(d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8010A.0103;

or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8010A.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8010A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8010A.0303. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8010A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8010A.0305. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8010A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 8010A.0403.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8010A.0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8010A.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8010A.0403. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8010A.0501. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8010A.0502. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8010A.0503. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

(b) The Williamson County Municipal Utility District No. 49 initially includes all the territory contained in the following area:

TRACT 1:

A 59.891 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS, BEING OUT OF A CALLED 60.57 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 528, PAGE 376 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS A 59.891 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS, BEING OUT OF A CALLED 60.57 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 528, PAGE 376 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS. SAID 59.891 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.:

BEGINNING at a 1/2" iron rod found in the west right-of-way line of County Road 308, said point being the northeast corner of said 60.57-acre tract, for the northeast corner and POINT OF BEGINNING hereof;

THENCE S 20°52'36" E, with the west right-of-way line of said County Road 308, same being the east boundary line of said 60.57-acre tract, a distance of 2045.72 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set in the north right-of-way line of County Road 305, same being the north boundary line of a called 0.5039 acre tract of land conveyed to Williamson County, Texas by instrument recorded in Document No. 9820041 of the Official Public Records of said County, for the southeast corner hereof;

THENCE S 68°21'37" W, with the north boundary line of said 0.5039-acre tract, same being the north right-of-way line of said County Road 305, through the interior of said 60.57-acre tract, a distance of 1258.78 feet to a 1/2" iron rod found on a point in the east boundary line of a called 3.92-acre tract of land conveyed to Gary R. Sheley and Rosita R. Sheley, by instrument recorded in Document No. 2009090657 of said Official Public Records, same being the west boundary line of said 60.57-acre tract, for the southwest corner hereof;

THENCE N 21°39'56" W, departing the north right-of-way line of said County Road 305, with, in part, the east boundary lines of: said 3.92-acre tract, a called 10.00-acre tract of land conveyed to Dudley K. Bukowsky and Tami Bukowsky by instrument recorded in Document No. 2008016420 of said Official Public Records, Lot 5, Bukowsky Subdivision, recorded in Document No. 2019064044 of said Official Public Records, a called 10.51-acre tract of land conveyed to Kerry Conaway, Jr., by instrument recorded in Document No. 2006005509 of said Official Public Records and a called 10.51-acre tract of land conveyed to Darral Henderson and Elaine Henderson by instrument recorded in Document No. 2006032860 of said Official Public Records, a distance of 2053.57 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set, for the southwest corner of a called 60.99-acre tract of land

conveyed to Wayne E. Cavalier and Cyndi Pietan Cavalier, by instrument recorded in Document No. 2012099245 of said Official Public Records, for the northwest corner hereof;

THENCE N 68°48'58" E, with the south boundary line of said 60.99-acre tract, same being the north boundary line of said 60.57-acre tract, a distance of 1286.98 feet to the POINT OF BEGINNING and containing 59.891 acres of land in Williamson County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers, Inc. under Job No. 51303-00.

TRACT 2:

A 110.720 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS. BEING ALL OF A CALLED 113 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 486, PAGE 442 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, A 110.720 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION NO. 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS. BEING ALL OF A CALLED 113 ACRE TRACT CONVEYED TO LETTS FAMILY TRUST BY INSTRUMENT RECORDED IN VOLUME 486, PAGE 442 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, SAID 110.720 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.:

BEGINNING at a 1/2" iron rod with yellow cap marked "Pape-Dawson" set in the east right-of-way line of County Road 308, said point being the northwest corner of a called 169.5 acre tract of land conveyed to R.D. Hopper and Margaret Hopper Letts by instrument recorded in Volume 478, Page 349 of said Deed Records, same being the southwest corner of said 113 acre tract, for the southeast corner and POINT OF BEGINNING hereof;

THENCE N 21°22'58" W, with the east right-of-way line of said County Road 308, same being the west boundary line of said 113-acre tract, a distance of 2048.33 feet to a 5/8" iron rod found for the southwest corner of a called 17.0 acre tract of land conveyed to Gertrude Ann Braband by instrument recorded in Document No. 2016033164 of the Official Public Records of said County, same being the northwest corner of said 113-acre tract, for the northwest corner hereof;

THENCE N 69°02'46" E, departing the east right-of-way line of said County Road 308, with the south boundary line of said 17.0 acre tract, same being the north boundary line of said 113 acre tract, for a distance of 1268.96 feet to a 5/8" iron rod found for the southeast corner of said 17.0 acre tract, same being an interior ell corner in said 113 acre tract, for an ell corner hereof;

THENCE N 21°00'19" W, with the east boundary line of said 17.0 acre tract, same being a west boundary line of said 113 acre tract, a distance of 582.80 feet to a 1/2" iron rod found for the southwest corner of a called 64.797 acre tract of land conveyed to Jose G. Garcia, by instrument recorded in

Document No. 2017005987 of said Official Public records, same being the southeast corner of called 10.789 acre tract of land conveyed to the Belinda Ramsey Living Trust, by instrument recorded in Document No. 2019022035 of said Official Public Records, same being the northeast corner of said 17.0 acre tract, also being the northernmost northwest corner of said 113 acre tract, for the northernmost northwest hereof;

THENCE N 68°21'45" E, with the south boundary line of said 64.797 acre tract, same being the north boundary line of said 113 acre tract, a distance of 993.87 feet to a 1/2" iron rod found being the northwest corner of a called 177.5 acre tract of land conveyed to Charles D. Tonn and Ronald D. Tonn by instrument recorded in Document No. 9601061 of said Official Public Records, same being the north east corner of said 113-acre tract, for the northeast corner hereof;

THENCE S 21°08'10" E, departing the south boundary line of said 64.797 acre tract, with the west boundary line of said 177.5 acre tract, same being the east boundary line of said 113 acre tract, a distance of 2244.92 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set in the north boundary line of said 169.5 acre tract, said point being the southwest corner of said 177.5 acre tract, same being the southeast corner of said 113 acre tract, for the southeast corner hereof;

THENCE with the north boundary line of said 169.5 acre tract, same being the south boundary line of said 113 acre tract, the following three (3) courses and distances:

1. S 68°41'10" W, a distance of 982.01 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof,
2. S 21°25'27" E, a distance of 386.24 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof, and
3. S 68°47'37" W, a distance of 1275.22 feet to the POINT OF BEGINNING and containing 110.720 acres of land in Williamson County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers, Inc. under Job No. 51303-00.

TRACT 3:

A 172.890 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS, BEING ALL OF A CALLED 169.5 ACRE TRACT CONVEYED TO R.D. HOPPER AND MARGARET HOPPER LETT BY A 172.890 ACRE TRACT OF LAND SITUATED IN THE ELISHA DAVIS SURVEY, SECTION 23, ABSTRACT NO. 172, IN WILLIAMSON COUNTY, TEXAS. BEING ALL OF A CALLED 169.5 ACRE TRACT CONVEYED TO R.D. HOPPER AND MARGARET HOPPER LETT BY INSTRUMENT RECORDED IN VOLUME 478, PAGE 349 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS. SAID 172.890 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE FROM THE NORTH AMERICAN DATUM OF 1983 NAD 83 (NA2011) EPOCH 2010.00.:

COMMENCING at a 60D nail found in the north right-of-way line of County Road 305, same being the southeast corner of a called 0.58 acre tract of land conveyed to Dewey Roger Blackman by instrument recorded in Volume 742, Page 777 of said Deed Records, also being the southwest corner of a called 47.5 acre tract recorded in Volume 734, Page 931 of said Deed Records;

THENCE S 68°58'06" W, departing the west boundary line of said 47.5 acre tract, with the north right-of-way line of said County Road 305, same being the south boundary line of said 0.58 acre tract, a distance of 110.09 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set on the southwest corner of said 0.58 acre tract, same being the southeast corner of said 169.5 acre tract, for the southeast corner and POINT OF BEGINNING hereof;

THENCE S 68°58'06" W, continuing with the north right-of-way line of said County Road 305, and in part, crossing through the right-of-way of County Road 308, same being the south boundary line of said 169.5-acre tract, a distance of 3188.95 feet to an 1/2" iron rod with yellow cap marked "Pape-Dawson" set for the southwest corner hereof;

THENCE N 21°05'48" W, with the west boundary line of said 169.5-acre tract, and in part, crossing through the right-of-way of said County Road 308, a distance of 2071.04 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set, being the southwest corner of a called 113 acre tract of land conveyed to the Letts Family Trust, by instrument recorded in Volume 486, Page 442 of said deed records, same being the northwest corner of said 169.5-acre tract, for the northwest corner hereof, from which a 5/8" iron rod found for the northwest corner of said 113 acre tract bears N 21°22'58" W, 2048.33 feet;

THENCE departing the east right-of-way line of said County Road 308, with, in part, the south boundary line of said 113-acre tract and, in part, the south boundary line of a called 177.5 acre tract of land conveyed to Charles D. Tonn and Ronald D. Tonn by instrument recorded in Document No. 9601061 of the Official Public Records of said County, same being the north boundary line of said 169.5-acre tract, the following three (3) courses and distances:

1. N 68°47'37" E, a distance of 1275.22 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof,
2. N 21°25'27" W, a distance of 386.24 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set for an angle point hereof, and
3. N 68°41'10" E, a distance of 2332.32 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set being the northeast corner of said 169.5-acre tract, for the northeast corner hereof;

THENCE S 22°06'37" E, with the south boundary line of said 177.5-acre tract, same being the east boundary line of said 169.5-acre tract, a distance of 392.10 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set in the north boundary line of a called 50-acre tract of land conveyed to Cheryl A. Chamberlain, by instrument recorded in Document No. 2013019239 of the Official Public Records of said County, same being an angle point in the east boundary line of said 169.5-acre tract, for an angle point hereof;

THENCE S 68°53'39" W, with the north boundary line of said 50-acre tract, same being the east boundary line of said 169.5-acre tract, a distance of 419.61 feet to a 1/2" iron rod with yellow cap marked "Pape-Dawson" set, being the northwest corner of said 50-acre tract, same being an angle point in the east boundary line of said 169.5-acre tract, for an angle point hereof;

THENCE S 20°59'42" E, with, in part, the west boundary line of said 50-acre tract and, in part, the west boundary line of a called 47.5 acre tract of land conveyed to D.C. Blackman, by instrument recorded in Volume 734, Page 931 of said Deed Records and, in part, the west boundary line of the aforementioned 0.58-acre tract, same being the east boundary line of said 169.5-acre tract, a distance of 2080.08 feet to the POINT OF BEGINNING and containing 172.890 acres of land in Williamson County, Texas. Said tract being described in accordance with a survey prepared by Pape Dawson Engineers, Inc. under Job No. 51303-00.

(c) If the Act enacting this section does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8010A, Special District Local Laws Code, as added by Subsection (a) of this section, is amended by adding Section 8010A.0306 to read as follows:

Sec. 8010A.0306. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(d) Subsection (c) of this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 7. (a) The heading to Chapter 8221, Special District Local Laws Code, is amended to read as follows:

CHAPTER 8221. WILLIAMSON COUNTY [3-D&J] MUNICIPAL UTILITY DISTRICT NO. 51

(b) Section 8221.001(3), Special District Local Laws Code, is amended to read as follows:

(3) "District" means the Williamson County [3-D&J] Municipal Utility District No. 51.

(c) Section 8221.202, Special District Local Laws Code, is amended to read as follows:

Sec. 8221.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued,[-

(1)] the board shall provide for the annual imposition of [impose] a continuing direct annual ad valorem tax, without limit to the rate or amount of the tax while all or part of the bonds are outstanding as provided by Sections 54.601 and 54.602, Water Code [at a rate not to exceed the rate approved at an election held under Section 8221.151, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

~~[(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and~~

~~[(C) pay the expenses of imposing the taxes].~~

(d) The Williamson County Municipal Utility District No. 51 retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

(e) The legislature validates and confirms all governmental acts and proceedings of the Williamson County Municipal Utility District No. 51 that were taken before the effective date of this Act.

(f) The legislature validates and confirms all governmental acts and proceedings relating to the creation and the consent to the creation of the Williamson County Municipal Utility District No. 51.

(g) Subsections (e) and (f) of this section do not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

SECTION 8. Sections 8221.003(b), 8221.105, 8221.106, 8221.107, and 8221.108, Special District Local Laws Code, are repealed.

SECTION 9. (a) The legal notice of the intention to file bills creating or affecting each district described by this Act, as applicable, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and a copy of a bill to create or affect each applicable district described by this Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to each bill to create or affect each applicable district described by this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of each bill to create or affect each applicable district described by this Act are fulfilled and accomplished.

SECTION 10. (a) Chapter 175, Local Government Code, as amended by this Act, applies according to its terms to all eligible persons who leave employment with a township on or after January 1, 2024.

(b) A township that is required by Chapter 175, Local Government Code, as amended by this Act, to provide continued health benefits coverage but that is not allowed to provide the coverage under the terms of the township's existing group health plan shall ensure that the required continued health benefits coverage is

provided for in any new plan that is adopted by the township on or after January 1, 2024, unless the township is exempted under Section 175.007, Local Government Code.

SECTION 11. (a) Except as provided by Subsection (b) of this section, this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

(b) Sections 1 and 10 of this Act take effect September 1, 2023.

Representative C. Bell moved to adopt the conference committee report on **HB 5344**.

The motion to adopt the conference committee report on **HB 5344** prevailed by (Record 2243): 119 Yeas, 21 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Gámez; Geren; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hefner; Hernandez; Hinojosa; Holland; Howard; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Ordaz; Orr; Ortega; Perez; Plesa; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schatzline; Schofield; Sherman; Shine; Smith; Smithee; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Toth; Turner; VanDeaver; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Cain; Gates; Gerdes; González, J.; Harrison; Hayes; Hull; Landgraf; Leo-Wilson; Noble; Oliverson; Patterson; Paul; Price; Schaefer; Slawson; Spiller; Swanson; Tinderholt; Troxclair; Vasut.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Frank; Gervin-Hawkins; Stucky.

STATEMENT OF VOTE

When Record No. 2243 was taken, I was shown voting yes. I intended to vote no.

Holland

SB 2315 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Clardy submitted the conference committee report on **SB 2315**.

Representative Clardy moved to adopt the conference committee report on **SB 2315**.

The motion to adopt the conference committee report on **SB 2315** prevailed by (Record 2244): 101 Yeas, 36 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Bowers; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Capriglione; Clardy; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Gámez; Gates; Gerdes; Geren; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hefner; Holland; Hull; Hunter; Isaac; Jetton; Johnson, A.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Morales, C.; Morales, E.; Morrison; Muñoz; Murr; Noble; Patterson; Paul; Perez; Plesa; Price; Raymond; Rogers; Romero; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Walle; Wilson.

Nays — Anchía; Bernal; Bryant; Bucy; Canales; Cole; Davis; Dutton; Flores; González, J.; González, M.; Goodwin; Hayes; Hernandez; Hinojosa; Howard; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Moody; Morales Shaw; Neave Criado; Oliverson; Ordaz; Ortega; Ramos; Raney; Reynolds; Rose; Rosenthal; Talarico; Turner; Vo; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Bhojani; Campos; Frank; Gervin-Hawkins; Lambert; Orr.

STATEMENTS OF VOTE

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

Allen

When Record No. 2244 was taken, I was in the house but away from my desk. I would have voted yes.

Bhojani

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

Bowers

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

Collier

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

A. Johnson

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

Manuel

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

Martinez Fischer

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

Plesa

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

Sherman

When Record No. 2244 was taken, I was shown voting yes. I intended to vote no.

Thierry

HR 2466 - ADOPTED
(by Ashby)

The following privileged resolution was laid before the house:

HR 2466

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 9** (the development and funding of broadband and telecommunications services) to consider and take action on the following matter:

House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTIONS 3(a), (c), and (d) of the bill to read as follows:

(a) The comptroller of public accounts shall make a one-time transfer in the amount of \$155,200,000 from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution, to the next generation 9-1-1 service fund established under Section 771.0713, Health and Safety Code.

(c) Notwithstanding Section 5, Chapter 10 (**SB 8**), Acts of the 87th Legislature, 3rd Called Session, 2021, the comptroller of public accounts may not use funds appropriated under that section to support the Texas Broadband Pole Replacement Program established under Section 403.503, Government Code, as added by Chapter 659 (**HB 1505**), Acts of the 87th Legislature, Regular Session, 2021, after the effective date of this Act.

(d) The comptroller of public accounts shall transfer the amounts described by Subsections (a) and (b) of this section not later than September 15, 2024.

Explanation: The added text would require the comptroller of public accounts to make a one-time transfer from the broadband infrastructure fund to the next generation 9-1-1 service fund, prohibit the use of certain appropriated money in the Texas Broadband Pole Replacement Program after the effective date of the bill, and provide that the one-time transfers of money required by the bill be made not later than September 15, 2024.

HR 2466 was adopted by (Record 2245): 139 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Harrison; Toth.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Gervin-Hawkins; Leo-Wilson.

HB 9 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Ashby submitted the following conference committee report on **HB 9**:

Austin, Texas, May 25, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 9** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
Bettencourt
Campbell
Hinojosa
Nichols

Ashby
Price
Harless
Rose
Hernandez
On the part of the house

HB 9, A bill to be entitled An Act relating to the development and funding of broadband and telecommunications services.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 403, Government Code, is amended by adding Subchapter T to read as follows:

SUBCHAPTER T. TEXAS BROADBAND INFRASTRUCTURE FUND

Sec. 403.601. DEFINITIONS. In this subchapter:

(1) "Broadband Equity, Access, and Deployment Program" means the federal Broadband Equity, Access, and Deployment Program established by the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58).

(2) "Fund" means the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution.

(3) "Next generation 9-1-1 service fund" means the fund established under Section 771.0713, Health and Safety Code.

Sec. 403.602. LEGISLATIVE FINDINGS; PUBLIC PURPOSE. The legislature finds that:

(1) the creation of the fund will meet an imperative public need and serve the economic, educational, and health care needs of this state; and

(2) the use of the fund is in furtherance of the public purpose of expanding and ensuring access to reliable, high-speed broadband and telecommunications connectivity.

Sec. 403.603. BROADBAND INFRASTRUCTURE FUND. (a) The broadband infrastructure fund is a special fund in the state treasury outside the general revenue fund. The fund consists of:

(1) money transferred or deposited to the credit of the fund by the constitution, general law, or the General Appropriations Act;

(2) revenue that the legislature by general law dedicates for deposit to the credit of the fund;

(3) investment earnings and interest earned on money in the fund; and

(4) gifts, grants, and donations to the fund.

(b) The fund shall be administered by the comptroller who may use money from the fund for any purpose authorized by Subsection (c).

(c) The fund may be used only for:

(1) a purpose described by Chapter 490I;

(2) providing funding for 9-1-1 and next generation 9-1-1 services under Chapter 771, Health and Safety Code;

(3) supporting the deployment of next generation 9-1-1 service, including its costs of equipment, operations, and administration, as provided by Section 771.0713, Health and Safety Code;

(4) supporting the Texas Broadband Pole Replacement Program established under Section 403.503, as added by Chapter 659 (HB 1505), Acts of the 87th Legislature, Regular Session, 2021;

(5) providing matching funds for federal money provided for the Broadband Equity, Access, and Deployment Program;

(6) expanding access to broadband service in economically distressed communities to support increased connectivity needs in those areas; and

(7) administering and enforcing this subchapter.

(d) For the purposes of Subsection (c)(5), the comptroller:

(1) shall consider an applicant's potential contribution toward matching the funds for federal money provided for the Broadband Equity, Access, and Deployment Program; and

(2) may only provide state matching funds if a state contribution is necessary for the economic feasibility of a proposed project.

Sec. 403.604. MANAGEMENT AND INVESTMENT OF FUND. (a) In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b) The trust company shall hold and invest the fund, and any accounts established in the fund, for the comptroller, taking into account the purposes for which money in the fund may be used. The fund may be invested with the state treasury pool and may be pooled with other state assets for purposes of investment.

(c) The overall objective for the investment of the fund is to maintain sufficient liquidity to meet the needs of the fund while striving to preserve the purchasing power of the fund over a full economic cycle.

(d) In managing the assets of the fund, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all the assets of the fund rather than a single investment.

(e) The trust company shall recover the costs incurred in managing and investing the fund only from the fund.

(f) The trust company annually shall provide a written report to the comptroller with respect to the investments of the fund.

(g) The trust company shall adopt a written investment policy that is appropriate for the fund. The trust company shall present the investment policy to the investment advisory board established under Section 404.028. The investment advisory board shall submit to the trust company recommendations regarding the policy.

(h) The comptroller annually shall provide to the trust company a forecast of the cash flows into and out of the fund. The comptroller shall provide updates to the forecasts as appropriate to ensure that the trust company is able to achieve the fund's objective specified by Subsection (c).

(i) The trust company shall disburse money from the fund as directed by the comptroller.

Sec. 403.605. RULEMAKING. The comptroller may adopt rules as necessary to administer this subchapter.

SECTION 2. Section 403.502, Government Code, as added by Chapter 659 (HB 1505), Acts of the 87th Legislature, Regular Session, 2021, is amended by adding Subsection (b-1) to read as follows:

(b-1) In addition to the money transferred under Subsection (b), the comptroller may transfer to the credit of the pole replacement fund an available amount from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution.

SECTION 3. (a) The comptroller of public accounts shall make a one-time transfer in the amount of \$155,200,000 from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution, to the next generation 9-1-1 service fund established under Section 771.0713, Health and Safety Code.

(b) The comptroller of public accounts shall make a one-time transfer in the amount of \$75 million from the broadband infrastructure fund established under Section 49-d-16, Article III, Texas Constitution, to the broadband pole replacement fund established under Section 403.502, Government Code, as added by Chapter 659 (HB 1505), Acts of the 87th Legislature, Regular Session, 2021.

(c) Notwithstanding Section 5, Chapter 10 (SB 8), Acts of the 87th Legislature, 3rd Called Session, 2021, the comptroller of public accounts may not use funds appropriated under that section to support the Texas Broadband Pole Replacement Program established under Section 403.503, Government Code, as added by Chapter 659 (HB 1505), Acts of the 87th Legislature, Regular Session, 2021, after the effective date of this Act.

(d) The comptroller of public accounts shall transfer the amounts described by Subsections (a) and (b) of this section not later than September 15, 2024.

SECTION 4. This Act takes effect January 1, 2024, if the constitutional amendment proposed by the 88th Legislature, Regular Session, 2023, creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects in the state takes effect. If that amendment is not approved by the voters, this Act has no effect.

Representative Ashby moved to adopt the conference committee report on **HB 9**.

The motion to adopt the conference committee report on **HB 9** prevailed by (Record 2246): 134 Yeas, 8 Nays, 2 Present, not voting.

Yeas — Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook;

Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Cain; Harrison; Leo-Wilson; Schaefer; Schatzline; Swanson; Tinderholt; Toth.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Allen.

(Speaker in the chair)

HR 2473 - ADOPTED
(by T. King)

The following privileged resolution was laid before the house:

HR 2473

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SJR 75** (proposing a constitutional amendment creating the Texas water fund to assist in financing water projects in this state) to consider and take action on the following matters:

(1) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change, alter, or amend text not in disagreement and add text on a matter not in disagreement in proposed SECTION 1 of the resolution, by including in added Section 49-d-16(a), Article III, Texas Constitution, text that reads as follows:

The legislature may appropriate money for the purpose of depositing the money to the fund to be available for transfer as provided by Subsection (b) of this section.

Explanation: The change is necessary to clarify that money may be appropriated to the Texas water fund.

(2) House Rule 13, Sections 9(a)(1) and (3), are suspended to permit the committee to change, alter, or amend text not in disagreement and add text on a matter not in disagreement in proposed SECTION 1 of the resolution, by including in added Section 49-d-16(b), Article III, Texas Constitution, text that reads as follows:

, including the transfer of money from the fund to or the restoration of the money from:

- (1) the Water Assistance Fund No. 480;
- (2) the New Water Supply for Texas Fund;
- (3) the Rural Water Assistance Fund No. 301; or
- (4) the Statewide Water Public Awareness Account.

Explanation: The change is necessary to clarify that money in the Texas water fund may be transferred to or restored from certain other funds.

(3) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the resolution in proposed SECTION 1 of the resolution, by adding Section 49-d-16(e), Article III, Texas Constitution, to read as follows:

(e) Of the amount of money initially appropriated to the Texas water fund, the administrator of the fund shall allocate not less than 25 percent to be used only for transfer to the New Water Supply for Texas Fund.

Explanation: The change is necessary to clarify the purposes for which money in the Texas water fund may be used.

(4) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the resolution in proposed SECTION 1 of the resolution, by adding Section 49-d-16(h), Article III, Texas Constitution, to read as follows:

(h) Any unexpended and unobligated balance remaining in the Texas water fund at the end of a state fiscal biennium is appropriated to the administrator of that fund for the following state fiscal biennium for the purposes authorized by this section.

Explanation: The change is necessary to clarify that unexpended and unobligated money in the Texas water fund must remain in that fund until transferred by the administrator of that fund.

HR 2473 was adopted by (Record 2247): 142 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lozano; Lujan; Manuel; Martinez; Metcalf; Meyer; Meza; Moody; Morales, C.;

Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Lopez, R.; Martinez Fischer.

SJR 75 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative T. King submitted the conference committee report on **SJR 75**.

Representative T. King moved to adopt the conference committee report on **SJR 75**.

The motion to adopt the conference committee report on **SJR 75** prevailed by (Record 2248): 142 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lozano; Lujan; Manuel; Martinez; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Lopez, R.; Martinez Fischer.

MESSAGES FROM THE SENATE

Messages from the senate were received at this time (see the addendum to the daily journal, Messages from the Senate, Message Nos. 6 and 7).

COMMITTEE MEETING ANNOUNCEMENT

At 6:51 p.m., the following committee meeting was announced:

General Investigating, 7 p.m. today, E2.010, for a formal meeting, to consider pending, referred, and committee business.

LEAVES OF ABSENCE GRANTED

Pursuant to a previous motion, the following members were granted leaves of absence temporarily for today to attend a meeting of the Committee on General Investigating:

Murr on motion of Metcalf.

A. Johnson on motion of Metcalf.

Geren on motion of Metcalf.

Spiller on motion of Metcalf.

HR 2471 - ADOPTED

(by Ashby)

The following privileged resolution was laid before the house:

HR 2471

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HJR 125** (creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects) to consider and take action on the following matter:

House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter not included in either the house or senate version of the joint resolution in proposed SECTION 1 of the joint resolution, by adding Section 49-d-16(f), Article III, Texas Constitution, to read as follows:

(f) The comptroller may transfer money from the fund to another fund as provided by general law. The state agency that administers the fund to which the money is transferred as authorized by this subsection may use the money without further appropriation only for the expansion of access to and adoption of broadband and telecommunications services as provided by general law.

Explanation: The added text would enable the comptroller of public accounts to transfer money from the broadband infrastructure fund to another fund, authorizing the state agency administering the fund to which the money is transferred to use it only for the expansion of access to and adoption of broadband and telecommunications services.

HR 2471 was adopted by (Record 2249): 131 Yeas, 8 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Harrison; Leo-Wilson; Patterson; Schaefer; Schatzline; Swanson; Tinderholt; Toth.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren; Johnson, A.; Murr; Spiller.

Absent — Martinez Fischer.

STATEMENT OF VOTE

When Record No. 2249 was taken, I was shown voting yes. I intended to vote no.

Cain

HJR 125 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Ashby submitted the following conference committee report on **HJR 125**:

Austin, Texas, May 25, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HJR 125** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
Bettencourt
Campbell

Ashby
Hunter
Geren

Hinojosa
Nichols
On the part of the senate

Rose
Longoria
On the part of the house

HJR 125, A joint resolution proposing a constitutional amendment creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article III, Texas Constitution, is amended by adding Section 49-d-16 to read as follows:

Sec. 49-d-16. (a) In this section:

(1) "Comptroller" means the comptroller of public accounts of the State of Texas or its successor.

(2) "Fund" means the broadband infrastructure fund.

(b) The broadband infrastructure fund is created as a special fund in the state treasury outside the general revenue fund.

(c) The fund consists of:

(1) money transferred or deposited to the credit of the fund by this constitution, general law, or the General Appropriations Act;

(2) revenue that the legislature by general law dedicates for deposit to the credit of the fund;

(3) investment earnings and interest earned on money in the fund; and

(4) gifts, grants, and donations to the fund.

(d) Money in the fund shall be administered by the comptroller. Money from the fund may be used, without further appropriation, only for the expansion of access to and adoption of broadband and telecommunications services, including:

(1) the development, construction, reconstruction, and expansion of broadband and telecommunications infrastructure or services;

(2) the operation of broadband and telecommunications infrastructure;

(3) the provision of broadband and telecommunications services; and

(4) the reasonable expenses of administering and managing the investments of the fund.

(e) The legislature by general law shall provide for the manner in which the assets of the fund may be used, subject to the limitations of this section. Money in the fund may be used in conjunction with other funds or financial resources, including money from the federal government, in accordance with procedures, standards, and limitations established by federal law and general law of this state.

(f) The comptroller may transfer money from the fund to another fund as provided by general law. The state agency that administers the fund to which the money is transferred as authorized by this subsection may use the money without further appropriation only for the expansion of access to and adoption of broadband and telecommunications services as provided by general law.

(g) Unless extended by adoption of a concurrent resolution approved by a record vote of two-thirds of the members of each house of the legislature, this section expires on September 1, 2035. A resolution suspends the expiration of this section until September 1 of the 10th year following the adoption of the resolution.

(h) Immediately before the expiration of this section, the comptroller shall transfer any unexpended and unobligated balance remaining in the fund to the general revenue fund.

(i) For purposes of Section 22, Article VIII, of this constitution:

(1) money in the fund is dedicated by this constitution; and

(2) an appropriation of state tax revenues for the purpose of depositing money to the credit of the fund is treated as if it were an appropriation of revenues dedicated by this constitution.

SECTION 2. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the amendment to Article III of this constitution as proposed by the 88th Legislature, Regular Session, 2023, creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects.

(b) The change made to Article III of this constitution by the amendment described in Subsection (a) of this section takes effect January 1, 2024.

(c) This temporary provision expires January 1, 2025.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 7, 2023. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment creating the broadband infrastructure fund to expand high-speed broadband access and assist in the financing of connectivity projects."

Representative Ashby moved to adopt the conference committee report on **HJR 125**.

The motion to adopt the conference committee report on **HJR 125** prevailed by (Record 2250): 128 Yeas, 10 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Jetton; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Neave Criado; Noble; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal;

Schofield; Sherman; Shine; Slawson; Smith; Smithee; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; Turner; VanDeaver; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Harrison; Isaac; Leo-Wilson; Oliverson; Patterson; Schaefer; Schatzline; Swanson; Tinderholt; Toth.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren; Johnson, A.; Murr; Spiller.

Absent — Bonnen; Vasut.

STATEMENTS OF VOTE

When Record No. 2250 was taken, I was shown voting no. I intended to vote yes.

Isaac

When Record No. 2250 was taken, my vote failed to register. I would have voted yes.

Vasut

(Goldman in the chair)

HB 3474 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Leach submitted the following conference committee report on **HB 3474**:

Austin, Texas, May 26, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3474** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Hughes
Creighton
Hancock
Huffman
West

On the part of the senate

Leach
Vasut
Moody
J.E. Johnson
Murr

On the part of the house

HB 3474, A bill to be entitled An Act relating to the operation and administration of and practices and procedures regarding proceedings in the judicial branch of state government, including the service of process and delivery of documents related to the proceedings, the administration of oaths, and the

management of the Texas Indigent Defense Commission, and the composition of certain juvenile boards; establishing a civil penalty; increasing certain court costs; authorizing fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. APPELLATE AND DISTRICT COURTS

SECTION 1.001. Subchapter D, Chapter 22, Government Code, is amended by adding Section 22.3015 to read as follows:

Sec. 22.3015. EXPENSES OF APPELLATE COURT JUDGE OR JUSTICE. (a) A justice of the supreme court, a judge of the court of criminal appeals, or a justice of a court of appeals engaged in the discharge of official duties in a county other than the justice's or judge's county of residence is entitled to traveling and other necessary expenses, as provided by Chapter 660.

(b) A justice of the supreme court, a judge of the court of criminal appeals, or a justice of a court of appeals is entitled to receive from the state the actual and necessary postage, telegraph, and telephone expenses incurred in the discharge of official duties.

(c) The expenses shall be paid by the state on a sworn itemized account showing the expenses.

SECTION 1.002. Section 24.392, Government Code, is amended by amending Subsections (b) and (c) and adding Subsection (d) to read as follows:

(b) The 213th District Court shall give preference to criminal cases.

(c) The terms of the 213th District Court begin on the first Mondays in January, April, July, and October.

(d) ~~(e)~~ In addition to other jurisdiction provided by law, the 213th District Court has concurrent original jurisdiction with the county criminal courts in Tarrant County over misdemeanor cases.

SECTION 1.003. Section 24.516, Government Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) The terms of the 371st District Court begin on the first Mondays in January, April, July, and October.

(d) In addition to other jurisdiction provided by law, the 371st District Court has concurrent original jurisdiction with the county criminal courts in Tarrant County over misdemeanor cases.

SECTION 1.004. Section 24.517, Government Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) The terms of the 372nd District Court begin on the first Mondays in January, April, July, and October.

(d) In addition to other jurisdiction provided by law, the 372nd District Court has concurrent original jurisdiction with the county criminal courts in Tarrant County over misdemeanor cases.

SECTION 1.005. Section 24.541, Government Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) The terms of the 396th District Court begin on the first Mondays in January, April, July, and October.

(d) In addition to other jurisdiction provided by law, the 396th District Court has concurrent original jurisdiction with the county criminal courts and the justice courts in Tarrant County over misdemeanor cases.

SECTION 1.006. (a) Section 24.553, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The 411th District Court has concurrent jurisdiction in Polk County with the county court over all misdemeanor cases over which the county court has jurisdiction under the constitution and laws of this state. Cases in the concurrent misdemeanor jurisdiction may be filed in either court, and all cases of concurrent misdemeanor jurisdiction may be transferred between the 411th District Court and the county court. A case may not be transferred from one court to another without the consent of the judge of the court to which it is transferred, and a case may not be transferred unless it is within the jurisdiction of the court to which it is transferred.

(b) Section 24.553, Government Code, as amended by this article, applies only to a case filed or proceeding commenced on or after September 1, 2023. A case filed or proceeding commenced before September 1, 2023, is governed by the law in effect on the date the case was filed or the proceeding was commenced, and the former law is continued in effect for that purpose.

SECTION 1.007. Section 24.576, Government Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) The terms of the 432nd District Court begin on the first Mondays in January, April, July, and October.

(d) In addition to other jurisdiction provided by law, the 432nd District Court has concurrent original jurisdiction with the county criminal courts in Tarrant County over misdemeanor cases.

SECTION 1.008. Section 24.591, Government Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) Notwithstanding Section 24.030, a district court in Kendall County may sit outside the county seat in a suitable facility designated by the Kendall County Commissioners Court as an auxiliary court facility, as provided by Section 292.031, Local Government Code.

(e) A district court in Kendall County sitting in an auxiliary court facility designated by the Kendall County Commissioners Court may hear motions, arguments, nonjury trials, and jury trials for all actions and any other matter before the court and within the court's jurisdiction.

SECTION 1.009. (a) Effective January 1, 2025, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.600201 to read as follows:

Sec. 24.600201. 477TH JUDICIAL DISTRICT (DENTON COUNTY). The 477th Judicial District is composed of Denton County.

(b) The 477th Judicial District is created on January 1, 2025.

SECTION 1.010. Section 24.60030, Government Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) The terms of the 485th District Court begin on the first Mondays in January, April, July, and October.

(d) In addition to other jurisdiction provided by law, the 485th District Court has concurrent original jurisdiction with the county criminal courts in Tarrant County over misdemeanor cases.

SECTION 1.011. (a) Effective October 1, 2023, Subchapter C, Chapter 24, Government Code, is amended by adding Sections 24.60031, 24.60032, and 24.60033 to read as follows:

Sec. 24.60031. 486TH JUDICIAL DISTRICT (HARRIS COUNTY). (a) The 486th Judicial District is composed of Harris County.

(b) The 486th District Court shall give preference to criminal cases.

Sec. 24.60032. 487TH JUDICIAL DISTRICT (HARRIS COUNTY). (a) The 487th Judicial District is composed of Harris County.

(b) The 487th District Court shall give preference to criminal cases.

Sec. 24.60033. 488TH JUDICIAL DISTRICT (HARRIS COUNTY). (a) The 488th Judicial District is composed of Harris County.

(b) The 488th District Court shall give preference to criminal cases.

(b) The 486th, 487th, and 488th Judicial Districts are created on October 1, 2023.

SECTION 1.012. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.60034 to read as follows:

Sec. 24.60034. 489TH JUDICIAL DISTRICT (KAUFMAN COUNTY). The 489th Judicial District is composed of Kaufman County.

(b) The 489th Judicial District is created on September 1, 2023.

SECTION 1.013. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.60038 to read as follows:

Sec. 24.60038. 493RD JUDICIAL DISTRICT (COLLIN COUNTY). (a) The 493rd Judicial District is composed of Collin County.

(b) The 493rd District Court shall give preference to civil cases.

(b) The 493rd Judicial District is created on September 1, 2023.

SECTION 1.014. (a) Effective September 1, 2024, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.60039 to read as follows:

Sec. 24.60039. 494TH JUDICIAL DISTRICT (COLLIN COUNTY). (a) The 494th Judicial District is composed of Collin County.

(b) The 494th District Court shall give preference to family law matters.

(b) The 494th Judicial District is created on September 1, 2024.

SECTION 1.015. (a) Effective October 1, 2024, Subchapter C, Chapter 24, Government Code, is amended by adding Sections 24.60040, 24.60041, and 24.60042 to read as follows:

Sec. 24.60040. 495TH JUDICIAL DISTRICT (HARRIS COUNTY). (a) The 495th Judicial District is composed of Harris County.

(b) The 495th District Court shall give preference to criminal cases.

Sec. 24.60041. 496TH JUDICIAL DISTRICT (HARRIS COUNTY). (a) The 496th Judicial District is composed of Harris County.

(b) The 496th District Court shall give preference to criminal cases.

Sec. 24.60042. 497TH JUDICIAL DISTRICT (HARRIS COUNTY). (a) The 497th Judicial District is composed of Harris County.

(b) The 497th District Court shall give preference to criminal cases.

(b) The 495th, 496th, and 497th Judicial Districts are created on October 1, 2024.

SECTION 1.016. (a) Effective October 1, 2025, Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.60043 to read as follows:

Sec. 24.60043. 498TH JUDICIAL DISTRICT (KENDALL COUNTY). (a) The 498th Judicial District is composed of Kendall County.

(b) This section applies to all district courts in Kendall County.

(c) In addition to the other jurisdiction provided by law, the 498th District Court has concurrent jurisdiction with the other district courts in Kendall County and with the County Court of Kendall County in all civil and criminal matters over which the county court has original or appellate jurisdiction, including probate matters and proceedings under Subtitle C, Title 7, Health and Safety Code.

(d) All civil and criminal matters within the concurrent jurisdiction of the county and district courts must be filed with the county clerk in the county court. The county clerk serves as the clerk of the district court for those matters.

(e) Notwithstanding Section 24.030, a district court in Kendall County may sit outside the county seat in a suitable facility designated by the Kendall County Commissioners Court as an auxiliary court facility, as provided by Section 292.031, Local Government Code.

(f) A district court in Kendall County sitting in an auxiliary court facility designated by the Kendall County Commissioners Court may hear motions, arguments, nonjury trials, and jury trials for all actions and any other matter before the court and within the court's jurisdiction.

(b) The 498th Judicial District is created on October 1, 2025.

SECTION 1.017. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.6009 to read as follows:

Sec. 24.6009. 465TH JUDICIAL DISTRICT (BASTROP COUNTY). The 465th Judicial District is composed of Bastrop County.

(b) The 465th Judicial District is created on September 1, 2023.

SECTION 1.018. (a) Subchapter C, Chapter 24, Government Code, is amended by adding Section 24.60095 to read as follows:

Sec. 24.60095. 472ND JUDICIAL DISTRICT (BRAZOS COUNTY). (a) The 472nd Judicial District is composed of Brazos County.

(b) The 472nd District Court has primary responsibility for cases involving civil matters, family law matters, and juvenile matters.

(b) The 472nd Judicial District is created on September 1, 2023.

SECTION 1.019. (a) Section 24.910, Government Code, is amended by adding Subsection (a-1) and amending Subsections (b), (c), and (e) to read as follows:

(a-1) Subchapter C applies to the Tarrant County Criminal District Court No. 1.

(b) This section applies to the Tarrant County Criminal District Courts Nos. 1, 2, ~~and~~ 3, and 4.

(c) The criminal district courts have jurisdiction of criminal cases within the jurisdiction of a district court. The criminal district courts also have concurrent original jurisdiction with the county criminal courts in Tarrant County over misdemeanor cases. The criminal district courts do not have appellate misdemeanor jurisdiction.

(e) The judge of each criminal district court or county criminal court may, on motion of the judge or the criminal district attorney, transfer misdemeanor cases between the courts by an order entered in the minutes of the transferor [~~transferring~~] court. The clerk of the transferor [~~transferring~~] court shall certify the style and number of the case to the clerk of the transferee court [~~to which it is transferred~~] and include the papers of the case with the certification. The [~~receiving~~] clerk of the transferee court shall promptly docket the transferred case. The transferee [~~receiving~~] court shall dispose of the case as if it had been originally instituted in that court.

(b) Section 24.910(f), Government Code, is repealed.

SECTION 1.020. Section 24.911, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Subchapter C applies to the Tarrant County Criminal District Court No. 2.

SECTION 1.021. Section 24.912, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Subchapter C applies to the Tarrant County Criminal District Court No. 3.

SECTION 1.022. (a) The heading to Section 24.913, Government Code, is amended to read as follows:

Sec. 24.913. TARRANT COUNTY CRIMINAL JUDICIAL DISTRICT NO. 4 [~~OF TARRANT COUNTY~~].

(b) Section 24.913, Government Code, is amended by amending Subsections (a) and (d) and adding Subsection (d-1) to read as follows:

(a) The Tarrant County Criminal Judicial District No. 4 [~~of Tarrant County~~] is composed of Tarrant County.

(d) Subchapter C applies to the Tarrant County Criminal District Court No. 4 [~~of Tarrant County~~].

(d-1) Section 24.910, relating to the Tarrant County Criminal District Court No. 1, contains provisions applicable to both that court and the Tarrant County Criminal District Court No. 4.

(c) Sections 24.913(b), (c), and (e), Government Code, are repealed.

SECTION 1.023. Subchapter C, Chapter 72, Government Code, is amended by adding Section 72.039 to read as follows:

Sec. 72.039. DISTRICT COURT CASELOAD ANALYSIS. (a) In this section:

(1) "Clearance rate" has the meaning assigned by Section 72.083.

(2) "Judicial officer" means a district judge or an associate judge, master, magistrate, or referee who conducts proceedings for district courts.

(b) The office at least once every two years shall conduct a district court caseload analysis. The analysis must concentrate on the weighted caseload of the district courts in the 30 most populous counties in this state, considering the nature and complexity of cases heard by each court, and include the following information, disaggregated by county:

(1) the number of cases filed in each district court with jurisdiction in the county in each of the preceding five state fiscal years;

(2) the clearance rate for each district court with jurisdiction in the county in each of the preceding five state fiscal years;

(3) the number of estimated full-time equivalent judicial officers serving district courts in the county in the preceding state fiscal year;

(4) the number of full-time equivalent judicial officers needed to serve the district courts in the county based on the most recent weighted caseload analysis;

(5) the calendar year for creation of the most recently created district court in the county; and

(6) any other relevant information identified by the director.

(c) Not later than October 1 of each even-numbered year, the office shall report the results of the analysis conducted under Subsection (b) to the governor, the lieutenant governor, and each member of the legislature.

SECTION 1.024. Section 659.012(b), Government Code, is amended to read as follows:

(b) A judge or justice for whom the amount of a state base salary is prescribed by Subsection (a) is entitled to an annual salary from the state in the amount equal to:

(1) 110 percent of the state base salary paid in accordance with Subsection (a) for the judge's or justice's position, beginning with the pay period that begins after the judge or justice accrues four years of:

(A) contributing service credit in the Judicial Retirement System of Texas Plan One or the Judicial Retirement System of Texas Plan Two;

(B) service as a judge or a full-time associate judge of a district court, statutory county court, multicounty statutory county court, or statutory probate court or as a district attorney, criminal district attorney, or county attorney; or

(C) combined contributing service credit and service as provided by Paragraphs (A) and (B); and

(2) 120 percent of the state base salary paid in accordance with Subsection (a) for the judge's or justice's position, beginning with the pay period that begins after the judge or justice accrues eight years of:

(A) contributing service credit in the Judicial Retirement System of Texas Plan One or the Judicial Retirement System of Texas Plan Two;

(B) service as a judge or a full-time associate judge of a district court, statutory county court, multicounty statutory county court, or statutory probate court or as a district attorney, criminal district attorney, or county attorney; or

(C) combined contributing service credit and service as provided by Paragraphs (A) and (B).

ARTICLE 2. STATUTORY COUNTY COURTS

SECTION 2.001. Section 25.0005(a), Government Code, is amended to read as follows:

(a) A statutory county court judge, other than a statutory county court judge who engages in the private practice of law, shall be paid a total annual salary set by the commissioners court at an amount that is not less than \$1,000 less than the sum of the annual salary as set by the General Appropriations Act in accordance with Section 659.012 paid to a district judge with comparable years of service as the statutory county court judge and any state or county contributions and supplements paid to a district judge in the county, other than contributions received as compensation under Section 74.051. A statutory county court judge's total annual salary includes any state or county contributions and supplements paid to the judge. For purposes of this subsection, the years of service of a statutory county court judge include any years of service as:

(1) an appellate court, district court, multicounty statutory county court, or statutory probate court justice or judge; or

(2) a district attorney, criminal district attorney, or county attorney.

SECTION 2.002. Section 25.0023(a), Government Code, is amended to read as follows:

(a) The commissioners court shall set the total annual salary of each judge of a statutory probate court at an amount that is at least equal to the sum of the annual salary as set by the General Appropriations Act in accordance with Section 659.012 paid to a district judge with comparable years of service as the statutory probate court judge and any state or county contributions and supplements paid to a district judge in the county, other than contributions received as compensation under Section 74.051. A statutory probate court judge's total annual salary includes any state or county contributions and supplements paid to the judge, other than contributions paid under Section 25.0022(e). For purposes of this subsection, the years of service of a statutory probate court judge include any years of service as:

(1) an appellate court, district court, multicounty statutory county court, or statutory county court justice or judge; or

(2) a district attorney, criminal district attorney, or county attorney.

SECTION 2.003. (a) Sections 25.0062(a) and (b), Government Code, are amended to read as follows:

(a) In addition to the jurisdiction provided by Section 25.0003 and other law, a county court at law of Aransas County has concurrent jurisdiction with the district court in:

(1) family law cases and proceedings; ~~and~~

(2) felony cases to conduct arraignments, conduct pretrial hearings, and accept guilty pleas; and

(3) civil cases in which the matter in controversy exceeds the maximum amount provided by Section 25.0003.

(b) The district clerk serves as clerk of a county court at law in felony cases, in [and] family law cases and proceedings, and in civil cases in which the matter in controversy exceeds \$250,000. The [and the] county clerk serves as clerk of a county court at law in all other cases. The district clerk shall establish a separate docket for a county court at law. The commissioners court shall provide the deputy clerks, bailiffs, and other personnel necessary to operate a county court at law.

(b) Sections 25.0062(a) and (b), Government Code, as amended by this section, apply only to a case filed or proceeding commenced on or after September 1, 2023. A case filed or proceeding commenced before September 1, 2023, is governed by the law in effect on the date the case was filed or the proceeding was commenced, and the former law is continued in effect for that purpose.

SECTION 2.004. (a) Section 25.0171(c), Government Code, is amended to read as follows:

(c) Bexar County also has the following statutory probate courts:

- (1) Probate Court No. 1 of Bexar County, Texas; ~~and~~
- (2) Probate Court No. 2 of Bexar County, Texas; and
- (3) Probate Court No. 3 of Bexar County, Texas.

(b) The Probate Court No. 3 of Bexar County, Texas, is created on September 1, 2023.

SECTION 2.005. (a) Section 25.0173, Government Code, is amended by amending Subsections (a) and (o) and adding Subsection (p) to read as follows:

(a) A statutory probate court in Bexar County has the general jurisdiction of a probate court as provided by Section 25.0021. Probate Courts Nos. 1, ~~and~~ 2, and 3 have eminent domain jurisdiction and jurisdiction to decide the issue of title to real or personal property. Notwithstanding the local rules adopted under Section 74.093, the county clerk shall docket all eminent domain cases equally among ~~in~~ Probate Courts Nos. ~~Court No.~~ 1, ~~and Probate Court No.~~ 2, and 3.

(o) Notwithstanding the local rules adopted under Section 74.093, the county clerk shall:

- (1) docket all mental health matters in Probate Court No. 1; and
- (2) assign equally among the statutory probate courts in Bexar County and ~~shall~~ docket at random all other matters and proceedings filed in the statutory probate courts in Bexar County [even numbered probate cases in Probate Court No. 2 and all odd numbered probate cases in Probate Court No. 1].

(p) Notwithstanding Section 25.0022(h), in the absence, disqualification, or incapacity of a statutory probate judge in Bexar County or on the judge's request, the statutory probate judges in Bexar County may sit and act for each other in any probate matter or proceeding. A statutory probate judge in Bexar County may:

- (1) hear and determine any matter or proceeding pending in another statutory probate court in Bexar County; or
- (2) enter any order in the matter or proceeding that the judge of the other statutory probate court in Bexar County may enter.

(b) Section 25.0173(j), Government Code, is repealed.

(c) Notwithstanding Section 25.0173, Government Code, as amended by this section, the county clerk for Bexar County shall assign to Probate Court No. 3 of Bexar County, Texas, one-third of all cases pending on September 1, 2023, in Probate Court No. 1 of Bexar County, Texas, and Probate Court No. 2 of Bexar County, Texas, that were filed before January 1, 2020.

SECTION 2.006. (a) Section 25.0331, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) Cameron County has the following statutory county courts:

- (1) County Court at Law No. 1 of Cameron County;
- (2) County Court at Law No. 2 of Cameron County;
- (3) County Court at Law No. 3 of Cameron County; and
- (4) County Court at Law No. 4 of Cameron County; and
- ~~(5)~~ County Court at Law No. 5 of Cameron County.

(a-1) Cameron County has one statutory probate court, the Probate Court No. 1 of Cameron County.

(b) The County Court at Law No. 4 of Cameron County is redesignated as the Probate Court No. 1 of Cameron County effective September 1, 2023.

SECTION 2.007. (a) Section 25.0332(a), Government Code, is amended to read as follows:

(a) In addition to the jurisdiction provided by Section 25.0003 and other law, a county court at law in Cameron County has~~+~~

~~[(1) concurrent with the county court, the probate jurisdiction provided by general law for county courts; and~~

~~[(2)]~~ concurrent jurisdiction with the district court in civil cases in which the amount in controversy exceeds \$500 but does not exceed \$1 million, excluding interest.

(b) Subchapter C, Chapter 25, Government Code, is amended by adding Section 25.0333 to read as follows:

Sec. 25.0333. CAMERON COUNTY PROBATE COURT PROVISIONS.

(a) A statutory probate court in Cameron County has the jurisdiction of a probate court as provided by Section 25.0021.

(b) A statutory probate court in Cameron County has jurisdiction over mental health cases diverted from the criminal justice system in the county.

(c) Section 25.0332(b), Government Code, is repealed.

(d) The judge of the County Court at Law No. 4 of Cameron County shall transfer all active cases over which the court loses jurisdiction under this section and that are pending in the court on September 1, 2023, to a district court, county court at law, or county court in the county with jurisdiction over the case.

(e) The local administrative statutory county court judge shall transfer any active probate matter that is pending in a statutory county court in Cameron County on September 1, 2023, to Probate Court No. 1 of Cameron County.

(f) When a case is transferred as provided by Subsection (d) or (e) of this section, all processes, writs, bonds, recognizances, or other obligations issued from the transferring court are returnable to the court to which the case is transferred as if originally issued by that court. The obligees on all bonds and recognizances taken in and for a court from which a case is transferred, and all

witnesses summoned to appear in a court from which a case is transferred, are required to appear before the court to which a case is transferred as if originally required to appear before that court.

SECTION 2.008. (a) Section 25.0592(l), Government Code, is amended to read as follows:

(l) Sections 25.0006 and 25.0007(b) [~~25.0007~~] do not apply to a county court at law in Dallas County.

(b) Section 25.0592(l), Government Code, as amended by this section, applies only to a jury impaneled on or after September 1, 2023.

SECTION 2.009. Section 25.0732, Government Code, is amended by adding Subsection (c) to read as follows:

(c) The County Criminal Court at Law No. 2 of El Paso County, Texas, is designated to conduct the DWI Drug Court Intervention and Treatment Program of El Paso County as a drug court program under Chapter 123 for persons arrested for, charged with, or convicted of an offense involving the operation of a motor vehicle while intoxicated.

SECTION 2.010. Section 25.0932, Government Code, is amended by amending Subsection (a) and adding Subsection (b) to read as follows:

(a) In addition to the jurisdiction provided by Section 25.0003 and other law, a county court at law in Grayson County has:

(1) original concurrent jurisdiction with the justice court in all civil and criminal matters over which the justice court has jurisdiction; and

(2) concurrent jurisdiction with the district court in family law cases and proceedings.

(b) The district clerk serves as clerk of a county court at law in family law cases and proceedings, and the county clerk serves as clerk of the court in all other cases.

SECTION 2.011. (a) Section 25.1031(c), Government Code, is amended to read as follows:

(c) Harris County has the following statutory probate courts:

(1) Probate Court No. 1 of Harris County, Texas;

(2) Probate Court No. 2 of Harris County, Texas;

(3) Probate Court No. 3 of Harris County, Texas; ~~and~~

(4) Probate Court No. 4 of Harris County, Texas; and

(5) Probate Court No. 5 of Harris County, Texas.

(b) Section 25.1034(j), Government Code, is repealed.

(c) The Probate Court No. 5 of Harris County, Texas, is created on September 1, 2023.

SECTION 2.012. Sections 25.1331 and 25.1332, Government Code, are repealed.

SECTION 2.013. Sections 25.1572(a), (d), and (e), Government Code, are amended to read as follows:

(a) In addition to the jurisdiction provided by Section 25.0003 and other law and except as limited by Subsection (b), a county court at law in McLennan County has:

(1) concurrent jurisdiction with the district courts in state jail, third degree, and second degree felony cases and family law cases on assignment from a district judge presiding in McLennan County and acceptance of the assignment by the judge of the county court at law to:

- (A) conduct arraignments;
- (B) conduct pretrial hearings;
- (C) accept guilty pleas and conduct sentencing;
- (D) conduct jury trials and nonjury trials;
- (E) conduct probation revocation hearings;
- (F) conduct post-trial proceedings; and
- (G) conduct family law cases and proceedings; and

(2) jurisdiction in:

- (A) Class A and Class B misdemeanor cases;
- (B) probate proceedings;
- (C) eminent domain;
- (D) appeals from the justice and municipal courts; and
- (E) disputes ancillary to probate, eminent domain, condemnation,

or landlord and tenant matters relating to the adjudication and determination of land titles and trusts, whether testamentary, inter vivos, constructive, resulting, or any other class or type of trust, regardless of the amount in controversy or the remedy sought [to conduct arraignments, conduct pretrial hearings, accept guilty pleas, and conduct probation revocation hearings in felony cases].

(d) A judge of a county court at law shall be paid a total ~~ann~~ annual ~~base~~ salary set by the commissioners court in an amount not less than \$1,000 less than the annual ~~base~~ salary received by ~~the state pays to~~ a district judge ~~as set by the General Appropriations Act in accordance with Section 659.012~~ with equivalent years of service as a ~~the~~ judge, as provided under Section 25.0005, to be paid out of the county treasury by the commissioners court. ~~[A county court at law judge's and a district judge's annual base salaries do not include contributions and supplements paid by the county.]~~

(e) The district clerk serves as clerk of a county court at law in cases instituted in the district courts in which the county courts at law have ~~matters of~~ concurrent jurisdiction with the district court. The county clerk serves as the clerk of a county court at law in all other matters. Each clerk shall establish a separate docket for a county court at law.

SECTION 2.014. (a) Effective October 1, 2023, Section 25.1721, Government Code, is amended to read as follows:

Sec. 25.1721. MONTGOMERY COUNTY. (a) Montgomery County has the following statutory county courts:

- (1) County Court at Law No. 1 of Montgomery County;
- (2) ~~[County Court at Law No. 2 of Montgomery County;~~
- ~~[(3)]~~ County Court at Law No. 3 of Montgomery County;
- (3) ~~[(4)]~~ County Court at Law No. 4 of Montgomery County;
- (4) ~~[(5)]~~ County Court at Law No. 5 of Montgomery County; and
- (5) ~~[(6)]~~ County Court at Law No. 6 of Montgomery County.

(b) Montgomery County has one statutory probate court, the Probate Court No. 1 of Montgomery County.

(b) The County Court at Law No. 2 of Montgomery County is redesignated as the Probate Court No. 1 of Montgomery County effective October 1, 2023.

(c) Effective October 1, 2023, the judge of the County Court at Law No. 2 of Montgomery County is the judge of the Probate Court No. 1 of Montgomery County. Unless otherwise removed, the judge serves until December 31, 2026, and until the judge's successor is elected and has qualified. In the 2026 general election and every four years following that election, the qualified voters of the county shall elect a judge of the Probate Court No. 1 of Montgomery County for a regular term of four years.

SECTION 2.015. (a) Effective October 1, 2023, Subchapter C, Chapter 25, Government Code, is amended by adding Section 25.1723 to read as follows:

Sec. 25.1723. MONTGOMERY COUNTY PROBATE COURT PROVISIONS. (a) In this section, "remote proceeding" means a proceeding before a court in which one or more of the participants, including a judge, party, attorney, witness, or other individual, attends the proceeding remotely through the use of technology.

(b) A statutory probate court of Montgomery County has concurrent jurisdiction with the district court, regardless of the amount in controversy or the relief sought, in:

- (1) disputes relating to the creation of a constructive trust;
- (2) declaratory judgment actions;
- (3) actions in which the only relief sought is a writ of injunction; and
- (4) actions to appoint a receiver under any law, including Section

11.402, Business Organizations Code.

(c) A statutory probate court of Montgomery County has eminent domain jurisdiction, including the jurisdiction provided to a district court under Sections 21.002 and 21.003, Property Code, regardless of the amount in controversy or the remedy sought. All eminent domain actions, cases, matters, or proceedings arising under Chapter 21, Property Code, or under Section 251.101, Transportation Code, shall be filed and docketed in a statutory probate court.

(d) A statutory probate court of Montgomery County may conduct docket matters at any location in the county as the statutory probate court judge considers necessary for the protection of wards or mental health respondents or as otherwise provided by law.

(e) A judge of a statutory probate court in Montgomery County and a judge of a district court or statutory county court in Montgomery County may exchange benches and may sit and act for each other in any matter pending before the court.

(f) The county clerk of Montgomery County serves as clerk of a statutory probate court.

(g) A statutory probate court of Montgomery County may appoint as a court investigator an employee of the court or another department in the county to comply with Section 25.0025.

(h) In addition to the uses authorized by Section 135.159, Local Government Code, Montgomery County may use the fees collected under Section 135.102, Local Government Code, and deposited into the judicial education and support fund to provide staff for the statutory probate courts and for court-related purposes for the support of the statutory probate courts.

(b) The judge of the County Court at Law No. 2 of Montgomery County shall transfer all active cases over which the court loses jurisdiction under this section and that are pending in the court on October 1, 2023, to a district court, county court at law, or county court in the county with jurisdiction over the case.

(c) The local administrative statutory county court judge shall transfer any active probate matter that is pending in a statutory county court in Montgomery County on October 1, 2023, to Probate Court No. 1 of Montgomery County.

(d) When a case is transferred as provided by Subsection (b) or (c) of this section, all processes, writs, bonds, recognizances, or other obligations issued from the transferring court are returnable to the court to which the case is transferred as if originally issued by that court. The obligees on all bonds and recognizances taken in and for a court from which a case is transferred, and all witnesses summoned to appear in a court from which a case is transferred, are required to appear before the court to which a case is transferred as if originally required to appear before that court.

SECTION 2.016. (a) Sections 25.1892(a) and (e), Government Code, are amended to read as follows:

(a) In addition to the jurisdiction provided by Section 25.0003 and other law, a county court at law in Polk County has concurrent [~~civil~~] jurisdiction with the district court in:

(1) cases and proceedings involving the collection of delinquent taxes, penalties, interest, and costs and the foreclosure of tax liens; [~~and~~]

(2) family law cases and proceedings; and

(3) felony cases to conduct arraignments and pre-trial hearings and to accept guilty pleas.

(e) The district clerk serves as clerk of a county court at law in cases of concurrent jurisdiction with the district court [~~enumerated in Subsection (a)(2)~~], and the county clerk serves as clerk in all other cases. [~~The district clerk shall establish a separate docket for a county court at law.~~]

(b) Sections 25.1892(a) and (e), Government Code, as amended by this article, apply only to a case filed or proceeding commenced on or after September 1, 2023. A case filed or proceeding commenced before September 1, 2023, is governed by the law in effect on the date the case was filed or the proceeding was commenced, and the former law is continued in effect for that purpose.

SECTION 2.017. (a) Sections 25.2223(a), (i), (j), (j-2), and (l), Government Code, are amended to read as follows:

(a) A county criminal court in Tarrant County has jurisdiction over all criminal matters and causes, original and appellate, prescribed by law for county courts, but does not have civil jurisdiction. In addition to the jurisdiction provided by Section 25.0003 and other law, a county criminal court in Tarrant County has

concurrent original jurisdiction of criminal cases with a district court other than felony cases involving capital murder. The County Criminal Courts Nos. 9 ~~[5]~~ and 10 of Tarrant County also have concurrent jurisdiction within the county of all appeals from criminal convictions under the laws of this state and the municipal ordinances of the municipalities located in Tarrant County that are appealed from the justice courts and municipal courts in the county. ~~[The County Criminal Courts Nos. 5, 7, 8, 9, and 10 of Tarrant County also have concurrent jurisdiction with the district court in felony cases to conduct arraignments, conduct pretrial hearings, and accept guilty pleas.]~~

(i) The official court reporter of a county criminal court is entitled to the same fees and salary as a district court reporter and shall perform the same duties and take the oath of office as provided by law for district court reporters. ~~[The official court reporter for the County Criminal Court No. 1 or 3 of Tarrant County is not required to take testimony in cases in which neither a party nor the judge demands it.]~~

(j) At least two bailiffs shall be assigned regularly to each county criminal court in ~~[the County Criminal Court No. 1 of Tarrant County and the County Criminal Court No. 2 of]~~ Tarrant County. Except as provided by Subsection (j-2), each judge ~~[the judges]~~ of a county criminal court ~~[the County Criminal Courts Nos. 1 and 2 of Tarrant County]~~ shall ~~[each]~~ appoint one officer to act as bailiff of the judge's court, and the sheriff of Tarrant County shall appoint a bailiff for each court as prescribed by law. The bailiffs serve at the pleasure of the court and shall perform the duties required by the judge of the court to which the bailiffs are assigned.

(j-2) The judge of a county criminal court ~~[listed in Subsection (j) or (j-1)]~~ may authorize the sheriff to appoint all bailiffs in the judge's court. If the sheriff is authorized by a judge to make the judge's appointment under this subsection, the sheriff shall appoint at least two officers to act as bailiffs for the judge's court. A bailiff appointed under this subsection serves at the pleasure of the court and shall perform the duties required by the judge of the court to which the bailiff is assigned.

(l) The County Criminal Courts Nos. ~~[Court No.]~~ 5 and 6 of Tarrant County ~~[and the County Criminal Court No. 6 of Tarrant County]~~ shall give preference to cases brought under Title 5, Penal Code, involving family violence as defined by Section 71.004, Family Code, and cases brought under Sections 25.07, 25.072, and 42.07(a)(2) ~~[42.072]~~, Penal Code.

(b) Sections 25.2223(b) and (j-1), Government Code, are repealed.

SECTION 2.018. (a) Effective October 1, 2023, Section 25.2291(c), Government Code, is amended to read as follows:

(c) Travis County has the following [one] statutory probate courts:

(1) [court, the] Probate Court No. 1 of Travis County; and

(2) Probate Court No. 2 of Travis County.

(b) The Probate Court No. 2 of Travis County is created on October 1, 2023.

SECTION 2.019. (a) Effective October 1, 2023, Section 25.2293, Government Code, is amended by adding Subsections (d), (e), (h), and (k) to read as follows:

(d) Probate Court No. 2 of Travis County has primary responsibility for mental health matters.

(e) The county clerk shall docket:

(1) all mental health matters in Probate Court No. 2, notwithstanding the local rules adopted under Section 74.093;

(2) all odd-numbered probate, guardianship, and trust cases, and related cases, as defined by the local rules, in Probate Court No. 1; and

(3) all even-numbered probate, guardianship, and trust cases, and related cases, as defined by the local rules, in Probate Court No. 2.

(h) The county clerk shall appoint a deputy clerk for each statutory probate court. A deputy clerk serves at the pleasure of the judge of the court to which the deputy clerk is assigned. A deputy clerk must take the constitutional oath of office, and the county clerk may require the deputy clerk to furnish a bond in an amount, conditioned and payable, as required by law. A deputy clerk acts in the name of the county clerk and may perform any other service required by the judge of a statutory probate court. A deputy clerk shall attend all sessions of the court to which the deputy clerk is assigned.

(k) In case of the absence, disqualification, or incapacity of a judge of a statutory probate court of Travis County, or for any other reason, the judges of the statutory probate courts of Travis County may sit and act for each other in any matter or proceeding pending in either court.

(b) Effective October 1, 2023, Section 25.2293(m), Government Code, is repealed.

SECTION 2.020. (a) Section 25.2391, Government Code, is amended to read as follows:

Sec. 25.2391. WALLER COUNTY. (a) Waller County has the following ~~[one]~~ statutory county courts:

(1) ~~[court, the]~~ County Court at Law No. 1 of Waller County; and

(2) County Court at Law No. 2 of Waller County.

(b) The county courts at law ~~[County Court at Law]~~ of Waller County sit ~~[sits]~~ in Hempstead.

(b) On September 1, 2023, the County Court at Law of Waller County is redesignated County Court at Law No. 1 of Waller County.

(c) The judge of the County Court at Law of Waller County is the judge of County Court at Law No. 1 of Waller County.

(d) This section does not affect the term of office of a judge of a court redesignated by this section. The judge, unless otherwise removed as provided by law, continues to serve for the term for which the judge was elected.

(e) The County Court at Law No. 2 of Waller County is created on September 1, 2023.

SECTION 2.021. Section 25.2392, Government Code, is amended by adding Subsection (b) and amending Subsection (g) to read as follows:

(b) County Court at Law No. 2 has the jurisdiction provided by the constitution and by general law for district courts, including jurisdiction in felony criminal cases.

(g) The district clerk serves as clerk of a county court at law in family law cases and proceedings and as clerk of County Court at Law No. 2 in cases and proceedings in which the court has concurrent jurisdiction with the district courts as provided by the constitution and general law, including jurisdiction in felony criminal cases. The ~~and the~~ county clerk serves as clerk of a county ~~the~~ court at law in all other cases and proceedings. The commissioners court may employ as many deputy sheriffs and bailiffs as are necessary to serve the court.

SECTION 2.022. (a) Subchapter C, Chapter 25, Government Code, is amended by adding Section 25.2491 to read as follows:

Sec. 25.2491. WILSON COUNTY. Wilson County has one statutory county court, the County Court at Law of Wilson County.

(b) The county Court at Law of Wilson County is created on September 1, 2023.

SECTION 2.023. Section 25.2607(d), Government Code, is amended to read as follows:

(d) Notwithstanding Section 25.0015, the state shall annually compensate the administrative county of a multicounty statutory county court for the salary of the judge of the multicounty statutory county court in an amount equal to 100 percent of the state ~~base~~ salary paid to a district judge with comparable years of service as the multicounty statutory county court judge, as set by the General Appropriations Act in accordance with Section 659.012 ~~[659.012(a)]~~. For purposes of this subsection, the years of service of a multicounty statutory county court judge include any years of service as:

(1) an appellate court, district court, statutory county court, or statutory probate court justice or judge; or

(2) a district attorney, criminal district attorney, or county attorney.

SECTION 2.024. (a) Subchapter F, Chapter 25, Government Code, is amended by adding Sections 25.2703 and 25.2704 to read as follows:

Sec. 25.2703. 2ND MULTICOUNTY COURT AT LAW (BEE, LIVE OAK, AND MCMULLEN COUNTIES). Bee, Live Oak, and McMullen Counties have a multicounty statutory county court composed of those counties, the 2nd Multicounty Court at Law.

Sec. 25.2704. 2ND MULTICOUNTY COURT AT LAW PROVISIONS. (a) In addition to the jurisdiction provided by Section 25.0003 and other law, the 2nd Multicounty Court at Law has concurrent jurisdiction with the district courts, except in civil cases in which the matter in controversy exceeds the amount provided by Section 25.0003(c)(1).

(b) Bee County is the administrative county for the 2nd Multicounty Court at Law.

(c) Bee, Live Oak, and McMullen Counties shall enter into an interlocal agreement allocating the financial obligations of each county in relation to the county court at law and the budget, powers, and duties of the court and salaries of court personnel.

(d) If the counties served by the county court at law are unable to reach an agreement under Subsection (c) before the first day of the fiscal year for a county served by the court, each county shall pay to the court's administrative county a share of the court's administrative and operational costs for the fiscal year based on the proportion of the court's caseload originating in the county during the preceding year. A county is entitled to compensation from the state under Section 25.0015 in proportion to the amount paid under this subsection.

(e) The district clerk serves as clerk of the county court at law in matters of concurrent jurisdiction with the district court, and the county clerk serves as clerk of the county court at law in all other cases.

(f) Sections 25.0006, 25.0008, and 74.054(b) do not apply to the county court at law.

(g) Notwithstanding Section 74.121(b)(1), in matters of concurrent jurisdiction, the judge of the 2nd Multicounty Court at Law and the judges of the district courts in Bee, Live Oak, and McMullen Counties may exchange benches and courtrooms and may transfer cases between their dockets in the same manner that judges of district courts exchange benches and courtrooms and transfer cases under Section 24.003.

(b) The 2nd Multicounty Court at Law is created on September 1, 2023.

ARTICLE 3. JUSTICE COURTS AND CONSTITUTIONAL COUNTY COURTS

SECTION 3.001. Article 49.05(b), Code of Criminal Procedure, is amended to read as follows:

(b) A justice of the peace may conduct an inquest:

- (1) at the place where the death occurred;
- (2) where the body was found; ~~or~~
- (3) by videoconference with an individual who is:
 - (A) designated by the justice of the peace; and
 - (B) present with the body for a death described by Article

49.04(a)(6) or (7); or

(4) at any other place determined to be reasonable by the justice.

SECTION 3.002. Section 26.315, Government Code, is amended to read as follows:

Sec. 26.315. STEPHENS COUNTY. (a) In addition to other jurisdiction provided by law, the [The] County Court of Stephens County has original concurrent jurisdiction with the justice courts in all civil matters in which the justice courts have jurisdiction under general law [the general jurisdiction of a probate court and juvenile jurisdiction as provided by Section 26.042(b) but has no other criminal or civil jurisdiction].

(b) The district clerk shall maintain the records of the County Court of Stephens County.

SECTION 3.003. (a) Section 92.0563(e), Property Code, is amended to read as follows:

(e) A justice court may not award a judgment under this section, including an order of repair, that exceeds \$20,000 [~~\$10,000~~], excluding interest and costs of court.

(b) Section 92.0563(e), Property Code, as amended by this section, applies only to a cause of action that accrues on or after September 1, 2023. A cause of action that accrues before that date is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

ARTICLE 4. CRIMINAL LAW MAGISTRATES

SECTION 4.001. Article 2.09, Code of Criminal Procedure, is amended to read as follows:

Art. 2.09. WHO ARE MAGISTRATES. Each of the following officers is a magistrate within the meaning of this Code: The justices of the Supreme Court, the judges of the Court of Criminal Appeals, the justices of the Courts of Appeals, the judges of the District Court, the magistrates appointed by the judges of the district courts of Bexar County, Dallas County, or Tarrant County that give preference to criminal cases, the criminal law hearing officers for Harris County appointed under Subchapter L, Chapter 54, Government Code, the criminal law hearing officers for Cameron County appointed under Subchapter BB, Chapter 54, Government Code, the magistrates or associate judges appointed by the judges of the district courts of Lubbock County, Nolan County, or Webb County, the magistrates appointed by the judges of the criminal district courts of Dallas County or Tarrant County, the associate judges appointed by the judges of the district courts and the county courts at law that give preference to criminal cases in Jefferson County, the magistrates appointed by the judges of the district courts and statutory county courts in Denton County, the magistrates appointed by the judges of the district courts and statutory county courts in Grayson County, the associate judges appointed by the judges of the district courts and the statutory county courts of Brazos County, Nueces County, or Williamson County, the magistrates appointed by the judges of the district courts and statutory county courts that give preference to criminal cases in Travis County, the criminal magistrates appointed by the Brazoria County Commissioners Court, the criminal magistrates appointed by the Burnet County Commissioners Court, the magistrates appointed by the El Paso Council of Judges, the county judges, the judges of the county courts at law, judges of the county criminal courts, the judges of statutory probate courts, the associate judges appointed by the judges of the statutory probate courts under Chapter 54A, Government Code, the associate judges appointed by the judge of a district court under Chapter 54A, Government Code, the magistrates appointed under Subchapter JJ, Chapter 54, Government Code, the magistrates appointed by the Collin County Commissioners Court, the magistrates appointed by the Fort Bend County Commissioners Court, the justices of the peace, and the mayors and recorders and the judges of the municipal courts of incorporated cities or towns.

SECTION 4.002. Article 4.01, Code of Criminal Procedure, is amended to read as follows:

Art. 4.01. WHAT COURTS HAVE CRIMINAL JURISDICTION. The following courts have jurisdiction in criminal actions:

1. The Court of Criminal Appeals;
2. Courts of appeals;
3. The district courts;

4. The criminal district courts;
5. The magistrates appointed by the judges of the district courts of Bexar County, Dallas County, Tarrant County, or Travis County that give preference to criminal cases and the magistrates appointed by the judges of the criminal district courts of Dallas County or Tarrant County;
6. The county courts;
7. All county courts at law with criminal jurisdiction;
8. County criminal courts;
9. Justice courts;
10. Municipal courts;
11. The magistrates appointed by the judges of the district courts of Lubbock County;
12. The magistrates appointed by the El Paso Council of Judges;
13. The magistrates appointed by the Collin County Commissioners Court;
14. The magistrates appointed by the Brazoria County Commissioners Court or the local administrative judge for Brazoria County; ~~and~~
15. The magistrates appointed by the judges of the district courts of Tom Green County;
16. The magistrates appointed by the judges of the district and statutory county courts of Denton County; and
17. The magistrates appointed by the judges of the district and statutory county courts of Grayson County.

SECTION 4.003. Section 54.2001(b), Government Code, is amended to read as follows:

(b) The judges of the district and statutory county courts in Guadalupe County by majority ~~a unanimous~~ vote may appoint magistrates as authorized by the Commissioners Court of Guadalupe County.

SECTION 4.004. Section 54.2502(c), Government Code, is amended to read as follows:

(c) A judge of the criminal law magistrate court is entitled to the salary set by the commissioners court. The salary may not be less than the annual base salary paid to a district judge under Section 659.012(a)(1) and must include compensation for services performed on behalf of Brazoria County ~~[Chapter 659]~~.

SECTION 4.005. Chapter 54, Government Code, is amended by adding Subchapter RR to read as follows:

SUBCHAPTER RR. GRAYSON COUNTY CRIMINAL MAGISTRATES

Sec. 54.2701. AUTHORIZATION; APPOINTMENT; ELIMINATION. (a) The Commissioners Court of Grayson County may authorize the judges of the district and statutory county courts in Grayson County to appoint one or more part-time or full-time magistrates to perform the duties authorized by this subchapter.

(b) The judges of the district and statutory county courts in Grayson County by a unanimous vote may appoint magistrates as authorized by the Commissioners Court of Grayson County.

(c) An order appointing a magistrate must be signed by the local presiding judge of the district courts serving Grayson County, and the order must state:

(1) the magistrate's name; and

(2) the date the magistrate's employment is to begin.

(d) An authorized magistrate's position may be eliminated on a majority vote of the Commissioners Court of Grayson County.

Sec. 54.2702. QUALIFICATIONS; OATH OF OFFICE. (a) To be eligible for appointment as a magistrate, a person must be a resident of this state and:

(1) have served as a justice of the peace or municipal court judge for at least four years before the date of appointment; or

(2) have been licensed to practice law in this state for at least four years before the date of appointment.

(b) A magistrate appointed under Section 54.2701 must take the constitutional oath of office required of appointed officers of this state.

Sec. 54.2703. COMPENSATION. A magistrate is entitled to the salary determined by the Commissioners Court of Grayson County.

Sec. 54.2704. JURISDICTION. A magistrate has concurrent criminal jurisdiction with the judges of the justice of the peace courts of Grayson County.

Sec. 54.2705. POWERS AND DUTIES. (a) The Commissioners Court of Grayson County shall establish the powers and duties of a magistrate appointed under this subchapter. Except as otherwise provided by the commissioners court, a magistrate has the powers of a magistrate under the Code of Criminal Procedure and other laws of this state and may administer an oath for any purpose.

(b) A magistrate shall give preference to performing the duties of a magistrate under Article 15.17, Code of Criminal Procedure.

(c) The commissioners court may designate one or more magistrates to hold regular hearings to:

(1) give admonishments;

(2) set and review bail and conditions of release;

(3) appoint legal counsel; and

(4) determine other routine matters relating to preindictment or pending cases within those courts' jurisdiction.

(d) In the hearings described by Subsection (c), a magistrate shall give preference to the case of an individual held in county jail.

(e) A magistrate may inquire into a defendant's intended plea to the charge and set the case for an appropriate hearing before a judge or master.

Sec. 54.2706. JUDICIAL IMMUNITY. A magistrate has the same judicial immunity as a district judge.

Sec. 54.2707. WITNESSES. (a) A witness who is sworn and who appears before a magistrate is subject to the penalties for perjury and aggravated perjury provided by law.

(b) A referring court may fine or imprison a witness or other court participant for failure to appear after being summoned, refusal to answer questions, or other acts of direct contempt before a magistrate.

SECTION 4.006. Chapter 54, Government Code, is amended by adding Subchapter SS to read as follows:

SUBCHAPTER SS. DENTON COUNTY CRIMINAL LAW MAGISTRATE
COURT

Sec. 54.2801. CREATION. The Denton County Criminal Law Magistrate Court is a court with the jurisdiction provided by this subchapter.

Sec. 54.2802. APPOINTMENT; OVERSIGHT. (a) The district court judges with jurisdiction in Denton County and the judges of the criminal statutory county courts of Denton County shall appoint one or more judges to preside over the criminal law magistrate court. An appointed judge must:

(1) serve Denton County as a district court judge, a criminal statutory county court judge, an associate judge of a court with criminal jurisdiction, a magistrate, including a jail magistrate, a judge of a municipal court of record, or a justice of the peace;

(2) be a licensed attorney in good standing with the State Bar of Texas;

(3) be authorized to access criminal history records under state and federal law;

(4) have completed training necessary to serve as a magistrate in Denton County, as determined by the district court judges with jurisdiction in Denton County and the judges of the criminal statutory county courts of Denton County; and

(5) meet the qualifications under Section 54.2807.

(b) The district court judges with jurisdiction in Denton County and the judges of the criminal statutory county courts of Denton County shall:

(1) designate to oversee the criminal law magistrate court either:

(A) one district court judge and one criminal statutory county court judge; or

(B) a criminal law magistrate court associate judge appointed under Section 54.2805; and

(2) supervise the magistrate court to ensure the magistrates appointed give preference to duties under Chapters 14, 15, 16, 17, and 18, Code of Criminal Procedure.

(c) The magistrates of the criminal law magistrate court shall comply with the standing orders and directives regarding criminal cases of the district court judges with jurisdiction in Denton County and the judges of the criminal statutory county courts of Denton County, including a presiding criminal judge of Denton County.

Sec. 54.2803. JURISDICTION. (a) Except as provided by Subsection (b), the criminal law magistrate court has the criminal jurisdiction provided for magistrates by the constitution and laws of this state in all criminal cases:

(1) alleging an offense other than an offense punishable only as a Class C misdemeanor;

(2) for which a magistrate or judge has determined there is probable cause to believe the defendant committed the crime alleged;

(3) in which the defendant has been released or is confined in the Denton County jail; and

(4) in which either:

(A) the defendant has not yet been charged by information or indictment; or

(B) the judge presiding over the case has specifically authorized the criminal law magistrate to take certain actions.

(b) The criminal law magistrate court and the criminal law magistrate court associate judge do not have jurisdiction to:

(1) hear a trial on the merits of an offense, except as provided by Section 54.2811(c); or

(2) take any action not specifically authorized by an order of referral from the judge presiding in a criminal case in which the defendant has been charged by information or indictment.

(c) The magisterial duties in a criminal case shall be transferred to the criminal law magistrate court:

(1) on request of a presiding judge in a criminal case for which the defendant has been charged by information or indictment; or

(2) after a defendant has been transferred to the custody of the Denton County jail or released from custody on bond in Denton County.

Sec. 54.2804. POWERS AND DUTIES. The criminal law magistrate court may:

(1) determine probable cause for purposes of an arrest or search;

(2) issue an order of commitment, a warrant of arrest, or an order of protection;

(3) perform the duty of a magistrate under Chapters 14, 15, 16, 17, and 18, Code of Criminal Procedure;

(4) reduce or modify a bond, find a bond ordered by another judge or magistrate to be insufficient, or require conditions of a bond;

(5) hear any motion filed in a case over which the court has jurisdiction;

(6) administer oaths; and

(7) perform an action on a proceeding referred to the magistrate under Section 54.2811.

Sec. 54.2805. CRIMINAL LAW MAGISTRATE COURT ASSOCIATE JUDGE. The district court judges with jurisdiction in Denton County and the judges of the criminal statutory county courts of Denton County may, with the approval of the Commissioners Court of Denton County and two-thirds of the district court and criminal statutory county court judges, appoint a district or criminal statutory county court judge qualified under Section 54.2807 as the criminal law magistrate court associate judge to:

(1) serve the district and criminal county courts of Denton County;

(2) oversee the criminal law magistrate court; and

(3) recommend for appointment full-time and part-time jail magistrates.

Sec. 54.2806. JAIL MAGISTRATE. (a) The district court judges with jurisdiction in Denton County and the judges of the criminal statutory county courts of Denton County may, with the approval of the Commissioners Court of Denton County, appoint by joint standing order one or more full-time jail magistrates qualified to serve under Section 54.2807.

(b) A jail magistrate has the jurisdiction provided by the constitution and laws of this state for magistrates for criminal cases in which the defendant is in the custody of Denton County jail and has not yet been charged with a criminal offense by complaint, information, or indictment.

(c) A jail magistrate shall ensure timely compliance with Article 15.17, Code of Criminal Procedure, in all cases within the magistrate's jurisdiction, give preference to performing the duties of a magistrate under that article, and perform the following duties:

(1) consider sworn complaints or affidavits establishing probable cause and entering orders of release or commitment;

(2) conduct hearings under Article 15.17, Code of Criminal Procedure, provide warnings, and advise a defendant of the defendant's right to counsel;

(3) determine if a defendant is indigent and in need of appointed counsel;

(4) set, adjust, or revoke a bond;

(5) set the conditions of bond;

(6) conduct an examining trial;

(7) issue search and arrest warrants;

(8) issue magistrate's orders of emergency protection; and

(9) with the express authorization of a justice of the peace, exercise concurrent criminal jurisdiction with the justice of the peace to dispose as provided by law of cases filed in the precinct of the authorizing justice of the peace, except for a trial on the merits following a plea of not guilty.

(d) A jail magistrate may be assigned additional duties by the criminal law magistrate court associate judge appointed under Section 54.2805.

(e) A jail magistrate has the express authority and duty to:

(1) order the release of defendant due to an extraordinary medical condition;

(2) consider information and make inquiries regarding a defendant's mental health;

(3) issue orders or writs as necessary for the evaluation, treatment, and accommodation of a defendant's mental health issue; and

(4) communicate with the Denton County local mental health authority or another qualified mental health professional to provide continuing care to a defendant.

(f) In addition to the full-time jail magistrates appointed under Subsection (a), the district court judges with jurisdiction in Denton County and the judges of the criminal statutory county courts of Denton County may appoint or engage by joint standing order one or more part-time jail magistrates to serve as a jail magistrate as assigned. A part-time jail magistrate must be qualified to serve as a magistrate in the county under Section 54.2807 and be a sitting district, statutory county, or municipal court judge or a justice of the peace in Denton County.

Sec. 54.2807. QUALIFICATIONS. To be eligible for appointment as the criminal law magistrate court associate judge, a jail magistrate, or another magistrate in the criminal law magistrate court, a person must:

(1) have been a resident of Denton County for at least two years preceding the person's appointment; and

(2) have been licensed to practice law in this state for at least four years.

Sec. 54.2808. COMPENSATION. A criminal law magistrate court associate judge, a jail magistrate, and each other magistrate in the criminal law magistrate court shall be paid a total annual salary set by the Commissioners Court of Denton County. The salary shall be paid in a manner and from a fund determined by the commissioners court.

Sec. 54.2809. JUDICIAL IMMUNITY. A criminal law magistrate court associate judge, a jail magistrate, and each other magistrate in the criminal law magistrate court has the same judicial immunity as a district judge.

Sec. 54.2810. TERMINATION OF SERVICES. (a) Except as provided by Subsection (b), a criminal law magistrate court associate judge, a jail magistrate, and each other magistrate in the criminal law magistrate court may be terminated by a two-thirds vote of the district court judges with jurisdiction in Denton County and the judges of the criminal statutory county courts of Denton County.

(b) A part-time jail magistrate serves solely at the discretion of a criminal law magistrate court associate judge appointed under Section 54.2805 or of the district court judge and criminal statutory county court judge designated to oversee the criminal law magistrate court under Section 54.2802(b).

Sec. 54.2811. PROCEEDING THAT MAY BE REFERRED. (a) A district court judge with jurisdiction in Denton County, the judge of a criminal statutory county court of Denton County, or the judge of the juvenile court of Denton County may refer to the criminal law magistrate court the following matters in a criminal case:

(1) a negotiated plea of guilty or no contest before the court;

(2) a bond forfeiture, remittitur, and related proceedings;

(3) a pretrial motion;

(4) a writ of habeas corpus;

(5) an examining trial;

(6) jury selection;

(7) an occupational driver's license;

(8) a waiver of extradition or a related matter under Chapter 51, Code of Criminal Procedure;

(9) the issuance of search warrants, including a search warrant under Article 18.02(a)(10), Code of Criminal Procedure, notwithstanding Article 18.01(c), Code of Criminal Procedure;

(10) a petition for an order of expunction under Chapter 55, Code of Criminal Procedure;

(11) an asset forfeiture hearing as provided by Chapter 59, Code of Criminal Procedure;

(12) a civil commitment matter under Subtitle C, Title 7, Health and Safety Code;

(13) setting, adjusting, or revoking bond;

(14) the conduct of initial juvenile detention hearings or any other matter in a juvenile case if referred by the judge of the juvenile court of the county and approved by the Denton County Juvenile Board; and

(15) any other matter the judge considers necessary and proper.

(b) Except as limited by an order of referral, the criminal law magistrate court associate judge may:

(1) conduct a hearing;

(2) hear evidence;

(3) compel production of relevant evidence;

(4) rule on the admissibility of evidence;

(5) issue a summons for the appearance of witnesses;

(6) examine a witness;

(7) swear a witness for a hearing;

(8) make findings of fact on evidence;

(9) formulate conclusions of law;

(10) rule on pretrial motions;

(11) recommend the rulings, orders, or judgment to be made in a case;

(12) regulate proceedings in a hearing before the associate judge;

(13) accept a negotiated plea of guilty or no contest made before the

court and:

(A) enter a finding of guilty and impose or suspend the sentence;

or

(B) defer adjudication of guilt;

(14) select a jury;

(15) accept a negotiated plea in a probation revocation;

(16) conduct a contested probation revocation hearing;

(17) sign a dismissal in a misdemeanor case; and

(18) perform any act and take any measure necessary and proper for the

efficient performance of the duties required by the order of referral.

(c) Notwithstanding Section 54.2803(b), the judge of the juvenile court of Denton County may refer to the criminal law magistrate court associate judge any proceeding over which the juvenile court has exclusive original jurisdiction under Title 3, Family Code, including any matter ancillary to that proceeding. The criminal law magistrate court associate judge may accept a plea of guilty for a misdemeanor or felony or a plea of true from a defendant or juvenile, regardless of the classification of the offense charged or the conduct alleged.

(d) The criminal law magistrate court associate judge may sign a motion to dismiss submitted by an attorney representing the state on cases referred to the judge, or on dockets called by the judge, and may consider unadjudicated cases at sentencing under Section 12.45, Penal Code.

(e) A criminal law magistrate, including the criminal law magistrate court associate judge, has all of the powers of a magistrate under the laws of this state and may administer an oath for any purpose.

Sec. 54.2812. ORDER OF REFERRAL. (a) To refer one or more cases to the criminal law magistrate court or the criminal law magistrate court associate judge, a judge must issue a written order of referral that specifies the magistrate court's duties.

(b) An order of referral may:

(1) limit the powers of the magistrate court and direct the magistrate to report only on specific issues, perform particular acts, or receive and report on evidence only;

(2) set the time and place for the hearing;

(3) prescribe a closing date for the hearing;

(4) provide a date for filing the magistrate's findings;

(5) designate proceedings for more than one case over which the magistrate shall preside;

(6) direct the magistrate to call the court's docket; and

(7) set forth general powers and limitations or authority of the magistrate applicable to any case referred.

Sec. 54.2813. FORFEITURES. Bail bonds and personal bonds may be forfeited by the criminal law magistrate court or the criminal law magistrate court associate judge in the manner provided by Chapter 22, Code of Criminal Procedure, and those forfeitures shall be filed with:

(1) the district clerk if associated with a felony case;

(2) the county clerk if associated with a Class A or Class B misdemeanor case; or

(3) the justice court clerk associated with the Class C misdemeanor case in which the bond was originally filed.

Sec. 54.2814. PAPERS TRANSMITTED TO JUDGE. At the conclusion of the proceedings, a magistrate or the criminal law magistrate court associate judge shall transmit to the referring court any papers relating to the case, including the magistrate's findings, conclusions, orders, recommendations, or other action taken.

Sec. 54.2815. JUDICIAL ACTION. (a) A referring court may modify, correct, reject, reverse, or recommit for further information any action taken by the magistrate or the criminal law magistrate court associate judge.

(b) If the referring court does not modify, correct, reject, reverse, or recommit an action of the magistrate or the criminal law magistrate court associate judge, the action becomes the decree of the referring court.

Sec. 54.2816. EXCHANGE OF BENCHES. (a) The judges of the criminal law magistrate court may exchange benches and may sit and act for each other in any proceeding pending in the criminal law magistrate court.

(b) When conducting a capias pro fine hearing for any court, the criminal law magistrate court acts in the same capacity and with the same authority as the judge who issued the capias pro fine.

Sec. 54.2817. COURT REPORTER. At the request of a party in a criminal case, the criminal law magistrate court shall provide a court reporter to record the proceedings before the magistrate.

Sec. 54.2818. WITNESS. (a) A witness who appears before the criminal law magistrate court and is sworn is subject to the penalties for perjury provided by law.

(b) A referring court may issue attachment against and may fine or imprison a witness whose failure to appear after being summoned or whose refusal to answer questions has been certified to the referring court.

Sec. 54.2819. CLERK. (a) The district clerk serves as clerk of the criminal law magistrate court, except that after a Class A or Class B misdemeanor is filed in the county court at law and assigned to the magistrate court, the county clerk serves as clerk for that misdemeanor case.

(b) The district clerk shall establish a docket and keep the minutes for the cases filed in or transferred to the magistrate court. The district clerk shall perform any other duties that local administrative rules require in connection with the implementation of this subchapter. The local administrative judge shall ensure that the duties required under this subsection are performed. To facilitate the duties associated with serving as the clerk of the magistrate court, the district clerk and the deputies of the district clerk may serve as deputy county clerks at the discretion of the district clerk.

(c) The clerk of the case shall include as part of the record on appeal a copy of the order and local administrative rule under which a magistrate court acted.

Sec. 54.2820. COSTS. (a) When the district clerk is the clerk under this subchapter, the district clerk shall charge the same court costs for cases filed in, transferred to, or assigned to the criminal law magistrate court that are charged in the district courts.

(b) When the county clerk is the clerk under this subchapter, the county clerk shall charge the same court costs for cases filed in, transferred to, or assigned to the magistrate court that are charged in the county courts.

SECTION 4.007. Section 54.651, Government Code, is amended by adding Subsection (d) to read as follows:

(d) A magistrate appointed under this subchapter may not engage in the private practice of law, as defined by Section 81.101, in Tarrant County.

SECTION 4.008. Section 54.656(a), Government Code, is amended to read as follows:

(a) A judge may refer to a magistrate any criminal case or matter relating to a criminal case for proceedings involving:

(1) a negotiated plea of guilty or nolo contendere [~~no contest~~] and sentencing before the court;

(2) a bond forfeiture, remittitur, and related proceedings;

(3) a pretrial motion;

(4) a writ of habeas corpus;

(5) an examining trial;

(6) an occupational driver's license;

(7) a petition for an order of expunction under Chapter 55, Code of Criminal Procedure;

(8) an asset forfeiture hearing as provided by Chapter 59, Code of Criminal Procedure;

(9) a petition for an order of nondisclosure of criminal history record information or an order of nondisclosure of criminal history record information that does not require a petition provided by Subchapter E-1, Chapter 411;

(10) a motion to modify or revoke community supervision or to proceed with an adjudication of guilt;

(11) setting conditions, modifying, revoking, and surrendering of bonds, including surety bonds;

(12) specialty court proceedings;

(13) a waiver of extradition; and

(14) any other matter the referring judge considers necessary and proper.

SECTION 4.009. Subchapter H, Chapter 54, Government Code, is amended by adding Section 54.6585 to read as follows:

Sec. 54.6585. CLERK. (a) The district clerk serves as clerk of the cases referred to a magistrate under this subchapter, except:

(1) the county clerk serves as clerk for a Class A or Class B misdemeanor case filed in a county criminal court and referred to a magistrate; and

(2) the originating justice court clerk serves as clerk for a Class C misdemeanor case filed in a justice court and referred to a magistrate.

(b) The district clerk shall establish a docket and keep the minutes for the cases referred to a magistrate under this subchapter. To facilitate the duties associated with serving as the clerk for the cases referred to a magistrate, the district clerk and deputy district clerks may serve as deputy county clerks and deputy justice clerks at the discretion of the district clerk.

ARTICLE 5. ASSOCIATE JUDGES AND VISITING JUDGES

SECTION 5.001. (a) Sections 201.005(a) and (d), Family Code, are amended to read as follows:

(a) Except as provided by this section, a judge of a court may refer to an associate judge any aspect of a suit or action, including any matter ancillary to the suit or action, over which the court has jurisdiction under:

(1) this title;

(2) [7] Title 1;

(3) [7] Chapter 35, 35A, or 45;

(4) [~~7~~] Title 4;

(5) Subchapter A, Chapter 7B, Code of Criminal Procedure; or

(6) Chapter 24A, Property Code [~~, including any matter ancillary to the suit~~].

(d) The requirements of Subsections (b) and (c) shall apply whenever a judge has authority to refer the trial of a suit or action described by Subsection (a) [under this title, Title 1, Chapter 45, or Title 4] to an associate judge, master, or other assistant judge regardless of whether the assistant judge is appointed under this subchapter.

(b) Sections 201.005(a) and (d), Family Code, as amended by this section, apply only to a suit or application filed on or after September 1, 2023. A suit or application filed before September 1, 2023, is governed by the law in effect on the date the suit or application was filed, and the former law is continued in effect for that purpose.

SECTION 5.002. Section 201.105(a), Family Code, is amended to read as follows:

(a) An associate judge appointed under this subchapter is entitled to a salary in the amount equal to 90 percent of the annual [state-base] salary paid to a district judge with comparable years of service as the associate judge as set by the General Appropriations Act in accordance with Section 659.012 [659.012(a)], Government Code.

SECTION 5.003. Section 201.113, Family Code, is amended to read as follows:

Sec. 201.113. VISITING ASSOCIATE JUDGE. (a) ~~The [If an associate judge appointed under this subchapter is temporarily unable to perform the associate judge's official duties because of absence resulting from family circumstances, illness, injury, disability, or military service, or if there is a vacancy in the position of associate judge, the]~~ presiding judge of an [the] administrative judicial region [in which the associate judge serves or the vacancy occurs] may assign [appoint] a visiting associate judge for Title IV-D cases to perform the duties of an [the] associate judge appointed under this subchapter only if:

(1) the associate judge is temporarily unable to perform the associate judge's official duties because of absence resulting from:

(A) illness;

(B) injury;

(C) disability;

(D) personal emergency;

(E) military service;

(F) vacation; or

(G) attendance at a continuing legal education program;

(2) the associate judge requests assistance due to a heavy workload or a pandemic-related emergency; or

(3) a vacancy occurs in the position of associate judge.

(b) The presiding judge of an administrative judicial region may assign a visiting associate judge under Subsection (a) during the period the associate judge is unable to perform the associate judge's duties, during the period assistance is needed to manage the associate judge's workload, or until another associate judge is appointed to fill the vacancy.

(c) [(b)] A person is not eligible for assignment [appointment] under this section unless the person has served as a master or associate judge under this chapter, a district judge, or a statutory county court judge for at least two years before the date of assignment [appointment].

(d) ~~(e)~~ A visiting associate judge assigned ~~[appointed]~~ under this section is subject to each provision of this chapter that applies to an associate judge serving under a regular appointment under this subchapter. A visiting associate judge assigned ~~[appointed]~~ under this section is entitled to compensation to be determined by a majority vote of the presiding judges of the administrative judicial regions through use of funds under this subchapter. A visiting associate judge is not considered to be a state employee for any purpose.

(e) ~~(d)~~ Section 2252.901, Government Code, does not apply to the assignment ~~[appointment]~~ of a visiting associate judge under this section.

SECTION 5.004. Section 201.205(a), Family Code, is amended to read as follows:

(a) An associate judge appointed under this subchapter is entitled to a salary in the amount equal to 90 percent of the annual [state base] salary paid to a district judge with comparable years of service as the associate judge as set by the General Appropriations Act in accordance with Section 659.012 [659.012(a)], Government Code.

SECTION 5.005. Section 201.208, Family Code, is amended to read as follows:

Sec. 201.208. ASSIGNMENT OF JUDGES AND ~~[APPOINTMENT OF]~~ VISITING ASSOCIATE JUDGES. (a) This chapter does not limit the authority of a presiding judge to assign a judge eligible for assignment under Chapter 74, Government Code, to assist in processing cases in a reasonable time.

(b) ~~The [If an associate judge appointed under this subchapter is temporarily unable to perform the associate judge's official duties because of absence resulting from family circumstances, illness, injury, disability, or military service, or if there is a vacancy in the position of associate judge, the]~~ presiding judge of ~~an [the]~~ administrative judicial region ~~[in which the associate judge serves or the vacancy occurs]~~ may assign [appoint] a visiting associate judge to perform the duties of an [the] associate judge appointed under this subchapter only if:

(1) the associate judge is temporarily unable to perform the associate judge's official duties because of absence resulting from:

- (A) illness;
- (B) injury;
- (C) disability;
- (D) personal emergency;
- (E) military service;
- (F) vacation; or
- (G) attendance at a continuing legal education program;

(2) the associate judge requests assistance due to a heavy workload or a pandemic-related emergency; or

(3) a vacancy occurs in the position of associate judge.

(c) The presiding judge of an administrative judicial region may assign a visiting associate judge under Subsection (b) during the period the associate judge is unable to perform the associate judge's duties, during the period assistance is needed to manage the associate judge's workload, or until another associate judge is appointed to fill the vacancy.

(d) ~~(e)~~ A person is not eligible for assignment ~~[appointment]~~ under this section unless the person has served as a master or associate judge under this chapter, a district judge, or a statutory county court judge for at least two years before the date of assignment ~~[appointment]~~.

(e) ~~(d)~~ A visiting associate judge assigned ~~[appointed]~~ under this section is subject to each provision of this chapter that applies to an associate judge serving under a regular appointment under this subchapter. A visiting associate judge assigned ~~[appointed]~~ under this section is entitled to compensation, to be determined by a majority vote of the presiding judges of the administrative judicial regions, through use of funds under this subchapter. A visiting associate judge is not considered to be a state employee for any purpose.

(f) ~~(e)~~ Section 2252.901, Government Code, does not apply to the assignment ~~[appointment]~~ of a visiting associate judge under this section.

SECTION 5.006. Subchapter C, Chapter 54A, Government Code, is amended by adding Section 54A.219 to read as follows:

Sec. 54A.219. VISITING ASSOCIATE JUDGES. (a) This section does not limit the authority of the presiding judge of the statutory probate courts to assign a judge under Section 25.0022 to assist with processing cases in a reasonable time.

(b) The local administrative probate judge or, for a county without a local administrative probate judge, a statutory probate court judge of the county in which an associate judge appointed under this subchapter serves may assign a visiting associate judge to perform the duties of an associate judge appointed under this subchapter only if:

(1) the associate judge is temporarily unable to perform the associate judge's official duties because of absence resulting from:

(A) illness;

(B) injury;

(C) disability;

(D) personal emergency;

(E) military service;

(F) vacation; or

(G) attendance at a continuing legal education program;

(2) the associate judge requests assistance due to a heavy workload or a pandemic-related emergency; or

(3) a vacancy occurs in the position of associate judge.

(c) A visiting associate judge assigned under this section may be assigned to serve during the period an associate judge is unable to perform the associate judge's duties, during the period the associate judge needs assistance in managing the judge's workload, or until another associate judge is appointed to fill a vacancy in the position of associate judge.

(d) A person is not eligible for assignment under this section unless the person has served as an associate judge under this subchapter for at least two years before the date of assignment.

(e) A visiting associate judge assigned under this section is subject to each provision of this subchapter that applies to an associate judge appointed under this subchapter. An assigned visiting associate judge is entitled to compensation equal to the salary of the associate judge, prorated for time served. A visiting associate judge is not considered a county employee for any purpose.

SECTION 5.007. Subtitle D, Title 2, Government Code, is amended by adding Chapter 54B to read as follows:

CHAPTER 54B. ASSOCIATE JUDGES IN CERTAIN COUNTIES

SUBCHAPTER A. ASSOCIATE JUDGES IN DUVAL COUNTY

Sec. 54B.001. APPOINTMENT. The judge of the 229th District Court, with the approval of the Commissioners Court of Duval County, may appoint a full-time or a part-time associate judge to perform the duties authorized by this subchapter.

Sec. 54B.002. QUALIFICATIONS. To be eligible for appointment as an associate judge, a person must:

(1) be a resident of this state and Duval County; and

(2) meet the requirements and qualifications to serve as a judge of the court to which the person is appointed.

Sec. 54B.003. COMPENSATION. (a) An associate judge is entitled to the compensation set by the Commissioners Court of Duval County.

(b) The salary shall be paid from the county fund available for payments of officers' salaries.

(c) This section does not apply to an associate judge appointed under Chapter 54A of this code or Section 201.001, Family Code.

Sec. 54B.004. PRIVATE PRACTICE. A part-time associate judge may engage in the private practice of law, unless restricted on a finding that it is not in the public interest by the appointing judge.

Sec. 54B.005. TERMINATION OF SERVICES. (a) An associate judge serves at the will of the judge of the 229th District Court.

(b) This section does not apply to an associate judge appointed under Chapter 54A of this code or Section 201.001, Family Code.

Sec. 54B.006. REFERRAL OF CASE. (a) The appointing judge may refer to an associate judge any aspect of a civil or criminal case involving a matter over which the referring court has jurisdiction in Duval County.

(b) After notice to all parties of the time and place of hearing, an associate judge may preside over any hearing, including:

(1) for a civil case, proceedings involving:

(A) a temporary order in an action or suit for support by one spouse against another;

(B) a motion or suit to modify a temporary or final order;

(C) temporary orders in a suit affecting the parent-child relationship;

(D) an application for a temporary injunction related to temporary possession or use of property;

(E) habeas corpus, including any hearing authorized by the Family Code;

(F) a motion to transfer;

(G) a motion of contempt for failure or refusal to obey a temporary or final order;

(H) an action brought under Chapter 159, Family Code;

(I) an action for the protection of the family;

(J) a matter on which the parties agree;

(K) a matter in which a party is entitled to a default judgment;

(L) a divorce action in which a waiver of citation is on file;

(M) a friendly suit; and

(N) any other matter in the jurisdiction of the court, including a pretrial motion, discovery, a summary judgment, and other matters governed by the Texas Rules of Civil Procedure; and

(2) for a criminal case, proceedings involving:

(A) a negotiated plea of guilty or nolo contendere;

(B) a bond forfeiture;

(C) a pretrial motion;

(D) a postconviction writ of habeas corpus;

(E) an examining trial; and

(F) any other matter that the judge considers proper.

(c) A judge may not refer to an associate judge any criminal case for trial on the merits in which a jury trial has been requested.

(d) Unless a party files a written objection to the associate judge hearing the trial, the appointing judge may refer to an associate judge a trial on the merits. If an objection is filed, the trial on the merits shall be heard by the referring court.

(e) A trial on the merits is a final adjudication from which an appeal may be taken to a court of appeals.

(f) An associate judge may not conduct a contested trial on the merits to terminate parental rights unless the affected parties give written consent to the contested trial by the associate judge. Unless written consent is given by the affected parties to a contested trial on the merits, any order terminating parental rights issued pursuant to an associate judge's report resulting from the contested trial is void.

(g) On appointment of an associate judge, any pending or future cases may be referred to the associate judge.

Sec. 54B.007. ORDER OF REFERRAL. (a) To refer cases to an associate judge, the referring court must issue an order of referral.

(b) The order of referral may limit the power or duties of an associate judge.

Sec. 54B.008. POWERS. Except as limited by an order of referral, an associate judge may:

(1) conduct a hearing;

(2) hear evidence;

- (3) compel production of relevant evidence;
- (4) rule on admissibility of evidence;
- (5) issue summons for the appearance of witnesses;
- (6) examine witnesses;
- (7) swear witnesses for hearings;
- (8) make findings of fact on evidence;
- (9) formulate conclusions of law;
- (10) recommend the judgment to be made in a case;
- (11) regulate all proceedings in a hearing before the associate judge;
- (12) rule on all criminal pretrial motions; and
- (13) perform any act and take any measure necessary and proper for the

efficient performance of the associate judge's duties.

Sec. 54B.009. ATTENDANCE OF BAILIFF. A bailiff shall attend a hearing held by an associate judge if directed by the referring court.

Sec. 54B.010. WITNESS. (a) A witness appearing before an associate judge is subject to the penalties for perjury provided by law.

(b) A referring court may issue attachment against and may fine or imprison a witness whose failure to appear before an associate judge after being summoned or whose refusal to answer questions has been certified to the court.

Sec. 54B.011. REPORT TRANSMITTED TO COURT; NOTICE. (a) At the conclusion of any hearing conducted by an associate judge and on the preparation of an associate judge's report, the associate judge shall transmit to the referring court:

- (1) all papers relating to the case; and
- (2) the associate judge's signed and dated report.

(b) After the associate judge's report has been signed, the associate judge shall give notice of the substance of the report to the parties participating in the hearing.

(c) The associate judge's report may contain the associate judge's findings, conclusions, or recommendations. The associate judge's report must be in writing in a form as the referring court may direct. The form may be a notation on the referring court's docket sheet.

(d) The notice required under Subsection (b) may be given in open court or may be given by certified mail, return receipt requested. If the notice is given by certified mail, the associate judge shall certify the date of mailing and the notice is considered to have been given on the third day after the date of mailing.

Sec. 54B.012. NOTICE OF RIGHT TO APPEAL. An associate judge shall give all parties notice of the right of appeal to the judge of the referring court. The notice may be given:

- (1) at the hearing;
- (2) by posting the notice inside or outside the courtroom of the referring court; or
- (3) as otherwise directed by the referring court.

Sec. 54B.013. EFFECT OF ASSOCIATE JUDGE'S REPORT PENDING APPEAL. Pending appeal of the associate judge's report to the referring court, the associate judge's findings, conclusions, and recommendations are in full force and effect and are enforceable as an order of the referring court, except for the orders providing for incarceration or for the appointment of a receiver.

Sec. 54B.014. JUDICIAL ACTION ON ASSOCIATE JUDGE'S REPORT. After the associate judge's report is filed, and unless the parties have filed a written notice of appeal to the referring court, the referring court may:

(1) adopt, approve, or reject the associate judge's report;

(2) hear further evidence; or

(3) recommit the matter for further proceedings as the referring court considers proper and necessary in the particular circumstances of the case.

Sec. 54B.015. DECREE OR ORDER OF COURT. If an appeal to the referring court is not filed or the right to an appeal to the referring court is waived, the associate judge's findings, conclusions, and recommendations become the decree or order of the referring court only on the referring court's signing a decree or order conforming to the associate judge's report.

Sec. 54B.016. APPEAL TO REFERRING COURT. (a) Any party is entitled to a hearing by the judge of the referring court if, not later than three days, computed in the manner provided by Rule 4, Texas Rules of Civil Procedure, after the date the associate judge gives the notice required by Section 54B.011, an appeal of the associate judge's report is filed with the referring court.

(b) The first day of the appeal time to the referring courts begins on the day after the day on which the associate judge gives the notice required by Section 54B.011.

(c) An appeal to the referring court shall be in writing and must specify the associate judge's findings, conclusions, and recommendations to which the party objects. The appeal is limited to the findings, conclusions, and recommendations specified in the written appeal.

(d) On appeal to the referring court, the parties may present witnesses as in a hearing de novo on the issues raised in the appeal.

(e) Notice of any appeal to the referring court shall be given to opposing counsel in the manner provided by Rule 21a, Texas Rules of Civil Procedure.

(f) If an appeal to the referring court is filed by a party, any other party may file an appeal to the referring court not later than the seventh day after the date the initial appeal was filed.

(g) The referring court, after notice to the parties, shall hold a hearing on all appeals not later than the 30th day after the date on which the initial appeal was filed with the referring court.

(h) Before a hearing before an associate judge, the parties may waive the right of appeal to the referring court. The waiver may be in writing or on the record.

Sec. 54B.017. APPELLATE REVIEW. (a) Failure to appeal to the referring court, by waiver or otherwise, on the approval by the referring court of an associate judge's report does not deprive any party of the right to appeal to or request other relief from a court of appeals or the supreme court.

(b) The date of the signing of an order or judgment by the referring court is the controlling date for the purposes of an appeal to or a request for other relief from a court of appeals or the supreme court.

Sec. 54B.018. JURY TRIAL DEMANDED. If a jury trial is demanded and a jury fee paid in a trial on the merits, the associate judge shall refer any matters requiring a jury back to the referring court for a full trial before the court and jury.

Sec. 54B.019. INAPPLICABILITY OF SUBCHAPTER TO MASTERS APPOINTED UNDER RULE 171. Masters appointed by the referring court under Rule 171, Texas Rules of Civil Procedure, have all the duties and powers set forth in the order of appointment and are not governed by this subchapter.

Sec. 54B.020. IMMUNITY. An associate judge appointed under this subchapter has the judicial immunity of a district judge.

Sec. 54B.021. COURT REPORTER. (a) A court reporter is not required during a hearing held by an associate judge appointed under this subchapter.

(b) A party, the associate judge, or the referring court may provide for a court reporter during the hearing. The record may be preserved by any other means approved by the associate judge.

(c) The referring court or associate judge may impose on a party as costs the expense of preserving the record.

SECTION 5.008. Section 602.007, Government Code, is amended to read as follows:

Sec. 602.007. FILING OF OATH MADE BY CERTAIN JUDICIAL OFFICERS AND JUDICIAL APPOINTEES. The oath made and signed statement executed as required by Section 1, Article XVI, Texas Constitution, by any of the following judicial officers and judicial appointees shall be filed with the secretary of state:

(1) an officer appointed by the supreme court, the court of criminal appeals, or the State Bar of Texas; ~~and~~

(2) an associate judge appointed under Subchapter B or C, Chapter 201, Family Code; and

(3) a retired or former judge on the list maintained by the presiding judge of an administrative judicial region under Section 74.055.

ARTICLE 6. PROSECUTING ATTORNEYS

SECTION 6.001. Section 41.013, Government Code, is amended to read as follows:

Sec. 41.013. COMPENSATION OF CERTAIN PROSECUTORS. (a) Except as otherwise provided by law, a district attorney or criminal district attorney is entitled to receive from the state:

(1) annual compensation in an amount equal to at least 80 percent of the state annual salary as set by the General Appropriations Act in accordance with Section 659.012 paid to a district judge with comparable years of service as the district attorney or criminal district attorney; and

(2) a monthly amount of longevity pay based on the district attorney's or criminal district attorney's years of service that would be paid to the district attorney or criminal district attorney under Section 659.0445 if the district attorney or criminal district attorney were a judge or justice described by Section 659.0445(a).

(b) For purposes of this section, the years of service of a district attorney or criminal district attorney include any years of service as:

(1) a district attorney, criminal district attorney, or county attorney; or

(2) an appellate court justice, district judge, judge of a statutory county court, judge of a multicounty statutory county court, or judge or justice of a statutory probate court.

SECTION 6.002. Section 45.315, Government Code, is amended to read as follows:

Sec. 45.315. STEPHENS COUNTY. (a) The county attorney shall represent the state in all criminal cases before the County Court of Stephens County.

(b) The county attorney of Stephens County shall represent the state in all misdemeanor cases before the district court of the county.

SECTION 6.003. Section 46.003, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The state prosecuting attorney and each state prosecutor is entitled to receive from the state:

(1) a salary in an amount equal to the state annual salary as set by the General Appropriations Act in accordance with Section 659.012 paid to a district judge with comparable years of service as the state prosecuting attorney or state prosecutor; and

(2) a monthly amount of longevity pay based on the state prosecuting attorney's or state prosecutor's years of service that would be paid to the state prosecuting attorney or state prosecutor under Section 659.0445 if the state prosecuting attorney or state prosecutor were a judge or justice described by Section 659.0445(a).

(a-1) For purposes of this section, the years of service of the state prosecuting attorney or a state prosecutor include any years of service as:

(1) a county attorney; or

(2) an appellate court justice, district judge, judge of a statutory county court, judge of a multicounty statutory county court, or judge or justice of a statutory probate court.

SECTION 6.004. Sections 41.013(a) and 46.003(a), Government Code, as amended by this article, apply beginning with the first pay period that begins on or after September 1, 2023.

ARTICLE 7. GRAND JURIES

SECTION 7.001. Article 19A.052, Code of Criminal Procedure, is amended to read as follows:

Art. 19A.052. QUALIFIED PERSONS SUMMONED. On directing the sheriff or clerk of the district court to summon grand jurors, the court shall instruct the sheriff or clerk of the district court to not summon a person to serve as a grand juror who does not possess the qualifications prescribed by law.

SECTION 7.002. Article 19A.053, Code of Criminal Procedure, is amended to read as follows:

Art. 19A.053. ADDITIONAL QUALIFIED PERSONS SUMMONED. (a) If fewer than 16 persons summoned to serve as grand jurors are found to be in attendance and qualified to serve, the court shall order the sheriff or clerk of the district court to summon an additional number of persons considered necessary to constitute a grand jury of 12 grand jurors and four alternate grand jurors.

(b) The sheriff or clerk of the district court shall summon the additional prospective grand jurors under Subsection (a) in person to attend before the court immediately.

SECTION 7.003. Article 19A.101, Code of Criminal Procedure, is amended to read as follows:

Art. 19A.101. GRAND JUROR QUALIFICATIONS. (a) A person may be selected or serve as a grand juror only if the person:

- (1) is at least 18 years of age;
- (2) is a citizen of the United States;
- (3) is a resident of this state and of the county in which the person is to serve;
- (4) is qualified under the constitution and other laws to vote in the county in which the grand jury is sitting, regardless of whether the person is registered to vote;
- (5) is of sound mind and good moral character;
- (6) is able to read and write;
- (7) has never ~~not~~ been convicted of misdemeanor theft or a felony;
- (8) is not under indictment or other legal accusation for misdemeanor theft or a felony;
- (9) is not related within the third degree by consanguinity or second degree by affinity, as determined under Chapter 573, Government Code, to any person selected to serve or serving on the same grand jury;
- (10) has not served as a grand juror in the year before the date on which the term of court for which the person has been selected as a grand juror begins; and
- (11) is not a complainant in any matter to be heard by the grand jury during the term of court for which the person has been selected as a grand juror.

(b) On the third business day of each month, the clerk of the district court shall prepare a list of persons who in the preceding month were disqualified from serving as a grand juror based on the person's citizenship or indictment or conviction for misdemeanor theft or a felony and send a copy of the list to:

- (1) the secretary of state; and
- (2) the prosecuting attorney for the court to which the grand jurors were summoned for investigation into whether any person made a false claim concerning the person's qualification under Subsection (a)(2), (7), or (8).

SECTION 7.004. Articles 19A.052, 19A.053, and 19A.101, Code of Criminal Procedure, as amended by this article, apply only to the summoning of grand jurors on or after September 1, 2023. The summoning of grand jurors before September 1, 2023, is governed by the law in effect immediately before September 1, 2023, and the former law is continued in effect for that purpose.

ARTICLE 8. JURORS AND JURY SERVICE

SECTION 8.001. Section 61.001(a), Government Code, is amended to read as follows:

(a) Except as provided by Subsection (c), a person who reports for jury service in response to the process of a court is entitled to receive as reimbursement for travel and other expenses an amount:

(1) not less than \$20 [~~\$6~~] for the first day or fraction of the first day the person is in attendance in court in response to the process and discharges the person's duty for that day; and

(2) not less than \$58 [~~\$40~~] for each day or fraction of each day the person is in attendance in court in response to the process after the first day and discharges the person's duty for that day.

SECTION 8.002. Section 61.0015(a), Government Code, is amended to read as follows:

(a) The state shall reimburse a county:

(1) \$14 a day for the reimbursement paid under Section 61.001(a)(1) to a person who reports for jury service in response to the process of a court for the first day or fraction of the first day in attendance in court in response to the process; and

(2) \$52 [~~\$34~~] a day for the reimbursement paid under Section 61.001(a)(2) [~~61.001~~] to a person who reports for jury service in response to the process of a court for each day or fraction of each day after the first day in attendance in court in response to the process.

SECTION 8.003. Sections 61.003(a) and (b), Government Code, are amended to read as follows:

(a) Each [~~After jury service is concluded, each~~] person who reports [~~reported~~] for jury service shall be [~~personally~~] provided the opportunity, either through a written form or electronically, to direct [a form letter that when signed by the person directs] the county treasurer or a designated county employee to donate all, [or] a specific amount designated by the person, or the entire amount divided among the funds, programs, and county entities listed in this subsection of the person's daily reimbursement under this chapter to:

(1) the compensation to victims of crime fund established under Subchapter J, Chapter 56B, Code of Criminal Procedure;

(2) the child welfare, child protective services, or child services board of the county appointed under Section 264.005, Family Code, that serves abused and neglected children;

(3) any program selected by the commissioners court that is operated by a public or private nonprofit organization and that provides shelter and services to victims of family violence;

(4) any other program approved by the commissioners court of the county, including a program established under Article 56A.205, Code of Criminal Procedure, that offers psychological counseling in criminal cases involving graphic evidence or testimony;

(5) a veterans treatment court program established by the commissioners court as provided by Chapter 124; or

(6) a veterans county service office established by the commissioners court as provided by Subchapter B, Chapter 434.

(b) The county treasurer or a designated county employee shall collect any information provided under Subsection (a) ~~[each form letter]~~ directing the county treasurer to donate the reimbursement of a person who reports for jury service.

SECTION 8.004. Sections 62.001(a) and (b), Government Code, are amended to read as follows:

(a) The jury wheel must be reconstituted by using, as the source:

(1) the names of all persons on the current voter registration lists from all the precincts in the county; and

(2) all names on a current list to be furnished by the Department of Public Safety, showing the citizens of the county who:

(A) hold a valid Texas driver's license or a valid personal identification card or certificate issued by the department; and

(B) are not disqualified from jury service under Section 62.102(1), (2), or (8) ~~[(7)]~~.

(b) Notwithstanding Subsection (a), the names of persons listed on a register of persons exempt from jury service may not be placed in the jury wheel, as provided by Sections 62.108, ~~[and]~~ 62.109, 62.113, 62.114, and 62.115.

SECTION 8.005. Section 62.0111(b), Government Code, is amended to read as follows:

(b) A plan adopted under Subsection (a) may allow for a prospective juror to provide information to the county officer responsible for summoning jurors or for the county officer to provide information to the prospective juror by computer or automated telephone system, including:

(1) information that permits the court to determine whether the prospective juror is qualified for jury service under Section 62.102;

(2) information that permits the court to determine whether the prospective juror is exempt from jury service under Section 62.106;

(3) submission of a request by the prospective juror for a postponement of or excuse from jury service under Section 62.110;

(4) information for jury assignment under Section 62.016, including:

(A) the prospective juror's postponement status;

(B) if the prospective juror could potentially serve on a jury in a justice court, the residency of the prospective juror; and

(C) if the prospective juror could potentially serve on a jury in a criminal matter, whether the prospective juror has been convicted of misdemeanor theft;

(5) completion and submission by the prospective juror of the written juror ~~[jury summons]~~ questionnaire under Section 62.0132;

- (6) the prospective juror's electronic mail address; and
- (7) notification to the prospective juror by electronic mail of:
 - (A) whether the prospective juror is qualified for jury service;
 - (B) the status of the exemption, postponement, or judicial excuse request of the prospective juror; or
 - (C) whether the prospective juror has been assigned to a jury panel.

SECTION 8.006. Section 62.012(b), Government Code, is amended to read as follows:

(b) On receiving the notice from the judge, the clerk shall immediately write on the jury list the date that the prospective jurors are to be summoned to appear and shall either:

(1) summon the prospective jurors directly in the same manner a sheriff or constable would summon a juror under Section 62.013; or

(2) deliver the jury list to:

(A) [~~(H)~~] the sheriff, for a county or district court jury; or

(B) [~~(2)~~] the sheriff or constable, for a justice court jury.

SECTION 8.007. The heading to Section 62.013, Government Code, is amended to read as follows:

Sec. 62.013. SUMMONS FOR JURY SERVICE BY CLERK, SHERIFF, OR CONSTABLE.

SECTION 8.008. Sections 62.013(a) and (b), Government Code, are amended to read as follows:

(a) Except as provided by Section 62.014, the clerk, sheriff, or constable, on receipt of a jury list from a county or district clerk, shall immediately notify the persons whose names are on the list to appear for jury service on the date designated by the judge.

(b) The clerk, sheriff, or constable shall notify each prospective juror to appear for jury service:

(1) by an oral summons; or

(2) if the judge ordering the summons so directs, by a written summons sent by registered mail or certified mail, return receipt requested, or by first class mail to the address on the jury wheel card or the address on the current voter registration list of the county.

SECTION 8.009. Sections 62.0131(b) and (c), Government Code, are amended to read as follows:

(b) The model must include:

(1) the option to provide:

(A) the exemptions and restrictions governing jury service under Subchapter B; or

(B) the electronic address of the court's Internet website on which is posted the exemptions and restrictions governing jury service under Subchapter B; ~~and~~

(2) the information under Chapter 122, Civil Practice and Remedies Code, relating to the duties of an employer with regard to an employee who is summoned for jury service;

(3) notice of the contempt action to which the person summoned for jury service is subject under Section 62.0141 for failure to comply with the jury summons; and

(4) the option to:

(A) include in the jury summons the juror questionnaire required by Section 62.0132;

(B) provide the electronic address of the court's Internet website from which the juror questionnaire may be easily printed; or

(C) in counties in which the district and criminal district judges adopted a plan for an electronic jury selection method under Section 62.011, provide the electronic address of the court's Internet website for the prospective juror to access and complete the juror questionnaire.

(c) A written jury summons must conform with the model established under this section and must be 3-1/2 by 5 inches or larger in size.

SECTION 8.010. The heading to Section 62.0132, Government Code, is amended to read as follows:

Sec. 62.0132. JUROR [~~WRITTEN JURY SUMMONS~~] QUESTIONNAIRE.

SECTION 8.011. Sections 62.0132(c) and (d), Government Code, are amended to read as follows:

(c) The questionnaire must require a person to provide biographical and demographic information that is relevant to service as a jury member, including the person's:

(1) name, sex, race, and age;

(2) residence address and mailing address;

(3) education level, occupation, and place of employment;

(4) marital status and the name, occupation, and place of employment of the person's spouse; [~~and~~]

(5) citizenship status and county of residence; and

(6) any electronic address.

(d) Except as provided by this subsection, a person who has received a [~~written~~] jury summons shall complete and submit a juror [~~jury summons~~] questionnaire when the person reports for jury duty. If the district and criminal district judges of a county adopt a plan for an electronic jury selection method under Section 62.011, the county may allow a person to complete and submit a juror [~~jury summons~~] questionnaire on the court's Internet website as authorized under Section 62.0111(b)(5).

SECTION 8.012. The heading to Section 62.014, Government Code, is amended to read as follows:

Sec. 62.014. SUMMONS FOR JURY SERVICE BY CLERKS, SHERIFFS, OR BAILIFFS.

SECTION 8.013. Section 62.014(a), Government Code, is amended to read as follows:

(a) In a county with at least nine district courts, the district judges may direct that prospective jurors be summoned for jury service by the clerk, the sheriff, or ~~by~~ a bailiff, or an assistant or deputy bailiff, in charge of the central jury room and the general panel of the county.

SECTION 8.014. Section 62.0145, Government Code, is amended to read as follows:

Sec. 62.0145. REMOVAL OF CERTAIN PERSONS FROM POOL OF PROSPECTIVE JURORS. Except as provided by Section 62.0146, if a written summons for jury service sent by a clerk, sheriff, constable, or bailiff is undeliverable, the county or district clerk may remove from the jury wheel the jury wheel card for the person summoned or the district clerk, or in a county with a population of at least 1.7 million and in which more than 75 percent of the population resides in a single municipality, a bailiff appointed as provided under Section 62.019, may remove the person's name from the record of names for selection of persons for jury service under Section 62.011.

SECTION 8.015. Section 62.0146, Government Code, is amended to read as follows:

Sec. 62.0146. UPDATING ADDRESSES OF CERTAIN PERSONS IN POOL OF PROSPECTIVE JURORS. If a written summons for jury service sent by a clerk, sheriff, constable, or bailiff is returned with a notation from the United States Postal Service of a change of address for the person summoned, the county or district clerk may update the jury wheel card to reflect the person's new address.

SECTION 8.016. Section 62.015(b), Government Code, is amended to read as follows:

(b) If the court at any time does not have a sufficient number of prospective jurors present whose names are on the jury lists and who are not excused by the judge from jury service, the judge shall order the clerk, sheriff, or constable to summon additional prospective jurors to provide the requisite number of jurors for the panel. The names of additional jurors to be summoned by the clerk, sheriff, or constable to fill a jury panel shall be drawn from the jury wheel under orders of the judge. Additional jurors summoned to fill a jury panel shall be discharged when their services are no longer required.

SECTION 8.017. Section 62.016(d), Government Code, is amended to read as follows:

(d) The clerk or sheriff shall notify the persons whose names are drawn from the jury wheel to appear before the designated judge for jury service. The judge shall hear the excuses of the prospective jurors and swear them in for jury service for the week for which they are to serve as jurors.

SECTION 8.018. Section 62.017(d), Government Code, is amended to read as follows:

(d) The clerk or sheriff shall notify the persons whose names are drawn from the jury wheel to appear before the designated judge for jury service. The judge shall hear the excuses of the prospective jurors and swear them in for jury service for the week for which they are to serve as jurors.

SECTION 8.019. Section 62.0175(d), Government Code, is amended to read as follows:

(d) The clerk or sheriff shall notify the persons whose names are drawn from the jury wheel to appear before the district judge for jury service. The judge shall hear the excuses of the prospective jurors and swear them in for jury service for the week for which they are to serve as jurors.

SECTION 8.020. Section 62.106(a), Government Code, is amended to read as follows:

(a) A person qualified to serve as a petit juror may establish an exemption from jury service if the person:

(1) is over 75 [~~70~~] years of age;

(2) has legal custody of a child younger than 12 years of age and the person's service on the jury requires leaving the child without adequate supervision;

(3) is a student of a public or private secondary school;

(4) is a person enrolled and in actual attendance at an institution of higher education;

(5) is an officer or an employee of the senate, the house of representatives, or any department, commission, board, office, or other agency in the legislative branch of state government;

(6) is summoned for service in a county with a population of at least 200,000, unless that county uses a jury plan under Section 62.011 and the period authorized under Section 62.011(b)(5) exceeds two years, and the person has served as a petit juror in the county during the 24-month period preceding the date the person is to appear for jury service;

(7) is the primary caretaker of a person who is unable to care for himself or herself;

(8) except as provided by Subsection (b), is summoned for service in a county with a population of at least 250,000 and the person has served as a petit juror in the county during the three-year period preceding the date the person is to appear for jury service; or

(9) is a member of the United States military forces serving on active duty and deployed to a location away from the person's home station and out of the person's county of residence.

SECTION 8.021. Section 62.107(c), Government Code, is amended to read as follows:

(c) A person who files a statement with a clerk of the court, as provided by Subsection (a), claiming an exemption because the person is over 75 [~~70~~] years of age, may also claim the permanent exemption on that ground authorized by Section 62.108 by including in the statement filed with the clerk a declaration that the person desires the permanent exemption. Promptly after a statement claiming a permanent exemption on the basis of age is filed, the clerk of the court with whom it is filed shall have a copy delivered to the voter registrar of the county.

SECTION 8.022. Sections 62.108(a), (b), (c), and (e), Government Code, are amended to read as follows:

(a) A person who is entitled to exemption from jury service because the person is over 75 [70] years of age may establish a permanent exemption on that ground as provided by this section or Section 62.107.

(b) A person may claim a permanent exemption:

(1) by filing with the voter registrar of the county, by mail or personal delivery, a signed statement affirming that the person is over 75 [70] years of age and desires a permanent exemption on that ground; or

(2) in the manner provided by Section 62.107(c).

(c) The voter registrar of the county shall maintain a current register indicating the name of each person who has claimed and is entitled to a permanent exemption from jury service because the person is over 75 [70] years of age.

(e) A person who has claimed a permanent exemption from jury service because the person is over 75 [70] years of age may rescind the exemption at any time by filing a signed request for the rescission with the voter registrar of the county. Rescission of a permanent exemption does not affect the right of a person who is over 75 [70] years of age to claim permanent exemption at a later time.

SECTION 8.023. Section 62.109(c), Government Code, is amended to read as follows:

(c) The clerk of the district court shall promptly notify the voter registrar of the county of the name and address of each person permanently exempted [~~and state whether the exemption is permanent or for a specified period~~]. The voter registrar shall maintain a current register showing [~~separately~~] the name and address of each person permanently exempt from jury service under this section [~~and the name and address of each person exempt from jury service under this section for a specified period~~].

SECTION 8.024. Subchapter B, Chapter 62, Government Code, is amended by adding Section 62.115 to read as follows:

Sec. 62.115. COMPILATION OF LIST OF CONVICTED PERSONS. (a) The clerk of the court shall maintain a list of the name and address of each person who is disqualified under this subchapter from jury service because the person was convicted of misdemeanor theft or a felony.

(b) A person who was convicted of misdemeanor theft or a felony shall be permanently disqualified from serving as a juror. A person is exempt from this section if the person:

(1) was placed on deferred adjudication and received a dismissal and discharge in accordance with Article 42A.111, Code of Criminal Procedure;

(2) was placed on community supervision and the period of community supervision was terminated early under Article 42A.701, Code of Criminal Procedure; or

(3) was pardoned or has had the person's civil rights restored.

(c) The district clerk may remove from the jury wheel the jury wheel card for the person whose name appears on the list.

(d) On the third business day of each month, the clerk shall send to the secretary of state a copy of the list of persons disqualified because of a conviction of misdemeanor theft or a felony in the preceding month.

SECTION 8.025. Section 62.411(a), Government Code, is amended to read as follows:

(a) In addition to other methods of jury selection provided by this chapter, a justice of the peace may issue a writ commanding the clerk, sheriff, or constable to immediately summon a venire from which six qualified persons may be selected for jury service if:

(1) a jury case is pending for trial at a term of justice court; or

(2) the court does not have a sufficient number of prospective jurors present whose names are on the jury list and who are not excused from jury service.

SECTION 8.026. Section 62.412(c), Government Code, is amended to read as follows:

(c) A justice of the peace may command the clerk, sheriff, or constable to immediately summon additional persons for jury service in the justice court if the number of qualified jurors, including persons summoned under Section 62.016, is less than the number necessary for the justice court to conduct its proceedings.

SECTION 8.027. Sections 62.0111(c) and 62.0132(b), Government Code, are repealed.

SECTION 8.028. Sections 62.106(a), 62.107(c), and 62.108(a), (b), (c), and (e), Government Code, as amended by this article, apply only to an exemption from jury service for a person who is summoned to appear for service on or after September 1, 2023. An exemption from jury service for a person who is summoned to appear for service before September 1, 2023, is covered by the law in effect when the person was summoned, and that law is continued in effect for that purpose.

ARTICLE 9. COURT REPORTERS AND INTERPRETERS

SECTION 9.001. Section 52.041, Government Code, is amended to read as follows:

Sec. 52.041. APPOINTMENT OF OFFICIAL COURT REPORTER. (a) Each judge of a court of record shall appoint an official court reporter. An official court reporter is a sworn officer of the court and holds office at the pleasure of the court.

(b) The judges of two or more courts of record that are not located in the same judicial district on agreement may jointly appoint an official court reporter to serve the courts, provided each court is located in a county with a population of 125,000 or less according to the 2020 federal decennial census.

(c) Notwithstanding any other law, two or more judges of courts of record may appoint a certified shorthand reporter to serve each court as an official court reporter of the court, provided each court is located in a county with a population of 125,000 or less according to the 2020 federal decennial census. A certified shorthand reporter appointed under this subsection may serve as an official court reporter for more than one county and be an employee of more than one county.

SECTION 9.002. Section 52.055(d), Government Code, is amended to read as follows:

(d) The expenses reimbursed under this section are subject to annual limitations based on the size of the judicial district. Except as provided by Subsection (d-1), a court reporter may not receive more than the maximum reimbursement amount set for the reporter's judicial district in any one year. The maximum reimbursement amount is as follows:

(1) if the judicial district contains two counties, the maximum reimbursement amount is \$400 or a greater amount set by the commissioners court of the county for which the expenses were incurred;

(2) if the judicial district contains three counties, the maximum reimbursement amount is \$800 or a greater amount set by the commissioners court of the county for which the expenses were incurred;

(3) if the judicial district contains four counties, the maximum reimbursement amount is \$1,400 or a greater amount set by the commissioners court of the county for which the expenses were incurred; and

(4) if the judicial district contains five or more counties, the maximum reimbursement amount is \$2,000 or a greater amount set by the commissioners court of the county for which the expenses were incurred.

SECTION 9.003. Section 52.056(a), Government Code, is amended to read as follows:

(a) An official or deputy court reporter of a judicial district who is required to leave the county of the reporter's [his] residence to report proceedings as a substitute for the official court reporter of another county is entitled to reimbursement for actual and necessary travel expenses and a per diem allowance of \$30 or the amount provided by the travel per diem policy of the county for which the expenses were incurred, whichever is greater, for each day or part of a day spent outside the reporter's [his] county of residence in the performance of duties as a substitute. These fees are in addition to the visiting reporter's regular salary.

SECTION 9.004. Section 52.058(b), Government Code, is amended to read as follows:

(b) Travel expenses reimbursed under this section may not exceed the mileage reimbursement rate established by the county [~~25 cents per mile~~] for the use of private conveyances, traveling the shortest practical route.

SECTION 9.005. Sections 57.001(1) and (9), Government Code, are amended to read as follows:

(1) "Certified court interpreter" means an individual who is a qualified interpreter as defined in Article 38.31, Code of Criminal Procedure, or Section 21.003, Civil Practice and Remedies Code, or is qualified in accordance with the communication access realtime translation services eligibility requirements established by the Office of Deaf and Hard of Hearing Services of the Health and Human Services Commission, [~~certified under Subchapter B by the Department of Assistive and Rehabilitative Services~~] to interpret court proceedings for a hearing-impaired individual.

(9) "Certified CART provider" means an individual who holds a certification to provide communication access realtime translation services at an advanced or master level, including:

(A) a level I through level V certificate of competency issued by the Texas Court Reporters Association;

(B) a certified realtime reporter, certified realtime captioner, or other equivalent certified CART provider certificate of competency issued by the National Court Reporters Association; or

(C) a certificate of competency issued by another certification association selected by the department.

SECTION 9.006. (a) Section 154.051, Government Code, is amended by amending Subsection (a) and adding Subsection (f-1) to read as follows:

(a) The Court Reporters Certification Advisory Board is established as an advisory board to the commission. The advisory board is composed of at least nine ~~seven~~ members appointed by the supreme court as follows:

(1) one active district judge presiding over a court that employs an official court reporter;

(2) one active attorney licensed in this state who has been a practicing member of the State Bar for more than the five years immediately preceding the attorney's appointment to the advisory board;

(3) two certified shorthand ~~[active official court]~~ reporters actively engaged in the practice of official court ~~[who have practiced shorthand]~~ reporting in this state for more than the five years immediately preceding their appointment to the advisory board;

(4) two ~~[active]~~ certified shorthand reporters actively engaged in the practice of ~~[who work on a freelance basis and who have practiced]~~ shorthand reporting on a freelance basis for more than the five years immediately preceding their appointment to the advisory board; ~~and]~~

(5) one certified shorthand reporter actively engaged in practice as a captioner in this state for more than the five years immediately preceding the captioner's appointment to the advisory board; and

(6) two certified shorthand reporters who:

(A) own a shorthand reporting firm in this state; and

(B) have owned and ~~[one representative of a shorthand reporting firm that has]~~ operated ~~[as]~~ a shorthand reporting firm in this state for more than the five ~~three~~ years immediately preceding their ~~[the representative's]~~ appointment to the advisory board.

(f-1) Not later than the 90th day before the expiration of an advisory board member's term, the commission:

(1) shall post on the commission's Internet website notice of the availability of the membership position;

(2) shall accept resumes from and conduct interviews of any qualified individuals interested in appointment to the position; and

(3) may recommend to the supreme court one or more of the qualified individuals for appointment to the advisory board.

(b) As soon as practicable after the effective date of this Act, the Texas Supreme Court shall appoint two additional members of the Court Reporters Certification Advisory Board in accordance with Section 154.051(a), Government Code, as amended by this article.

(c) Section 154.051, Government Code, as amended by this article, modifying the qualifications of members of the Court Reporters Certification Advisory Board does not affect the entitlement of a member serving on the advisory board immediately before September 1, 2023, to continue to carry out the member's functions for the remainder of the member's term. Section 154.051, Government Code, as amended by this article, applies only to a member appointed or reappointed on or after September 1, 2023. This article does not prohibit a person who is a member of the advisory board before that date from being reappointed to the advisory board if the person has the qualifications required for membership under Section 154.051, Government Code, as amended by this article.

SECTION 9.007. Sections 154.105(b), (c), and (d), Government Code, are amended to read as follows:

(b) A certified shorthand reporter may administer oaths to witnesses[:

~~[(1) anywhere in this state;~~

~~[(2) in a jurisdiction outside this state if:~~

~~[(A) the reporter is at the same location as the witness; and~~

~~[(B) the witness is or may be a witness in a case filed in this state;~~

~~and~~

~~[(3) at any location authorized in a reciprocity agreement between this state and another jurisdiction under Section 152.202(b).]~~

~~[(c) Notwithstanding Subsection (b), a shorthand reporter may administer an oath as provided under this subsection to a person who is or may be a witness in a case filed in this state] without being at the same location as the witness[:~~

~~[(1) if the reporter is physically located in this state at the time the oath is administered; or~~

~~[(2) as authorized in a reciprocity agreement between this state and another jurisdiction under Section 152.202(b) if:~~

~~[(A) the witness is at a location in the other jurisdiction; and~~

~~[(B) the reporter is at a location in the same jurisdiction as the~~

~~witness].~~

~~[(c) [(d)] The identity of a witness who is not in the physical presence of a certified shorthand reporter may be proven by:~~

~~(1) a statement under oath on the record by a party to the case stating that the party has actual knowledge of the witness's identity;~~

~~(2) a statement on the record by an attorney for a party to the case, or an attorney for the witness, verifying the witness's identity;~~

~~(3) a statement on the record by a notary who is in the presence of the witness verifying the witness's identity; or~~

~~(4) the witness's presentation for inspection by the court reporter of an official document issued by this state, another state, a federal agency, or another jurisdiction that verifies the witness's identity.~~

SECTION 9.008. The heading to Section 154.112, Government Code, is amended to read as follows:

Sec. 154.112. EMPLOYMENT OF NONCERTIFIED PERSON FOR SHORTHAND REPORTING; CIVIL PENALTY.

SECTION 9.009. Section 154.112, Government Code, is amended by amending Subsection (b) and adding Subsections (d), (e), (f), (g), and (h) to read as follows:

(b) A person who is not certified as a court reporter may engage in shorthand reporting to report an oral deposition only if:

(1) the uncertified person delivers an affidavit to the parties or to their counsel before ~~present at~~ the deposition begins stating that a certified shorthand reporter is not available; or

(2) the parties or their counsel stipulate on the record at the beginning of the deposition that a certified shorthand reporter is not available.

(d) The person shall file the affidavit described by Subsection (b)(1) with the court as part of the certification required by Rule 203.2, Texas Rules of Civil Procedure.

(e) In addition to any other remedy authorized by law, the commission may:

(1) collect a civil penalty in an amount not to exceed \$1,000 from a person who fails to comply with Subsection (b)(1) or (d); and

(2) seek injunctive relief for a second or subsequent violation of Subsection (b)(1) or (d) to prohibit the person from engaging in shorthand reporting unless the person is certified as a court reporter under this chapter.

(f) The commission shall collect a civil penalty assessed under Subsection (e)(1) following the same procedures the commission uses in taking disciplinary action against a certified court reporter for violating the laws and rules applicable to the reporter.

(g) The attorney general, a county or district attorney whose jurisdiction includes the location at which a deposition is taken, or legal counsel the commission designates may represent the commission for purposes of collecting the civil penalty or obtaining the injunctive relief.

(h) In an action authorized by this section, the commission may obtain reasonable attorney's fees, expenses, and costs incurred in obtaining the civil penalty or injunctive relief.

SECTION 9.010. Section 154.105(e), Government Code, is repealed.

SECTION 9.011. As soon as practicable after the effective date of this Act, the Texas Supreme Court shall revise the Texas Rules of Civil Procedure as the court determines necessary to conform to the changes in law made by this Act to Section 154.112, Government Code.

ARTICLE 10. DEPOSITION, TRANSCRIPTION, AND INTERPRETATION SERVICES

SECTION 10.001. The heading to Section 20.001, Civil Practice and Remedies Code, is amended to read as follows:

Sec. 20.001. PERSONS WHO MAY TAKE A DEPOSITION ON WRITTEN QUESTIONS.

SECTION 10.002. Sections 20.001(b), (c), and (d), Civil Practice and Remedies Code, are amended to read as follows:

(b) A deposition on written questions of a witness who is alleged to reside or to be outside this state, but inside the United States, may be taken in another state by:

- (1) a clerk of a court of record having a seal;
- (2) a commissioner of deeds appointed under the laws of this state; or
- (3) any notary public.

(c) A deposition on written questions of a witness who is alleged to reside or to be outside the United States may be taken by:

- (1) a minister, commissioner, or charge d'affaires of the United States who is a resident of and is accredited in the country where the deposition is taken;
- (2) a consul general, consul, vice-consul, commercial agent, vice-commercial agent, deputy consul, or consular agent of the United States who is a resident of the country where the deposition is taken; or
- (3) any notary public.

(d) A deposition on written questions of a witness who is alleged to be a member of the United States Armed Forces or of a United States Armed Forces Auxiliary or who is alleged to be a civilian employed by or accompanying the armed forces or an auxiliary outside the United States may be taken by a commissioned officer in the United States Armed Forces or United States Armed Forces Auxiliary or by a commissioned officer in the United States Armed Forces Reserve or an auxiliary of it. If a deposition on written questions appears on its face to have been taken as provided by this subsection and the deposition or any part of it is offered in evidence, it is presumed, absent pleading and proof to the contrary, that the person taking the deposition as a commissioned officer was a commissioned officer on the date that the deposition was taken, and that the deponent was a member of the authorized group of military personnel or civilians.

SECTION 10.003. Section 30.012(b), Civil Practice and Remedies Code, is amended to read as follows:

(b) Witness testimony at trial in a district or statutory county court may be conducted by electronic means only if the witness is deposed before the commencement of the trial. Neither the court nor any party may waive the requirement to depose the witness under this subsection if any party objects.

SECTION 10.004. Section 51.601, Government Code, is amended to read as follows:

Sec. 51.601. COURT REPORTER SERVICE FUND. (a) [~~☞~~] The commissioners court of the county shall administer the court reporter service fund to assist in the payment of court-reporter-related services, that may include maintaining an adequate number of court reporters to provide services to the courts, obtaining court reporter transcription services, closed-caption transcription machines, Braille transcription services, or other transcription services, including a court reporter's preparation of an appellate record under the Texas Rules of Appellate Procedure and Rule 145, Texas Rules of Civil Procedure, to comply with state or federal laws, or providing any other service related to the functions of a court reporter.

(b) [~~☞~~] The commissioners court shall, in administering the court reporter service fund, assist any court in which a case is filed that requires the payment of the court reporter service fee.

SECTION 10.005. Sections 52.047(c), (e), and (g), Government Code, are amended to read as follows:

(c) On payment of the fee or as provided by the the [Rule 40(a)(3) or 53(j),] Texas Rules of Appellate Procedure, the person requesting the transcript is entitled to the original and one copy of the transcript. The person may purchase additional copies for a fee per page that does not exceed one-third of the original cost per page.

(e) If an objection is made to the amount of these additional fees, the judge shall set a reasonable fee. If the person applying for the transcript is entitled to a transcript without charge under the the [Rule 40(a)(3) or 53(j),] Texas Rules of Appellate Procedure, the court reporter may not charge any additional fees under Subsection (d).

(g) Notwithstanding the [Rule 53(j),] Texas Rules of Appellate Procedure, an official court reporter who is required to prepare a transcript in a criminal case without charging a fee is not entitled to payment for the transcript from the state or county if the county paid a substitute court reporter to perform the official court reporter's regular duties while the transcript was being prepared. To the extent that this subsection conflicts with the Texas Rules of Appellate Procedure, this subsection controls. Notwithstanding Sections 22.004 and 22.108(b), the supreme court or the court of criminal appeals may not amend or adopt rules in conflict with this subsection.

SECTION 10.006. The heading to Section 57.002, Government Code, is amended to read as follows:

Sec. 57.002. APPOINTMENT OF INTERPRETER OR CART PROVIDER; CART PROVIDER LIST; PAYMENT OF INTERPRETER COSTS.

SECTION 10.007. Section 57.002, Government Code, is amended by adding Subsections (g), (h), and (i) to read as follows:

(g) A party to a proceeding in a court who files a statement of inability to afford payment of court costs under Rule 145, Texas Rules of Civil Procedure, is not required to provide an interpreter at the party's expense or pay the costs associated with the services of an interpreter appointed under this section that are incurred during the course of the action, unless the statement has been contested and the court has ordered the party to pay costs pursuant to Rule 145. Nothing in this subsection is intended to apply to interpreter services or other auxiliary aids for individuals who are deaf, hard of hearing, or have communication disabilities, which shall be provided to those individuals free of charge pursuant to federal and state laws.

(h) Each county auditor, or other individual designated by the commissioners court of a county, in consultation with the district and county clerks shall submit to the Office of Court Administration of the Texas Judicial System, in the manner prescribed by the office, information on the money the county spent during the preceding fiscal year to provide court-ordered interpretation services in civil and criminal proceedings. The information must include:

(1) the number of interpreters appointed;

(2) the number of interpreters appointed for parties or witnesses who are indigent;

(3) the amount of money the county spent to provide court-ordered interpretation services; and

(4) for civil proceedings, whether a party to the proceeding filed a statement of inability to afford payment of court costs under Rule 145, Texas Rules of Civil Procedure, applicable to the appointment of an interpreter.

(i) Not later than December 1 of each year, the Office of Court Administration of the Texas Judicial System shall:

(1) submit to the legislature a report that aggregates by county the information submitted under Subsection (h) for the preceding fiscal year; and

(2) publish the report on the office's Internet website.

SECTION 10.008. Section 154.101(f), Government Code, is amended to read as follows:

(f) Except as provided by Section 154.112 and by Section 20.001, Civil Practice and Remedies Code, all depositions conducted in this state must be reported ~~recorded~~ by a certified shorthand reporter.

SECTION 10.009. Section 406.016(a), Government Code, is amended to read as follows:

(a) A notary public has the same authority as the county clerk to:

(1) take acknowledgments or proofs of written instruments;

(2) protest instruments permitted by law to be protested;

(3) administer oaths;

(4) take depositions as provided by Section 20.001, Civil Practice and Remedies Code; and

(5) certify copies of documents not recordable in the public records.

SECTION 10.010. (a) This article is and shall be construed to be consistent with the procedures set forth in Rules 199.1(c) and 203.6(a), Texas Rules of Civil Procedure, as of September 1, 2023.

(b) Section 57.002, Government Code, as amended by this article, applies to an action pending on September 1, 2023, or filed on or after that date.

ARTICLE 11. TRANSFER OF CASES AND PROCEEDINGS

SECTION 11.001. Section 33.101, Estates Code, is amended to read as follows:

Sec. 33.101. TRANSFER TO OTHER COUNTY IN WHICH VENUE IS PROPER. If probate proceedings involving the same estate are commenced in more than one county and the court making a determination of venue as provided by Section 33.053 determines that venue is proper in another county, the court clerk shall transmit the file for the proceeding in accordance with the procedures provided by Section 33.105 ~~make and retain a copy of the entire file in the case and transmit the original file in electronic or paper form~~ to the court in the county in which venue is proper. The court to which the file is transmitted shall conduct the proceeding in the same manner as if the proceeding had originally been commenced in that county.

SECTION 11.002. Section 33.102(a), Estates Code, is amended to read as follows:

(a) If it appears to the court at any time before the final order in a probate proceeding is rendered that the court does not have priority of venue over the proceeding, the court shall, on the application of an interested person, transfer the proceeding to the proper county by transmitting the file for the proceeding in accordance with the procedures provided by Section 33.105 to the proper court in that county ~~[in electronic or paper form:~~

~~[(1) the original file in the case; and~~

~~[(2) certified copies of all entries that have been made in the judge's probate docket in the proceeding].~~

SECTION 11.003. Section 33.103(b), Estates Code, is amended to read as follows:

(b) The clerk of the court from which the probate proceeding described by Subsection (a) is transferred shall transmit the file for the proceeding in accordance with the procedures provided by Section 33.105 to the court to which the proceeding is transferred;

~~[(1) the original file in the proceeding; and~~

~~[(2) a certified copy of the index].~~

SECTION 11.004. Subchapter C, Chapter 33, Estates Code, is amended by adding Section 33.105 to read as follows:

Sec. 33.105. TRANSFER OF PROBATE PROCEEDING RECORD. (a) If a probate proceeding is transferred to a court in another county under this chapter, the clerk of the transferring court shall send to the clerk of the court to which the proceeding is transferred, using the electronic filing system established under Section 72.031, Government Code:

(1) a transfer certificate and index of transferred documents;

(2) a copy of each final order;

(3) a copy of the order of transfer signed by the transferring court;

(4) a copy of the original papers filed in the transferring court, including a copy of any will;

(5) a copy of the transfer certificate and index of transferred documents from each previous transfer; and

(6) a bill of any costs accrued in the transferring court.

(b) The clerk of the transferring court shall use the standardized transfer certificate and index of transferred documents form developed by the Office of Court Administration of the Texas Judicial System under Section 72.037, Government Code, when transferring a proceeding under this section.

(c) The clerk of the transferring court shall keep a copy of the documents transferred under Subsection (a).

(d) The clerk of the court to which the proceeding is transferred shall:

(1) accept documents transferred under Subsection (a);

(2) docket the proceeding; and

(3) notify, using the electronic filing system established under Section 72.031, Government Code, all parties to the proceeding, the clerk of the transferring court, and, if appropriate, the transferring court's local registry that the proceeding has been docketed.

(e) The clerk of the transferee court shall physically or electronically mark or stamp the transfer certificate and index of transferred documents to evidence the date and time of acceptance under Subsection (d) but may not physically or electronically mark or stamp any other document transferred under Subsection (a).

(f) The clerks of both the transferee and transferring courts may each produce under Chapter 51, Government Code, certified or uncertified copies of documents transferred under Subsection (a) but must include a copy of the transfer certificate and index of transferred documents with each document produced.

(g) Sections 80.001 and 80.002, Government Code, do not apply to the transfer of documents under this section.

SECTION 11.005. Section 1023.006, Estates Code, is amended to read as follows:

Sec. 1023.006. TRANSFER OF RECORD. (a) Not later than the 10th working day after the date [When] an order of transfer is signed [made] under Section 1023.005, the clerk shall record any unrecorded papers of the guardianship required to be recorded. On payment of the clerk's fee, the clerk shall send, using the electronic filing system established under Section 72.031, Government Code, [transmit in electronic or paper form] to the county clerk of the county to which the guardianship was ordered transferred:

(1) a transfer certificate and index of transferred documents [the case file of the guardianship proceedings]; [and]

(2) a copy of each final order;

(3) a copy of the order of transfer signed by the transferring court;

(4) a copy of the original papers filed in the transferring court;

(5) a copy of the transfer certificate and index of transferred documents from each previous transfer; and

(6) a bill of any costs accrued in the transferring court [a certified copy of the index of the guardianship records].

(b) The clerk of the transferring court shall use the standardized transfer certificate and index of transferred documents form developed by the Office of Court Administration of the Texas Judicial System under Section 72.037, Government Code, when transferring a proceeding under this section.

(c) The clerk of the transferring court shall keep a copy of the documents transferred under Subsection (a).

(d) The clerk of the court to which the proceeding is transferred shall:

(1) accept documents transferred under Subsection (a);

(2) docket the suit; and

(3) notify, using the electronic filing system established under Section 72.031, Government Code, all parties, the clerk of the transferring court, and, if appropriate, the transferring court's local registry that the suit has been docketed.

(e) The clerk of the transferee court shall physically or electronically mark or stamp the transfer certificate and index of transferred documents to evidence the date and time of acceptance under Subsection (d), but may not physically or electronically mark or stamp any other document transferred under Subsection (a).

(f) The clerk of the transferring court shall send a certified copy of the order directing payments to the transferee court to:

(1) any party affected by the order and, if appropriate, to the local registry of the transferee court using the electronic filing system established under Section 72.031, Government Code; and

(2) an employer affected by the order electronically or by first class mail.

(g) The clerks of both the transferee and transferring courts may each produce under Chapter 51, Government Code, certified or uncertified copies of documents transferred under Subsection (a) but must include a copy of the transfer certificate and index of transferred documents with each document produced.

(h) Sections 80.001 and 80.002, Government Code, do not apply to the transfer of documents under this section.

SECTION 11.006. Section 1023.007, Estates Code, is amended to read as follows:

Sec. 1023.007. TRANSFER EFFECTIVE. The order transferring a guardianship does not take effect until the clerk of the court to which the proceeding is transferred accepts and docketes the case record under Section 1023.006[+]

~~[(1) the case file and a certified copy of the index required by Section 1023.006 are filed in electronic or paper form in the office of the county clerk of the county to which the guardianship was ordered transferred; and~~

~~[(2) a certificate under the clerk's official seal and reporting the filing of the case file and a certified copy of the index is filed in electronic or paper form in the court ordering the transfer by the county clerk of the county to which the guardianship was ordered transferred].~~

SECTION 11.007. Sections 155.207(a), (b), and (e), Family Code, are amended to read as follows:

(a) Not later than the 10th working day after the date an order of transfer is signed, the clerk of the court transferring a proceeding shall send, using the electronic filing system established under Section 72.031, Government Code, to the proper court ~~[in the county]~~ to which transfer is being made:

(1) a transfer certificate and index of transferred documents;

(2) a copy of each final order;

(3) a copy of the order of transfer signed by the transferring court;

(4) a copy of the original papers filed in the transferring court;

(5) a copy of the transfer certificate and index of transferred documents

from each previous transfer; and

(6) a bill of any costs that have accrued in the transferring court.

(b) The clerk of the transferring court shall keep a copy of the documents transferred under Subsection (a) [transferred pleadings].

(e) The clerks of both the transferee and transferring courts may each produce under Chapter 51, Government Code, certified or uncertified copies of documents transferred under Subsection (a) and must [filed in a case transferred under this section, but shall also] include a copy of the transfer certificate and index of transferred documents with each document produced.

SECTION 11.008. Section 51.3071, Government Code, is amended by amending Subsection (a) and adding Subsections (f) and (g) to read as follows:

(a) If a case is transferred from a district court to a constitutional or statutory county court or another district court, the clerk of the transferring [district] court shall send to the [county] clerk of the court to which the case is transferred, using the electronic filing system established under Section 72.031:

- (1) a transfer certificate and index of transferred documents;
- (2) a copy of the original papers filed in the transferring court;
- (3) a copy of the order of transfer signed by the transferring court;
- (4) a copy of each final order;
- (5) a copy of the transfer certificate and index of transferred documents

from each previous transfer; and

- (6) a bill of any costs that have accrued in the transferring court.

(f) The clerks of both the transferee and transferring courts may each produce, under this chapter, certified or uncertified copies of documents transferred under Subsection (a) and must include a copy of the transfer certificate and index of transferred documents with each document produced.

(g) This section applies regardless of whether the transferee court and the transferring court are in the same or different counties.

SECTION 11.009. Section 51.403, Government Code, is amended by amending Subsection (a) and adding Subsections (d) and (e) to read as follows:

(a) If a case is transferred from a county court to a district court or a statutory county court or a county court of another county, the clerk of the transferring [county] court shall send to the [district] clerk of the court to which the case is transferred, using the electronic filing system established under Section 72.031:

- (1) a transfer certificate and index of transferred documents;
- (2) a copy of the original papers filed in the transferring court;
- (3) a copy of the order of transfer signed by the transferring court;
- (4) a copy of each final order;
- (5) a copy of the transfer certificate and index of transferred documents

from each previous transfer; and

- (6) a bill of any costs that have accrued in the transferring court.

(d) The clerks of both the transferee and transferring courts may each produce, under this chapter, certified or uncertified copies of documents transferred under Subsection (a) and must include a copy of the transfer certificate and index of transferred documents with each document produced.

(e) This section applies regardless of whether the transferee court and the transferring court are in the same or different counties.

SECTION 11.010. Section 72.037(a), Government Code, is amended to read as follows:

(a) The office shall develop and make available a standardized transfer certificate and an index of transferred documents form to be used for the transfer of cases and proceedings under Sections 33.105 and 1023.006, Estates Code, Section 155.207, Family Code, and Sections 51.3071 and 51.403 of this code.

SECTION 11.011. Section 33.103(c), Estates Code, is repealed.

SECTION 11.012. As soon as practicable after the effective date of this Act, the Office of Court Administration of the Texas Judicial System shall adopt rules and develop and make available all forms and materials required by Section 72.037, Government Code, as amended by this Act.

ARTICLE 12. CRIMINAL PROCEDURE

SECTION 12.001. (a) Section 3(b), Article 11.07, Code of Criminal Procedure, is amended to read as follows:

(b) An application for writ of habeas corpus filed after final conviction in a felony case, other than a case in which the death penalty is imposed, must be filed with the clerk of the court in which the conviction being challenged was obtained, and the clerk shall assign the application to that court. When the application is received by that court, a writ of habeas corpus, returnable to the Court of Criminal Appeals, shall issue by operation of law. The clerk of that court shall make appropriate notation thereof, assign to the case a file number (ancillary to that of the conviction being challenged), and forward a copy of the application by certified mail, return receipt requested, by ~~secure~~ electronic mail, or by personal service to the attorney representing the state in that court, who shall answer the application not later than the 30th day after the date the copy of the application is received. Matters alleged in the application not admitted by the state are deemed denied.

(b) Section 3(b), Article 11.07, Code of Criminal Procedure, as amended by this section, applies only to an application for a writ of habeas corpus filed on or after September 1, 2023. An application filed before that date is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

SECTION 12.002. Article 18.01(d), Code of Criminal Procedure, is amended to read as follows:

(d) Only the specifically described property or items set forth in a search warrant issued under Article 18.02(a)(10) or property, items or contraband enumerated in Article 18.02(a)(1), (2), (3), (4), (5), (6), (7), (8), (9), or (12) may be seized. A subsequent search warrant may be issued pursuant to Article 18.02(a)(10) to search the same person, place, or thing subjected to a prior search under Article 18.02(a)(10) only if the subsequent search warrant is issued by a judge of a statutory county court, a district court, a court of appeals, the court of criminal appeals, or the supreme court.

SECTION 12.003. Article 18.0215(b), Code of Criminal Procedure, is amended to read as follows:

(b) A warrant under this article may be issued only by a judge, including a judge of a statutory county court, in the same judicial district as the site of:

(1) the law enforcement agency that employs the peace officer, if the cellular telephone or other wireless communications device is in the officer's possession; or

(2) the likely location of the telephone or device.

SECTION 12.004. Sections 4-c(a), (c), (d), and (e), Article 38.01, Code of Criminal Procedure, are amended to read as follows:

(a) On a determination by the commission that a license holder or crime laboratory has committed professional negligence or professional misconduct under this article, violated the code of professional responsibility under this article, or otherwise violated this article or a rule or order of the commission under this article, the commission may, as applicable:

(1) revoke or suspend the person's license or crime laboratory's accreditation;

(2) refuse to renew the person's license or crime laboratory's accreditation; or

(3) reprimand the license holder or crime laboratory.

(c) The commission shall give written notice by certified mail of a determination described by Subsection (a) to the applicable [a] license holder or crime laboratory ~~[who is the subject of the determination]~~. The notice must:

(1) include a brief summary of the alleged negligence, misconduct, or violation;

(2) state the disciplinary action taken by the commission; and

(3) inform the license holder or crime laboratory of the license holder's or crime laboratory's right to a hearing before the Judicial Branch Certification Commission on the occurrence of the negligence, misconduct, or violation, the imposition of a disciplinary action, or both.

(d) Not later than the 20th day after the date the license holder or crime laboratory receives the notice under Subsection (c), the license holder or crime laboratory may accept the disciplinary action or request a hearing by submitting a written request to the Judicial Branch Certification Commission to contest the findings of fact or conclusions of law, the occurrence of the negligence, misconduct, or violation, or the imposition of a disciplinary action, as applicable. If the license holder or crime laboratory fails to timely submit a request, the commission's disciplinary action becomes final and is not subject to review by the Judicial Branch Certification Commission.

(e) If the license holder or crime laboratory requests a hearing, the Judicial Branch Certification Commission shall conduct a hearing to determine whether there is substantial evidence to support the determination under Subsection (a) that the negligence, misconduct, or violation occurred ~~[license holder committed professional misconduct or violated this article or a commission rule or order under this article]~~. If the Judicial Branch Certification Commission upholds the determination, the Judicial Branch Certification Commission shall determine the type of disciplinary action to be taken. The Judicial Branch Certification Commission shall conduct the hearing, and any appeal of that commission's

decision, in accordance with the procedures provided by Subchapter B, Chapter 153, Government Code, as applicable, and the rules of the Judicial Branch Certification Commission.

SECTION 12.005. Article 42.15, Code of Criminal Procedure, is amended by adding Subsection (a-2) to read as follows:

(a-2) A defendant may waive the requirement for the inquiry described by Subsection (a-1) to be on the record.

SECTION 12.006. (a) Section 2a(a), Article 55.02, Code of Criminal Procedure, is amended to read as follows:

(a) A person who is entitled to expunction of information contained in records and files under Article 55.01(d) may file an application for expunction with the attorney representing the state in the prosecution of felonies in the county in which:

- (1) the person resides; or
- (2) the offense was alleged to have occurred.

(b) Section 2a(a), Article 55.02, Code of Criminal Procedure, as amended by this section, applies to an expunction of information contained in arrest records and files relating to any criminal offense occurring before, on, or after September 1, 2023.

ARTICLE 13. PROBATE PROCEEDINGS

SECTION 13.001. Section 152.001, Estates Code, is amended to read as follows:

Sec. 152.001. APPLICATION AUTHORIZED. (a) Subject to Subsection (b), a person qualified to serve as an administrator under Section 304.001 may file an application requesting emergency intervention by a court exercising probate jurisdiction to provide for:

- (1) the payment or reimbursement of the decedent's funeral and burial expenses; or
- (2) the protection and storage of personal property owned by the decedent that, on the date of the decedent's death, was located in accommodations rented by the decedent.

(b) An applicant may file an application under this section only if:

- (1) an application or affidavit has not been filed and is not pending under Section 256.052, 256.054, or 301.052 or Chapter 205 or 401; and
- (2) the applicant needs to:
 - (A) obtain funds for the payment or reimbursement of the decedent's funeral and burial expenses; or

(B) gain access to accommodations rented by the decedent that contain the decedent's personal property and the applicant has been denied access to those accommodations.

SECTION 13.002. Sections 152.002(a) and (b), Estates Code, are amended to read as follows:

(a) An emergency intervention application must be sworn and must contain:

- (1) the applicant's name, address, and interest;
- (2) facts showing an immediate necessity for the issuance of an emergency intervention order under Subchapter B;

(3) the decedent's date of death, place of death, and residential address on the date of death;

(4) the name and address of the funeral home holding the decedent's remains or paid by the applicant for the decedent's funeral and burial; and

(5) the names of any known or ascertainable heirs and devisees of the decedent.

(b) In addition to the information required under Subsection (a), if emergency intervention is requested to obtain funds needed for the payment or reimbursement of the decedent's funeral and burial expenses, the application must also contain:

(1) the reason any known or ascertainable heirs and devisees of the decedent:

(A) cannot be contacted; or

(B) have refused to assist in the decedent's burial;

(2) a description of necessary funeral and burial procedures and a statement from the funeral home that contains a detailed and itemized description of the cost of those procedures; ~~and~~

(3) the name and address of an individual, entity, or financial institution, including an employer, in possession of any funds of or due to the decedent, and related account numbers and balances, if known by the applicant; and

(4) if applicable, the amount paid by the applicant for the funeral and burial procedures described by Subdivision (2).

SECTION 13.003. Section 152.003, Estates Code, is amended to read as follows:

Sec. 152.003. ADDITIONAL CONTENTS OF APPLICATION: INSTRUCTIONS REGARDING DECEDENT'S FUNERAL AND REMAINS.

(a) In addition to the information required under Section 152.002, if emergency intervention is requested to obtain funds needed for the payment or reimbursement of a decedent's funeral and burial expenses, the application must also state whether there are or were any written instructions from the decedent relating to the type and manner of funeral or burial preferred by the decedent. The applicant shall:

(1) attach the instructions, if available, to the application; and

(2) fully comply, or must have fully complied, as appropriate, with the instructions.

(b) If written instructions do not exist, the applicant may not permit or have permitted the decedent's remains to be cremated unless the applicant obtains or obtained the court's permission to cremate the remains.

SECTION 13.004. Section 152.004, Estates Code, is amended to read as follows:

Sec. 152.004. TIME AND PLACE OF FILING. An emergency intervention application must be filed:

(1) with the court clerk in the county in which:

(A) the decedent was domiciled; or

(B) the accommodations rented by the decedent that contain the decedent's personal property are located; and

(2) not earlier than the third day after the date of the decedent's death and not later than nine months [~~the 90th day~~] after the date of the decedent's death.

SECTION 13.005. Section 152.051, Estates Code, is amended to read as follows:

Sec. 152.051. ISSUANCE OF ORDER REGARDING FUNERAL AND BURIAL EXPENSES. If on review of an application filed under Section 152.001 the court determines that emergency intervention is necessary to obtain funds needed for the payment or reimbursement of a decedent's funeral and burial expenses, the court may order funds of the decedent that are being held by an individual, an employer, or a financial institution to be paid directly to a funeral home or the applicant, as applicable, only for:

(1) reasonable and necessary attorney's fees for the attorney who obtained the order;

(2) court costs for obtaining the order; and

(3) funeral and burial expenses not to exceed \$5,000 as ordered by the court to provide the decedent with or to provide reimbursement for a reasonable, dignified, and appropriate funeral and burial.

SECTION 13.006. Sections 152.001, 152.002(a) and (b), 152.003, 152.004, and 152.051, Estates Code, as amended by this article, apply only to an application requesting emergency intervention that is filed on or after September 1, 2023. An application that is filed before September 1, 2023, is governed by the law in effect at the time the application was filed, and the former law is continued in effect for that purpose.

ARTICLE 14. JUVENILE BOARDS

SECTION 14.001. Section 152.0671(a), Human Resources Code, is amended to read as follows:

(a) The Denton County Juvenile Board is composed of the county judge, the district judges in Denton County, and the judge of any county court at law [~~statutory court~~] in the county.

SECTION 14.002. Section 152.2264, Human Resources Code, is amended to read as follows:

Sec. 152.2264. TARRANT COUNTY CRIMINAL COURT ADMINISTRATOR. (a) Subject to the approval of the commissioners court, the judges of the district courts that give preference to criminal cases, the judges of the criminal district courts, and the judges of the county criminal courts of Tarrant County [~~and county courts in Tarrant County that give preference to criminal matters~~] may use the services of a criminal courts administrator.

(b) A judge may not be subjected to a suit for, and is immune from liability for damages arising from, an act or omission committed while performing a duty under this section unless the act or omission is:

(1) committed intentionally, wilfully, or wantonly; or

(2) committed with:

(A) gross negligence; [~~or~~]

(B) conscious indifference [~~or reckless disregard~~] for the safety of others; or

(C) reckless disregard for the safety of others.

ARTICLE 15. TEXAS INDIGENT DEFENSE COMMISSION

SECTION 15.001. Effective June 1, 2023, Section 79.012(b), Government Code, is amended to read as follows:

(b) The executive director:

(1) ~~[must be a licensed attorney;~~

~~(2)]~~ must demonstrate an interest in the standards for and provision of criminal defense services to indigent individuals;

(2) ~~(3)]~~ may not engage in the private practice of law; and

~~(3) (4)]~~ may not accept money, property, or any other thing of value not authorized by law for services rendered under this chapter.

ARTICLE 16. ADMINISTRATION OF OATHS

SECTION 16.001. Section 602.002, Government Code, is amended to read as follows:

Sec. 602.002. OATH MADE IN TEXAS. An oath made in this state may be administered and a certificate of the fact given by:

(1) a judge, retired judge, or clerk of a municipal court;

(2) a judge, retired judge, senior judge, clerk, or commissioner of a court of record;

(3) a justice of the peace, a retired justice of the peace, or a clerk of a justice court;

(4) an associate judge, magistrate, master, referee, or criminal law hearing officer;

(5) a notary public;

(6) a member of a board or commission created by a law of this state, in a matter pertaining to a duty of the board or commission;

(7) a person employed by the Texas Ethics Commission who has a duty related to a report required by Title 15, Election Code, in a matter pertaining to that duty;

(8) a county tax assessor-collector or an employee of the county tax assessor-collector if the oath relates to a document that is required or authorized to be filed in the office of the county tax assessor-collector;

(9) the secretary of state or a former secretary of state;

(10) an employee of a personal bond office, or an employee of a county, who is employed to obtain information required to be obtained under oath if the oath is required or authorized by Article 17.04 or by Article 26.04(n) or (o), Code of Criminal Procedure;

(11) the lieutenant governor or a former lieutenant governor;

(12) the speaker of the house of representatives or a former speaker of the house of representatives;

(13) the governor or a former governor;

(14) a legislator or retired legislator;

(14-a) the secretary of the senate or the chief clerk of the house of representatives;

- (15) the attorney general or a former attorney general;
- (16) the secretary or clerk of a municipality in a matter pertaining to the official business of the municipality;
- (17) a peace officer described by Article 2.12, Code of Criminal Procedure, if:
 - (A) the oath is administered when the officer is engaged in the performance of the officer's duties; and
 - (B) the administration of the oath relates to the officer's duties; or
- (18) a county treasurer.

ARTICLE 17. APPELLATE RECORD

SECTION 17.001. (a) Subchapter B, Chapter 51, Civil Practice and Remedies Code, is amended by adding Section 51.018 to read as follows:

Sec. 51.018. APPENDIX IN LIEU OF CLERK'S RECORD. (a) Not later than the 10th day after the date that a party files a notice of appeal for a civil suit, the party may notify the trial court and the court of appeals that the party will file an appendix that replaces the clerk's record for the appeal.

(b) The party must file the appendix with the party's appellate brief. Except in an expedited proceeding or by order of the court, the brief and appendix must be filed not later than the 30th day after the later of:

- (1) the date that the party provided notice under Subsection (a); or
- (2) the date that a reporter's record, if any, is filed with the court of appeals.

(c) An appendix filed under this section must contain a file-stamped copy of each document required by Rule 34.5, Texas Rules of Appellate Procedure, for a civil suit and any other item the party intends to reference in the party's brief. The appendix may not contain a document that has not been filed with the trial court except by agreement of the parties to the appeal.

(d) An appendix filed in accordance with this section becomes part of the appellate record. A court clerk may not prepare or file a clerk's record or assess a fee for preparing a clerk's record if a party files an appendix in accordance with this section.

(b) Section 51.018, Civil Practice and Remedies Code, as added by this section, applies only to a party that files a notice of appeal on or after January 1, 2024. A party that files a notice of appeal before January 1, 2024, is governed by the law in effect on the date the notice was given, and the former law is continued in effect for that purpose.

ARTICLE 18. DELIVERY OF DOCUMENTS

SECTION 18.001. The heading to Chapter 80, Government Code, is amended to read as follows:

CHAPTER 80. DELIVERY OF NOTICE, ORDERS, AND DOCUMENTS

SECTION 18.002. Section 80.001, Government Code, is amended to read as follows:

Sec. 80.001. DELIVERY OF NOTICE OR DOCUMENT. A court, justice, judge, magistrate, or clerk may send any notice or document by a method authorized by Section 80.002(a) [~~80.002~~].

SECTION 18.003. Section 80.002, Government Code, is amended to read as follows:

Sec. 80.002. ~~[AUTHORIZED]~~ DELIVERY OF NOTICE, ORDER, OR DOCUMENT. (a) A court, justice, judge, magistrate, or clerk may send any notice or document using mail or electronic mail. This subsection ~~[section]~~ applies to all civil and criminal statutes requiring delivery of a notice or document.

(b) In addition to any other delivery method required or authorized by law or supreme court rule, a statutory county court, district court, or appellate court shall deliver through the electronic filing system established under Section 72.031 to all parties in each case in which the use of the electronic filing system is required or authorized all court orders the court enters for the case.

ARTICLE 19. SERVICE OF PROCESS

SECTION 19.001. Chapter 30, Civil Practice and Remedies Code, is amended by adding Section 30.0035 to read as follows:

Sec. 30.0035. PERSONAL SERVICE OF PROCESS DURING LEGISLATIVE PROCEEDING PROHIBITED. A person may not serve citation or other civil process in person on a member, officer, or employee of the senate or house of representatives during any legislative proceeding. A court shall quash any service made in violation of this section. The supreme court shall revoke the certification of a process server who violates this section. This section is not subject to Section 22.004(c), Government Code.

ARTICLE 20. EFFECTIVE DATE

SECTION 20.001. (a) Except as otherwise provided by this Act and Subsection (b) of this section, this Act takes effect September 1, 2023.

(b) Article 15 of this Act takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Article 15 of this Act takes effect September 1, 2023.

Representative Leach moved to adopt the conference committee report on **HB 3474**.

The motion to adopt the conference committee report on **HB 3474** prevailed by (Record 2251): 132 Yeas, 2 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dutton; Flores; Frank; Gates; Gerdes; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lopez, R.; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul;

Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Stucky; Swanson; Talarico; Thierry; Thimesch; Thompson, E.; Thompson, S.; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Dorazio; Tinderholt.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren; Johnson, A.; Murr; Spiller.

Absent — Gámez; Longoria; Lozano; Schaefer; Tepper.

STATEMENTS OF VOTE

When Record No. 2251 was taken, I was in the house but away from my desk. I would have voted yes.

Lozano

When Record No. 2251 was taken, my vote failed to register. I would have voted yes.

Schaefer

HR 2472 - ADOPTED (by T. King)

The following privileged resolution was laid before the house:

HR 2472

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **SB 28** (relating to financial assistance provided and programs administered by the Texas Water Development Board) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, by omitting text in added Section 15.153(a), Water Code. The omitted text reads:

the acquisition or creation of

Explanation: The change is necessary to limit the purposes for which money in the new water supply for Texas fund may be used.

(2) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, by omitting added Section 15.153(b)(1)(A), Water Code. The omitted text reads:

(A) the acquisition of water from other states;

Explanation: The change is necessary to limit the purposes for which money in the new water supply for Texas fund may be used.

(3) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 2 of the bill, by omitting text in added Section 15.153(b)(3), Water Code. The omitted text reads:

only for the acquisition or transfer of water originating outside this state

Explanation: The change is necessary to limit the purposes for which money in the new water supply for Texas fund may be used.

(4) House Rule 13, Section 9(a)(2), is suspended to permit the committee to omit text not in disagreement in proposed SECTION 6 of the bill, by omitting added Section 15.502(d), Water Code. The omitted text reads:

(d) The comptroller may not use the fund for certification under Section 49a, Article III, Texas Constitution.

Explanation: The change is necessary to clarify the purposes for which the Texas water fund may be used.

HR 2472 was adopted by (Record 2252): 138 Yeas, 0 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren; Johnson, A.; Murr; Spiller.

Absent — Vasut.

SB 28 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative T. King submitted the conference committee report on **SB 28**.

Representative T. King moved to adopt the conference committee report on **SB 28**.

The motion to adopt the conference committee report on **SB 28** prevailed by (Record 2253): 134 Yeas, 4 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Cain; Harrison; Schaefer; Toth.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren; Johnson, A.; Murr; Spiller.

Absent — Bryant.

STATEMENTS OF VOTE

When Record No. 2253 was taken, I was in the house but away from my desk. I would have voted yes.

Bryant

When Record No. 2253 was taken, I was shown voting yes. I intended to vote no.

Schatzline

HR 2506 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 2506**, suspending the limitations on the conferees for **HB 3697**.

HR 2507 - NOTICE OF INTRODUCTION

Pursuant to Rule 13, Section 9(f), of the House Rules, the chair announced the introduction of **HR 2507**, suspending the limitations on the conferees for **HB 3699**.

**HB 1620 - HOUSE DISCHARGES CONFEREES
HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative K. Bell called up with senate amendments for consideration at this time,

HB 1620, A bill to be entitled An Act relating to the review date for certain governmental entities subject to the sunset review process.

Representative K. Bell moved to discharge the conferees and concur in the senate amendments to **HB 1620**.

The motion to discharge the conferees and concur in the senate amendments to **HB 1620** prevailed by (Record 2254): 129 Yeas, 9 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bungarner; Burns; Burrows; Button; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Cain; Harrison; Hefner; Patterson; Schaefer; Schatzline; Swanson; Tinderholt; Toth.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren; Johnson, A.; Murr; Spiller.

Absent — Lopez, R.

Senate Amendment No. 1 (Senate Floor Amendment No. 1)

Amend **HB 1620** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Section 443.002, Government Code, is amended to read as follows:

Sec. 443.002. SUNSET PROVISION. The State Preservation Board is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2029 [2025].

SECTION 2. Section 444.002(a), Government Code, is amended to read as follows:

(a) The Texas Commission on the Arts is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter expires September 1, 2029 [~~2025~~].

SECTION 3. Section 467.002, Government Code, is amended to read as follows:

Sec. 467.002. APPLICATION OF SUNSET ACT. The commission is subject to review under Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the commission is abolished and this chapter, Chapter 466 of this code, and Chapter 2001, Occupations Code, expire September 1, 2025.

SECTION 4. Section 659.140(i), Government Code, is amended to read as follows:

(i) The state employee charitable campaign policy committee is subject to the Texas Sunset Act. Unless continued in existence as provided by that chapter, the committee is abolished and this subchapter [~~Government Code, Chapter 659, Subchapter I,~~] and Sections 814.0095 and 814.0096 expire on September 1, 2029 [~~2025~~].

SECTION 5. Section 2021.008, Occupations Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) The commission is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, and except as provided by Subsections (b) and (c), the commission is abolished and this subtitle expires September 1, 2029 [~~2027~~].

(a-1) As part of the review under Subsection (a), the Sunset Advisory Commission shall review:

(1) the impact on the commission of authorizing the executive director to apply for and receive grants to implement or enforce this subtitle;

(2) the effect of increasing the amount of unappropriated money remaining in the Texas Racing Commission fund at the close of each state fiscal biennium that is transferred to the general revenue fund;

(3) the effect of complying with Chapter 53 in the administration of the commission's licensing program;

(4) the effect of requiring reimbursement of general revenue appropriated to the commission for the administration and enforcement of this subtitle that exceeds the cumulative amount deposited in the Texas Racing Commission fund; and

(5) the commission's authority to issue a temporary license to an applicant whose application appears to comply with the requirements of law.

SECTION 6. Subchapter B, Chapter 2022, Occupations Code, is amended by adding Section 2022.0515 to read as follows:

Sec. 2022.0515. GRANTS. The executive director may apply for and receive any grant applicable to the implementation or enforcement of this subtitle or a rule adopted under this subtitle.

SECTION 7. Section 2023.053(c), Occupations Code, is amended to read as follows:

(c) Any unappropriated money exceeding \$2 million [~~\$750,000~~] that remains in the fund at the close of each state fiscal biennium shall be transferred to the general revenue fund and may be appropriated for any purpose.

SECTION 8. Section 2025.001, Occupations Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) The commission shall comply with Chapter 53 in the administration of the commission's licensing program.

SECTION 9. The following provisions of the Occupations Code are repealed:

- (1) Section 2023.053(e); and
- (2) Section 2025.260.

SECTION 10. It is the intent of the legislature that the Sunset Advisory Commission review the Texas Lottery Commission during the period in which the Sunset Advisory Commission reviews state agencies abolished in 2025, and this Act controls over **SB 1659**, Acts of the 88th Legislature, Regular Session, 2023, or any other Act of the 88th Legislature, Regular Session, 2023, that amends Section 467.002, Government Code, changing the sunset date of the Texas Lottery Commission to a date other than September 1, 2025, without regard to the relative dates of enactment.

SECTION 11. This Act takes effect September 1, 2023.

**HB 4888 - HOUSE DISCHARGES CONFEREES
HOUSE CONCURS IN SENATE AMENDMENTS
TEXT OF SENATE AMENDMENTS**

Representative Hefner called up with senate amendments for consideration at this time,

HB 4888, A bill to be entitled An Act relating to Medicaid coverage and reimbursement for non-opioid treatments.

Representative Hefner moved to discharge the conferees and concur in the senate amendments to **HB 4888**.

The motion to discharge the conferees and concur in the senate amendments to **HB 4888** prevailed by (Record 2255): 131 Yeas, 6 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Canos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw;

Morrison; Muñoz; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Troxclair; Turner; VanDeaver; Vo; Walle; Wu; Zwiener.

Nays — Cain; Harrison; Schaefer; Schatzline; Toth; Vasut.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren; Johnson, A.; Murr; Spiller.

Absent — Bell, C.; Wilson.

STATEMENT OF VOTE

When Record No. 2255 was taken, I was in the house but away from my desk. I would have voted no.

Wilson

Senate Committee Substitute

CSHB 4888, A bill to be entitled An Act relating to Medicaid coverage and reimbursement for non-opioid treatments.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 32, Human Resources Code, is amended by adding Section 32.03117 to read as follows:

Sec. 32.03117. REIMBURSEMENT FOR NON-OPIOID TREATMENTS.

(a) In this section, "non-opioid treatment" means a drug or biological product that is indicated to produce analgesia without acting on the body's opioid receptors.

(b) The commission shall ensure that medical assistance reimbursement is provided to a provider who provides a non-opioid treatment to a recipient under the medical assistance program.

(c) The executive commissioner by rule shall ensure that, to the extent permitted by federal law, a hospital provider that provides outpatient department services to a medical assistance recipient is reimbursed separately under the medical assistance program for any non-opioid treatment provided as a part of those services.

SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 3. This Act takes effect September 1, 2023.

SCR 59 - ADOPTED (Leo-Wilson - House Sponsor)

The following privileged resolution was laid before the house:

SCR 59, Returning **SB 1725** to the Senate for further consideration.

SCR 59 was adopted by (Record 2256): 90 Yeas, 47 Nays, 2 Present, not voting.

Yeas — Allison; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bonnen; Bryant; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Capriglione; Clardy; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gates; Gerdes; Guerra; Guillen; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Holland; Hull; Hunter; Isaac; Jetton; Kacal; King, K.; King, T.; Kitzman; Kuempel; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lozano; Lujan; Metcalf; Meyer; Meza; Morales, E.; Morrison; Muñoz; Noble; Oliverson; Orr; Patterson; Paul; Price; Raney; Raymond; Rogers; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Stucky; Swanson; Tepper; Thimesch; Thompson, E.; Tinderholt; Toth; Troxclair; VanDeaver; Vasut; Vo; Walle; Wilson.

Nays — Allen; Anchía; Bernal; Bhojani; Bowers; Bucy; Campos; Canales; Cole; Collier; Davis; Gámez; Gervin-Hawkins; González, J.; González, M.; Goodwin; Harless; Hinojosa; Howard; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Klick; Lalani; Manuel; Martinez; Moody; Morales, C.; Morales Shaw; Neave Criado; Ordaz; Ortega; Perez; Plesa; Ramos; Reynolds; Romero; Rose; Rosenthal; Sherman; Talarico; Thierry; Thompson, S.; Turner; Wu; Zwiener.

Present, not voting — Mr. Speaker; Goldman(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren; Johnson, A.; Murr; Spiller.

Absent — Lopez, R.; Martinez Fischer.

STATEMENTS OF VOTE

When Record No. 2256 was taken, I was shown voting yes. I intended to vote no.

Bryant

When Record No. 2256 was taken, I was shown voting yes. I intended to vote no.

Flores

When Record No. 2256 was taken, I was shown voting no. I intended to vote yes.

Hinojosa

(Speaker in the chair)

(A. Johnson, Murr, and Spiller now present)

SB 2627 - RULES SUSPENDED

Representative Hunter moved to suspend all necessary rules to submit the conference committee report on **SB 2627**.

The motion prevailed by (Record 2257): 135 Yeas, 3 Nays, 1 Present, not voting.

Yeas — Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Harrison; Ramos; Schaefer.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent, Excused, Committee Meeting — Geren.

Absent — Allen; Bowers; Gervin-Hawkins; Johnson, J.D.; Morales Shaw.

STATEMENTS OF VOTE

When Record No. 2257 was taken, I was shown voting yes. I intended to vote no.

Isaac

When Record No. 2257 was taken, I was shown voting yes. I intended to vote no.

Schatzline

When Record No. 2257 was taken, I was shown voting yes. I intended to vote no.

Swanson

(Geren now present)

SB 2627 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Hunter submitted the conference committee report on **SB 2627**.

Representative Hunter moved to adopt the conference committee report on **SB 2627**.

The motion to adopt the conference committee report on **SB 2627** prevailed by (Record 2258): 114 Yeas, 20 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Cole; Cook; Cortez; Craddick; Cunningham; Darby; Dean; Dorazio; Dutton; Flores; Frank; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, M.; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Holland; Howard; Hull; Hunter; Jetton; Johnson, A.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lozano; Lujan; Manuel; Martinez; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Price; Raney; Raymond; Rogers; Romero; Rose; Schatzline; Schofield; Shine; Slawson; Smith; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troclair; Turner; VanDeaver; Vasut; Vo; Wilson; Wu.

Nays — Bryant; Collier; González, J.; Goodwin; Harrison; Hinojosa; Isaac; Jones, J.; Leo-Wilson; Lopez, R.; Martinez Fischer; Perez; Plesa; Ramos; Rosenthal; Schaefer; Sherman; Talarico; Walle; Zwiener.

Present, not voting — Mr. Speaker(C); Smithee.

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Campos; Davis; DeAyala; Gámez; Johnson, J.D.; Johnson, J.E.; Jones, V.; Morales Shaw; Reynolds.

STATEMENTS OF VOTE

When Record No. 2258 was taken, I was shown voting yes. I intended to vote no.

Ashby

When Record No. 2258 was taken, I was in the house but away from my desk. I would have voted no.

DeAyala

When Record No. 2258 was taken, I was shown voting yes. I intended to vote no.

Flores

When Record No. 2258 was taken, I was in the house but away from my desk. I would have voted no.

V. Jones

When Record No. 2258 was taken, I was shown voting yes. I intended to vote no.

Schatzline

When Record No. 2258 was taken, I was shown voting yes. I intended to vote no.

Swanson

HB 5 - RULES SUSPENDED

Representative Hunter moved to suspend all necessary rules to submit the conference committee report on **HB 5**.

The motion prevailed by (Record 2259): 120 Yeas, 18 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Canales; Capriglione; Clardy; Cole; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hunter; Jetton; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, E.; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Raney; Raymond; Rogers; Romero; Rose; Rosenthal; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Turner; VanDeaver; Vo; Walle; Wilson; Wu.

Nays — Cain; Collier; Gates; Goodwin; Harrison; Isaac; Leo-Wilson; Manuel; Morales, C.; Ramos; Reynolds; Schaefer; Sherman; Swanson; Tinderholt; Toth; Troxclair; Zwiener.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Campos; Davis; Hull; Johnson, A.; Morales Shaw; Vasut.

STATEMENTS OF VOTE

When Record No. 2259 was taken, I was shown voting no. I intended to vote yes.

Collier

When Record No. 2259 was taken, I was shown voting yes. I intended to vote no.

Schatzline

When Record No. 2259 was taken, I was shown voting no. I intended to vote yes.

Sherman

When Record No. 2259 was taken, I was shown voting no. I intended to vote yes.

Zwiener

HB 5 - CONFERENCE COMMITTEE REPORT ADOPTED

Representative Hunter submitted the following conference committee report on **HB 5**:

Austin, Texas, May 28, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 5** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Schwertner
Campbell
Johnson
King
Nichols

Hunter
Meyer
Button
Shine

On the part of the senate

On the part of the house

HB 5, A bill to be entitled An Act relating to agreements authorizing a limitation on taxable value of certain property to provide for the creation of jobs and the generation of state and local tax revenue; authorizing fees; authorizing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 403, Government Code, is amended by adding Subchapter T to read as follows:

SUBCHAPTER T. TEXAS JOBS, ENERGY, TECHNOLOGY, AND INNOVATION ACT

Sec. 403.601. PURPOSES. The purposes of this subchapter are to:

(1) create new, high-paying permanent jobs and construction jobs in this state;

(2) encourage financially positive economic development in this state;

(3) provide a temporary competitive economic incentive for attracting certain large-scale economic development projects to this state that, in the absence of this subchapter, would likely locate in another state or nation;

(4) encourage energy and water infrastructure development, including new and expanded dispatchable electric generation facilities;

(5) make this state a national and international leader in new and innovative technologies;

(6) encourage the establishment of certain advanced manufacturing industry sectors critical to national defense and health care;

(7) create new wealth, raise personal income, and foster long-term expansion of state and local tax bases;

(8) provide growing and sustainable economic opportunity for the residents of this state; and

(9) incentivize the preceding objectives in a balanced, transparent, and accountable manner.

Sec. 403.602. DEFINITIONS. In this subchapter:

(1) "Additional job" means a full-time job in connection with an eligible project that is not a required job for the same project.

(2) "Agreement" means an agreement entered into under Section 403.612.

(3) "Applicant" means a person that applies for, or enters into an agreement providing for, a limitation on the taxable value of eligible property used as part of an eligible project, including the person's assignees or successors-in-interest.

(4) "Appraised value," "tax year," and "taxing unit" have the meanings assigned by Section 1.04, Tax Code.

(5) "Construction completion date" means the date on which an eligible project is first capable of being used for the purposes for which it is constructed.

(6) "Construction job" means an otherwise full-time job that is temporary in nature and is performed before the start of the incentive period applicable to an eligible project to perform construction, maintenance, remodeling, or repair work for an applicant in connection with the project.

(7) "Construction period" means the period prescribed by an agreement as the construction period of the eligible project that is the subject of the agreement.

(8) "Eligible project":

(A) means a project:

(i) to construct or expand a new or existing facility that is:

(a) a manufacturing facility;

(b) a facility related to the provision of utility services, including an electric generation facility that is considered to be dispatchable because the facility's output can be controlled primarily by forces under human control;

(c) a facility related to the development of natural resources; or

(d) a facility engaged in the research, development, or manufacture of high-tech equipment or technology; or

(ii) to construct or expand critical infrastructure; and

(B) does not include a project to construct or expand a new or existing:

(i) nondispatchable electric generation facility; or

(ii) electric energy storage facility.

(9) "Eligible property" means property that is used as part of an eligible project that is wholly owned by an applicant or leased by an applicant under a capitalized lease and consists of:

(A) a new building or expansion of an existing building, including a permanent, nonremovable component of a building, that is:

(i) constructed after the date the agreement pertaining to the project is entered into; and

(ii) located in an area designated as a reinvestment zone under Chapter 311 or 312, Tax Code, or as an enterprise zone under Chapter 2303 of this code, at the time the agreement pertaining to the project is entered into; or

(B) tangible personal property, other than inventory, first located in the zone described by Paragraph (A)(ii) after the date the agreement pertaining to the project is entered into.

(10) "Full-time job" means a permanent full-time job that requires a total of at least 1,600 hours of work a year in connection with an eligible project. The term does not include a construction job.

(11) "Incentive period" for an eligible project means the period prescribed by the agreement pertaining to the project during which the eligible property used as part of the project is subject to a limitation on taxable value.

(12) "Independent contractor" has the meaning assigned by Section 406.121, Labor Code.

(13) "Investment" means the costs incurred by an applicant to acquire or construct eligible property composing an eligible project, other than the cost of land or inventory.

(14) "Oversight committee" means the Jobs, Energy, Technology, and Innovation Act Oversight Committee established under Section 403.618.

(15) "Qualified opportunity zone" means an area designated as such by the secretary of the United States Treasury.

(16) "Required job" means a job that an applicant commits to create or demonstrate in connection with an eligible project as prescribed by Section 403.604.

(17) "Total jobs" means the sum of required jobs and additional jobs in connection with an eligible project.

Sec. 403.603. EXPIRATION. This subchapter expires December 31, 2033.

Sec. 403.604. REQUIRED JOBS AND INVESTMENT. (a) A jobs requirement prescribed by this section does not apply to an eligible project that is an electric generation facility described by Section 403.602(8)(A)(i)(b).

(b) To be eligible to enter into an agreement, an applicant for a limitation on taxable value of eligible property to be used for a proposed eligible project must agree to:

(1) if the project is to be located in a county with a population of at least 750,000:

(A) create at least 75 required jobs by the end of the first tax year of the incentive period prescribed by the agreement and demonstrate an average of at least that number of jobs during each following tax year until the date the agreement expires; and

(B) make an investment in the project in an amount of at least \$200 million by the end of the first tax year of the incentive period prescribed by the agreement;

(2) if the project is to be located in a county with a population of at least 250,000 but less than 750,000:

(A) create at least 50 required jobs by the end of the first tax year of the incentive period prescribed by the agreement and demonstrate an average of at least that number of jobs during each following tax year until the date the agreement expires; and

(B) make an investment in the project in an amount of at least \$100 million by the end of the first tax year of the incentive period prescribed by the agreement;

(3) if the project is to be located in a county with a population of at least 100,000 but less than 250,000:

(A) create at least 35 required jobs by the end of the first tax year of the incentive period prescribed by the agreement and demonstrate an average of at least that number of jobs during each following tax year until the date the agreement expires; and

(B) make an investment in the project in an amount of at least \$50 million by the end of the first tax year of the incentive period prescribed by the agreement; or

(4) if the project is to be located in a county with a population of less than 100,000:

(A) create at least 10 required jobs by the end of the first tax year of the incentive period prescribed by the agreement and demonstrate an average of at least that number of jobs during each following tax year until the date the agreement expires; and

(B) make an investment in the project in an amount of at least \$20 million by the end of the first tax year of the incentive period prescribed by the agreement.

(c) For purposes of Subsection (b), each required job created in connection with an eligible project:

(1) must be a new full-time job in this state:

(A) maintained in the usual course and scope of the applicant's business, which may be performed by an individual who is a trainee under the Texans Work program established under Chapter 308, Labor Code; or

(B) performed by an independent contractor and the independent contractor's employees at the site of the project; and

(2) may not be transferred by the applicant from an existing facility or location in this state or otherwise created to replace an existing job, unless the applicant fills the vacancy caused by the transfer.

(d) For purposes of Subsection (b), an applicant may demonstrate that the applicant has met the applicable minimum investment requirement by any reasonable means. The applicant is considered to have met the applicable minimum investment requirement if the most recent appraisal roll for the county used to determine the minimum investment requirement under this section indicates that the appraised value of the eligible property composing the project

as of January 1 of the second tax year of the incentive period prescribed by the agreement is equal to or greater than the minimum investment requirement applicable to the project.

(e) If an eligible project is located in more than one county, the jobs and investment requirement applicable to the project is determined using the jobs and investment requirement applicable to the county with the smallest population in which any part of the project is located.

(f) The comptroller may adopt rules necessary to interpret and administer this section, including rules regarding:

(1) the manner for determining:

(A) which jobs and investment requirements prescribed by Subsection (b) apply to an eligible project; and

(B) the circumstances under which a trainee under the Texans Work program established under Chapter 308, Labor Code, may be considered a full-time employee for purposes of this section; and

(2) the method by which an applicant must demonstrate an average of at least the number of required jobs for purposes of satisfying the jobs requirement prescribed by Subsection (b).

Sec. 403.605. TAXABLE VALUE OF ELIGIBLE PROPERTY. (a) The taxable value for school district maintenance and operations ad valorem tax purposes of eligible property subject to an agreement for each tax year of the incentive period prescribed by the agreement is equal to:

(1) 50 percent of the market value of the property for that tax year; or

(2) if the property is located in a qualified opportunity zone, 25 percent of the market value of the property for that tax year.

(b) The taxable value of eligible property for school district maintenance and operations ad valorem tax purposes is zero for each tax year beginning with the tax year following the year in which the agreement pertaining to the property is entered into and ending December 31 of the tax year that includes the construction completion date for the applicable eligible project.

(c) The chief appraiser for the appraisal district in which eligible property is located shall determine the market value and appraised value of the property and include the market value, appraised value, and taxable value of the property as determined under this section in the appraisal records for the appraisal district.

(d) The chief appraiser for the appraisal district in which eligible property subject to an agreement is located may not use an estimated value included in the application to which the agreement pertains to determine the market value of the property.

Sec. 403.606. CERTAIN PERSONS INELIGIBLE. A person is not eligible to submit an application to the comptroller or enter into an agreement under this subchapter if the person is a company that is listed as ineligible to receive a state contract or investment under Chapter 808, 809, 2270, 2271, or 2274, as added by Chapters 529 (SB 13), 530 (SB 19), and 975 (SB 2116), Acts of the 87th Legislature, Regular Session, 2021.

Sec. 403.607. APPLICATION. (a) A person who proposes to construct an eligible project in a school district for which the person seeks a limitation on the taxable value for maintenance and operations ad valorem tax purposes of the district of the eligible property used as part of the proposed project must submit an application to the comptroller.

(b) A person submitting an application under Subsection (a) must use the form prescribed by the comptroller. The form must contain the following information:

(1) the applicant's name, address, and Texas taxpayer identification number and the contact information for the applicant's authorized representative;

(2) the applicant's form of business and, if applicable, the name, address, and Texas taxpayer identification number of the applicant's parent entity;

(3) the applicable school district's name and address and the contact information for the district's authorized representative;

(4) the legal description of the property on which the project is proposed to be located and, if applicable, the address of the proposed project;

(5) each county in which the project is proposed to be located and the population of each of those counties;

(6) the applicable number of required jobs prescribed by Section 403.604 for the proposed project;

(7) a list of each taxing unit in which the project is proposed to be located;

(8) a brief description of the proposed project;

(9) any grant or loan of public money or other tax incentive, if applicable, that the applicant is receiving or expects to receive for the project;

(10) a brief description of the eligible property to be used as part of the proposed project;

(11) a projected timeline for construction and completion of the proposed project, including the projected dates on which construction will begin, construction will be completed, and commercial operations will start;

(12) the proposed incentive period;

(13) the name and location of the existing or proposed reinvestment zone or enterprise zone in which the proposed project will be located;

(14) whether the project is proposed to be located in a qualified opportunity zone;

(15) a statement indicating whether the applicant considered locating the proposed project in a qualified opportunity zone;

(16) a brief summary of the projected economic benefits of the proposed project; and

(17) the applicant's signature and certification of the accuracy of the information included in the application.

(c) The form prescribed by Subsection (b) must allow the applicant to segregate confidential information described by Section 403.621(a) from other information in the application.

(d) An applicant must include with an application the following:

(1) an application fee payable to the comptroller in an amount determined by the comptroller not to exceed an amount sufficient to cover the costs associated with the comptroller's evaluation of the application;

(2) an application fee payable to the school district in an amount determined by the comptroller not to exceed \$30,000 to cover the costs associated with the district's evaluation of the application, including the cost of processing the application, retaining professional services, and, if applicable, creating a reinvestment zone or enterprise zone;

(3) a map showing the site of the proposed project;

(4) the economic benefit statement prepared under Section 403.608 in connection with the proposed project; and

(5) a sworn affidavit stating that the applicant is not ineligible under Section 403.606 to submit the application.

(e) The comptroller may request that an applicant provide any additional information the comptroller reasonably determines is necessary to complete the comptroller's evaluation of the application. The comptroller may require an applicant to submit the additional information by a certain date and may extend that deadline on a showing of good cause. The comptroller is not required to take any further action on an application until it is complete.

(f) The comptroller shall notify an applicant and the applicable school district when the applicant's application is administratively complete.

Sec. 403.608. ECONOMIC BENEFIT STATEMENT. (a) An applicant shall submit an economic benefit statement with the applicant's application.

(b) An economic benefit statement must include the following information for each year of the period that begins on the date the applicant projects construction of the proposed project that is the subject of the application will begin and ends on the 25th anniversary of the date the incentive period ends:

(1) an estimate of the number of total jobs that will be created by the project;

(2) an estimate of the total amount of capital investment that will be created by the project;

(3) an estimate of the increase in appraised value of property that will be attributable to the project;

(4) an estimate of the amount of ad valorem taxes that will be imposed by each taxing unit, including the applicable school district, on the property used as part of the project;

(5) an estimate of the amount of state taxes that will be paid in connection with the project; and

(6) an estimate of the associated economic benefits that may reasonably be attributed to the project, including:

(A) the impact on the gross revenues and employment levels of local businesses that provide goods or services in connection with the project or to the applicant's employees;

(B) the amount of state and local taxes that will be generated as a result of the indirect economic impact of the project, including all ad valorem taxes not otherwise estimated in Subdivision (4) that will be imposed on property placed into service as a result of the project;

(C) the development of complementary businesses or industries that locate in this state as a direct consequence of the project;

(D) the total impact of the project on the gross domestic product of this state;

(E) the total impact of the project on personal income in this state;
and

(F) the total impact of the project on state and local taxes.

(c) An applicant may use standard economic estimation techniques, including economic multipliers, to create an economic benefit statement. An applicant must base each estimate required by Subsection (b) on reasonable projections of the economic and labor conditions of this state for the period for which the estimate is made.

(d) The comptroller shall establish criteria for the methodology to be used by an applicant to create an economic benefit statement.

(e) The comptroller may require an applicant to supplement or modify an economic benefit statement to ensure the accuracy of the estimates required to be included in the statement under Subsection (b).

Sec. 403.609. COMPTROLLER ACTION ON APPLICATION. (a) The comptroller shall determine whether to recommend or not recommend for approval an application submitted to the comptroller under Section 403.607. The comptroller shall recommend an application for approval if the comptroller makes the findings prescribed by Subsection (b). The comptroller may not recommend an application for approval if the comptroller is unable to make the findings prescribed by that subsection.

(b) The comptroller may not recommend an application for approval unless the comptroller finds that:

(1) the proposed project that is the subject of the application is an eligible project;

(2) the proposed project is reasonably likely to generate, before the 20th anniversary of the first day of the construction period, state or local tax revenue, including ad valorem tax revenue attributable to the effect of the project on the economy of this state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement;

(3) the agreement is a compelling factor in a competitive site selection determination and that, in the absence of the agreement, the applicant would not make the proposed investment in this state; and

(4) if the application indicates that the eligible project is proposed to be located in a qualified opportunity zone, the project is located in the zone.

(c) In making the finding required by Subsection (b)(3), the comptroller shall consider factors related to the selection of the proposed site for the project, including the workforce, the regulatory environment, infrastructure, transportation, market conditions, investment alternatives, and any specific incentive information provided by the applicant related to other potential sites.

(d) Not later than the 60th day after the date the comptroller determines that an application is complete, the comptroller shall take the action required by Subsection (a) regarding the application and provide written notice of the action to the governor, the school district in which the project is proposed to be located, and the applicant.

(e) The comptroller shall send to the governor and the applicable school district with the notice required by Subsection (d) regarding an application recommended by the comptroller under Subsection (a) a copy of the application and each document and item of information the comptroller relied on to recommend the application.

Sec. 403.610. GOVERNOR ACTION ON APPLICATION. (a) The governor shall, not later than the 30th day after the date the governor receives an application sent to the governor by the comptroller under Section 403.609, consider the application and by official action determine whether the governor is agreeable to entering into the agreement that is the subject of the application.

(b) The governor shall provide written notice of the governor's determination under Subsection (a) to the comptroller, the applicable school district, the oversight committee, and the applicant not later than the seventh day after the date the governor makes the determination under that subsection.

Sec. 403.611. SCHOOL DISTRICT ACTION ON APPLICATION. (a) The governing body of a school district shall, not later than the 30th day after the date the district receives an application sent to the district by the comptroller under Section 403.609, consider the application and by official action determine whether the district is agreeable to entering into the agreement that is the subject of the application.

(b) The governing body of the school district shall hold a public hearing on the application during the period described by Subsection (a).

(c) The governing body of the school district must provide notice of the public hearing in the manner required by Chapter 551, except that the district must provide the notice not later than the 15th day before the date of the hearing. The notice must contain:

(1) the name of the applicant;
(2) the name and location of the existing or proposed reinvestment zone or enterprise zone in which the eligible project that is the subject of the application is proposed to be located;

(3) a general description of the proposed eligible project; and

(4) the projected investment the applicant will make in the project.

(d) The governing body of the school district shall provide written notice of the district's determination under Subsection (a) to the comptroller, the governor, and the applicant.

Sec. 403.612. AGREEMENT. (a) The governor, the governing body of a school district, and an applicant may enter into an agreement to limit the taxable value for maintenance and operations ad valorem tax purposes of the district of the eligible property used as part of an eligible project that is the subject of an application for which both the governor and the governing body of the district have made a favorable determination under Sections 403.610(a) and 403.611(a), respectively.

(b) An agreement entered into under this section between the governor, a school district, and an applicant pertaining to an eligible project shall:

(1) specify the project to which the agreement applies;

(2) specify the term of the agreement, which must:

(A) begin on the date the agreement is entered into; and

(B) end on December 31 of the third tax year following the end of the incentive period;

(3) specify the construction and incentive periods for the project;

(4) specify the manner for determining the taxable value for school district maintenance and operations ad valorem tax purposes during the incentive period under Section 403.605 for the eligible property subject to the agreement;

(5) specify the applicable jobs and investment requirements prescribed by Section 403.604 and require the applicant to comply with those requirements;

(6) require that the average annual wage paid to all persons employed by the applicant in connection with the project used to calculate total jobs exceed 110 percent of the average annual wage for all jobs in the applicable industry sector during the most recent four quarters for which data is available, as computed by the Texas Workforce Commission, with the applicant's average annual wage being equal to the quotient of:

(A) the applicant's total wages paid, other than wages paid for construction jobs, as reported under Section 403.616(c)(4); and

(B) the applicant's number of total jobs as reported under Section 403.616(c)(3);

(7) require the applicant to pay a penalty prescribed by Section 403.614 if the applicant fails to comply with an applicable jobs or wage requirement;

(8) require the applicant to offer and contribute to a group health benefit plan for each employee of the applicant who is employed in a full-time job;

(9) require the applicant, at the time the applicant executes the agreement, to execute a performance bond in an amount the comptroller determines to be reasonable and necessary to protect the interests of the state and the district and conditioned on the applicant's compliance with the terms of the agreement;

(10) authorize the governor or the district to terminate the agreement as provided by Subsection (d); and

(11) incorporate each relevant provision of this subchapter.

(c) An agreement entered into under this section between the governor, a school district, and an applicant pertaining to an eligible project must include a provision that states that the applicant is prohibited from making a payment to the district related to the agreement.

(d) This subsection applies to a term described by Subsection (b)(10). The agreement must provide that:

(1) the governor or the school district is authorized to terminate the agreement if the applicant fails to comply with an applicable jobs or wage requirement of the agreement;

(2) the governor or the district may not terminate the agreement until the party provides written notice to the applicant of the proposed termination;

(3) the governor or the district must provide the applicant a 180-day period to cure and dispute the alleged failure, including through judicial action; and

(4) in the event the agreement is terminated, the state shall recover from the applicant a penalty in an amount equal to all lost ad valorem tax revenue from the project and interest on that amount calculated as provided by Section 111.060, Tax Code.

(e) An agreement terminated under Subsection (d) is void, and all remaining obligations and benefits under the agreement and this subchapter terminate on the date the agreement is terminated.

(f) The parties to an agreement may modify the terms of the agreement that do not materially modify the jobs or investment requirements prescribed by the agreement.

(g) An agreement must be submitted to the comptroller not later than the seventh day after the date the agreement is entered into. A copy of the economic benefit statement applicable to the project that is the subject of the agreement must be attached to the agreement.

(h) The comptroller shall deposit a penalty collected under Subsection (d)(4) and any interest on the penalty to the credit of the foundation school fund.

Sec. 403.613. INCENTIVE PERIOD. (a) An incentive period pertaining to an eligible project is a period of 10 consecutive tax years specified in the agreement pertaining to the project.

(b) An incentive period may not begin:

(1) earlier than January 1 of the first tax year following the construction completion date; or

(2) later than January 1 of the first tax year following the 10th anniversary of the date the agreement is entered into.

(c) Subject to Subsection (b), the beginning date of an incentive period specified in an agreement pertaining to an eligible project may be deferred if the applicant projects that the applicant will not satisfy the minimum investment requirement applicable to the project by the end of the first tax year of the incentive period. The incentive period may be deferred until January 1 of the second tax year following the construction completion date. The deferral of an incentive period under this subsection does not affect the date on which the incentive period ends as prescribed by the agreement. An applicant that is a party

to an agreement for which the beginning date of the incentive period is deferred as authorized by this subsection must provide notice of the deferral to the comptroller. The notice must include the reason for the deferral.

(d) Subject to Subsection (b), an applicant may propose to modify the beginning and ending dates of the incentive period as provided by this subsection. The applicant shall provide notice of the proposed modification to the comptroller, the governor, and the school district not later than the 90th day before the first day of the incentive period specified in Section 403.612(b)(3) or as proposed to be modified, whichever is earlier. The applicant shall revise the most recent economic benefit statement as necessary to reflect the proposed change to the incentive period. The applicant must include the revised economic benefit statement with the notice provided to the comptroller, the governor, and the district under this subsection. The comptroller shall make the finding required by Section 403.609(b)(2) regarding the project as proposed to be modified or determine that the finding cannot be made. The comptroller shall notify the governor, the district, and the applicant of the comptroller's finding or determination not later than the 60th day after the date the comptroller receives notice from the applicant of the proposed modification. The incentive period for the project may not be modified if the comptroller determines that the finding required by Section 403.609(b)(2) regarding the project as proposed to be modified cannot be made or if the governor or the district objects to the proposed modification.

Sec. 403.614. PENALTY FOR FAILURE TO COMPLY WITH JOBS OR WAGE REQUIREMENT. (a) An applicant is liable to the state for a penalty in the amount computed under this subsection if the applicant fails to maintain at least the number of required jobs prescribed by the agreement to which the applicant is a party during the periods covered by two consecutive reports submitted by the applicant under Section 403.616. The amount of the penalty is equal to two times the product of:

(1) the difference between:

(A) the number of required jobs prescribed by the agreement; and

(B) the number of required jobs actually created as stated in the

most recent report submitted by the applicant under Section 403.616; and

(2) the average annual wage prescribed by the agreement during the most recent four quarters for which data is available, as computed by the Texas Workforce Commission.

(b) An applicant is liable to the state for a penalty in the amount computed under this subsection if the applicant fails to meet the average annual wage requirement prescribed by the agreement to which the applicant is a party, if any, during the periods covered by two consecutive reports submitted by the applicant under Section 403.616. The amount of the penalty is equal to two times the difference between:

(1) the product of:

(A) the actual average annual wage paid to all persons employed by the applicant in connection with the project that is the subject of the agreement as computed under Section 403.612(b)(6); and

- (B) the number of required jobs prescribed by the agreement; and
(2) the product of:

- (A) the average annual wage prescribed by the agreement; and
(B) the number of required jobs prescribed by the agreement.

(c) Notwithstanding Subsections (a) and (b), the amount of a penalty imposed on an applicant under this section may not exceed the amount of the ad valorem tax benefit received by the applicant under the agreement that is the subject of the penalty.

(d) An applicant on request of the comptroller shall provide to the comptroller a schedule of required jobs created as of the date of the request under an agreement to which the applicant is a party.

(e) A determination by the comptroller that an applicant has failed to meet the jobs or wage requirement prescribed by an agreement to which the applicant is a party is a deficiency determination under Section 111.008, Tax Code. A penalty imposed under this section is an amount the comptroller is required to collect, receive, administer, or enforce and is subject to the payment and redetermination requirements of Sections 111.0081 and 111.009, Tax Code. A redetermination under Section 111.009, Tax Code, of a determination under this section is a contested case as defined by Section 2001.003 of this code.

(f) The comptroller shall deposit a penalty collected under this section and any interest on the penalty to the credit of the foundation school fund.

Sec. 403.615. AUDIT OF AGREEMENTS BY STATE AUDITOR. (a) Each year the state auditor shall select and review at least 10 percent of the agreements in effect in that year to determine whether:

(1) each agreement accomplishes the purposes of this subchapter as expressed in Section 403.601; and

(2) the terms of each agreement were executed in compliance with the terms of this subchapter.

(b) In determining which agreements to review under Subsection (a), the state auditor may consider any risk of noncompliance identified in the biennial compliance report regarding an agreement submitted to the comptroller under Section 403.616.

(c) As part of the review, the state auditor shall make recommendations relating to increasing the efficiency and effectiveness of the administration of this subchapter. The state auditor shall submit the recommendations to the governor, comptroller, lieutenant governor, speaker of the house of representatives, and oversight committee not later than December 15 of each year.

Sec. 403.616. BIENNIAL COMPLIANCE REPORT BY APPLICANT. (a) An applicant that is a party to an agreement shall submit a report to the comptroller as required by this section using the form adopted by the comptroller.

(b) An applicant must submit a report required by this section to the comptroller not later than June 1 of each even-numbered year during the term of the agreement that is the subject of the report.

(c) A report required by this section must include the following documents and information applicable to the agreement that is the subject of the report:

(1) a certification by the applicant that is a party to the agreement that the applicant has met the jobs and investment requirements prescribed by the agreement, which must include:

(A) a sworn affidavit stating:

(i) the number of required jobs prescribed by the agreement;

and

(ii) the number of required jobs actually created under the agreement as of December 31 of the preceding two years; and

(B) if applicable, payroll records maintained for purposes of 40 T.A.C. Chapter 815;

(2) the number assigned to the application by the comptroller for the agreement, name of the applicant, name of the school district, and name of and contact information for the applicant's representative;

(3) the number of total jobs created by the project in each of the preceding two years;

(4) the total wages paid for total jobs, not including wages paid for construction jobs, in each of the preceding two years;

(5) the number of construction jobs created by the project;

(6) the total amount of the applicant's investment, including any additional amount invested by the applicant after the incentive period begins;

(7) the appraised value of all property composing the project for each previous tax year of the agreement;

(8) the taxable value of all property composing the project for each previous tax year of the agreement;

(9) the amount of school district maintenance and operations ad valorem taxes imposed on the property composing the project and paid by the applicant for each previous tax year of the agreement;

(10) the amount of school district interest and sinking fund ad valorem taxes imposed on the property composing the project and paid by the applicant for each previous tax year of the agreement;

(11) the amount of school district ad valorem taxes that would have been imposed on the property composing the project and paid by the applicant in the absence of the agreement for each previous tax year of the agreement; and

(12) the amount of ad valorem taxes imposed on the property composing the project by each taxing unit other than the school district and paid by the applicant for each previous tax year of the agreement, stated by taxing unit.

(d) This subsection applies only to a report required to be submitted under this section by an applicant for the period that includes the first year of the incentive period as prescribed by the agreement that is the subject of the report or as deferred. In addition to the documents and information described by Subsection (c), the applicant must include with the certification required by Subsection (c)(1):

(1) a list of the property tax account numbers assigned to the property composing the project;

(2) the current total appraised value of the property composing the project; and

(3) if applicable, a statement that the incentive period was deferred because the applicant did not meet the minimum investment requirement prescribed by the agreement before the date specified in the agreement.

Sec. 403.617. BIENNIAL REPORT TO LEGISLATURE. (a) The comptroller shall submit to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature a report on the agreements entered into under this subchapter. The comptroller must submit the report not later than December 1 of each even-numbered year.

(b) The report must include:

(1) an assessment of the following with regard to the agreements entered into under this subchapter, considered in the aggregate:

(A) the total number of jobs created in this state;

(B) the total effect on personal income in this state;

(C) the total amount of investment in this state;

(D) the total taxable value of property on the tax rolls in this state resulting from the agreements, including property subject to an agreement that has expired;

(E) the total value of property subject to agreements that have not expired; and

(F) the total fiscal effect resulting from the agreements on this state and on local governments in this state; and

(2) an assessment of each agreement entered into under this subchapter that states for each agreement:

(A) the number of required jobs prescribed by the agreement;

(B) the number of jobs actually created under the agreement,

including:

(i) each job described by Section 403.604(c)(1)(A);

(ii) each job described by Section 403.604(c)(1)(B); and

(iii) any additional jobs created or maintained in connection

with the project that is the subject of the agreement, if reported by the applicant;

(C) the number of total jobs created under the agreement, if the term of the agreement has expired;

(D) the amount of the investment specified by the agreement;

(E) the amount of the actual investment made for the applicable project before the expiration of the agreement;

(F) the difference between the amount of ad valorem taxes that would have been imposed on the property composing the applicable project in the absence of the agreement and the amount of ad valorem taxes actually imposed on that property during the term of the agreement; and

(G) the total amount of state and local tax revenue attributable to the applicable project during the term of the agreement.

(c) The comptroller may not include in the report information that is confidential under law.

(d) The comptroller may use standard economic estimation techniques, including economic multipliers, to prepare the portion of the report described by Subsection (b)(1).

(e) The comptroller may require an applicant to submit information required to complete the report on a form prescribed by the comptroller.

Sec. 403.618. JOBS, ENERGY, TECHNOLOGY, AND INNOVATION ACT OVERSIGHT COMMITTEE; REPORT. (a) The Jobs, Energy, Technology, and Innovation Act Oversight Committee is composed of the following seven members:

(1) three members of the house of representatives appointed by the speaker of the house of representatives;

(2) three members of the senate appointed by the lieutenant governor;
and

(3) one member who serves as the chair of the committee and who:
(A) is a member of the house of representatives appointed by the speaker of the house of representatives who serves only in odd-numbered years;
and

(B) is a member of the senate appointed by the lieutenant governor who serves only in even-numbered years.

(b) At least one member appointed by the speaker of the house of representatives and at least one member appointed by the lieutenant governor under Subsection (a) must represent a district that includes a county with a population of 100,000 or less.

(c) If a vacancy occurs in the membership of the oversight committee, the appropriate appointing authority shall appoint a person to fill the vacancy.

(d) A member of the oversight committee serves at the pleasure of the appropriate appointing authority.

(e) The oversight committee may recommend in a written report to the legislature those types of projects that the committee determines by majority vote should be statutorily added to or removed from the definition of "eligible project" provided by Section 403.602.

Sec. 403.619. CONFLICT OF INTEREST. A person may not, directly or indirectly, represent, advise, or provide a service to both an applicant and a school district in connection with the same application submitted or agreement entered into under this subchapter.

Sec. 403.620. CERTAIN BENEFITS RELATED TO AGREEMENTS PROHIBITED; ATTORNEY GENERAL ENFORCEMENT. (a) An employee or representative of a school district, a member of the governing body of the district, or any other person may not intentionally or knowingly solicit, accept, agree to accept, or require any payment of money or transfer of property or other thing of value, directly or indirectly, to the district, an employee or representative of the district, a member of the governing body of the district, or any other person in recognition of, anticipation of, or consideration for approval of an agreement unless authorized by this subchapter.

(b) An applicant, an employee or representative of the applicant, or any other person may not intentionally or knowingly offer, confer, agree to confer, or make a payment of money or transfer of property or other thing of value, directly or indirectly, to the governor or the school district, an employee or representative of the governor or the district, a member of the governing body of the district, or any other person in recognition of, anticipation of, or consideration for approval of an agreement unless authorized by this subchapter.

(c) If the attorney general receives a written complaint from a party to an agreement of a violation of this section, the attorney general may bring an action to enforce this section to restrain or enjoin a person from continuing or repeating the violation. Venue for an action brought under this subsection is in a district court in Travis County.

Sec. 403.621. CONFIDENTIALITY OF CERTAIN BUSINESS INFORMATION. (a) Information provided to the comptroller, the governor, or a school district by an applicant under this subchapter that is a trade secret, as defined by Section 134A.002, Civil Practice and Remedies Code, is confidential and not subject to disclosure under Chapter 552.

(b) Payroll records reported under Section 403.616(c)(1)(A) or (B) by an applicant to the comptroller are confidential and not subject to disclosure under Chapter 552.

Sec. 403.622. INTERNET POSTING OF INFORMATION. (a) Subject to Section 403.621, the comptroller shall post on the comptroller's Internet website the following information received by the comptroller:

(1) each application submitted under this subchapter;
(2) each map and economic benefit statement required to be submitted with an application under this subchapter;
(3) each amendment to an application made under this subchapter;
(4) each agreement entered into under this subchapter; and
(5) each biennial compliance report submitted as required under this subchapter.

(b) Except as provided by Subsection (c), the comptroller shall post the information described by Subsection (a) as soon as practicable after the date the comptroller receives the information.

(c) The comptroller shall post the information described by Subsections (a)(1), (2), and (3) not later than the 10th business day after the date the comptroller receives the information.

(d) The comptroller shall continue to post the information required by this section until the date the agreement to which the information relates expires.

(e) The comptroller shall notify the governor and the applicable school district of the comptroller's posting of the information described by Subsection (a)(5) on the comptroller's Internet website.

Sec. 403.623. RULES AND FORMS. (a) The comptroller shall adopt rules necessary to implement and administer this subchapter, including rules for:

(1) determining whether an applicant meets the jobs and investment requirements prescribed by Section 403.604; and

(2) authorizing an applicant or school district to submit any form or information required by this subchapter electronically.

(b) The comptroller shall adopt forms necessary to implement and administer this subchapter, including the forms to be used by an applicant under Sections 403.607 and 403.616.

(c) The comptroller shall provide without charge one copy of the rules and forms adopted under this section to any person that states that the person intends to submit an application to the comptroller under this subchapter to limit the taxable value of eligible property used as part of an eligible project.

SECTION 2. Section 48.2551(a), Education Code, is amended to read as follows:

(a) In this section:

(1) "DPV" is the taxable value of property in the school district, as determined by the agency by rule, using locally determined property values adjusted in accordance with Section 403.302(d), Government Code;

(2) "E" is the expiration of the exclusion of appraised property value for the preceding tax year that is recognized as taxable property value for the current tax year, which is the sum of the following:

(A) property value that is no longer subject to a limitation on appraised value under former Subchapter B or C, Chapter 313, Tax Code, or a limitation on taxable value under Subchapter T, Chapter 403, Government Code; and

(B) property value under Section 311.013(n), Tax Code, that is no longer excluded from the calculation of "DPV" from the preceding year because of refinancing or renewal after September 1, 2019;

(3) "MCR" is the district's maximum compressed rate, which is the tax rate for the current tax year per \$100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment to which the district is entitled under this chapter;

(4) "PYDPV" is the district's value of "DPV" for the preceding tax year; and

(5) "PYMCR" is the district's value of "MCR" for the preceding tax year.

SECTION 3. Section 48.256, Education Code, is amended by amending Subsections (d) and (e) and adding Subsection (d-1) to read as follows:

(d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner [~~under Section 313.027, Tax Code,~~] for the implementation of a limitation on taxable [~~appraised~~] value under Subchapter T, Chapter 403, Government [~~B or C, Chapter 313, Tax~~] Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter T, Chapter 403, Government [~~B or C, Chapter 313, Tax~~] Code[; ~~before the expiration of the subchapter~~]. The comptroller shall provide information to the agency necessary for this subsection.

(d-1) Subsection (d) applies to an agreement for the implementation of a limitation on appraised value under former Subchapter B or C, Chapter 313, Tax Code, that was in effect on January 1, 2023, in the same manner as that subsection applies to an agreement described by that subsection. If the agreement for the limitation on appraised value requires a [A] revenue protection payment to the school district, the payment [required as part of an agreement for a limitation on appraised value] shall be based on the district's taxable value of property for the preceding tax year.

(e) Subsection (d-1) [(d)] does not apply to property that was the subject of an application under former Subchapter B or C, Chapter 313, Tax Code, made after May 1, 2009, that the comptroller recommended should be disapproved.

SECTION 4. Section 2303.507, Government Code, is amended to read as follows:

Sec. 2303.507. TAX INCREMENT FINANCING AND ABATEMENT; LIMITATIONS ON APPRAISED AND TAXABLE VALUE. Designation of an area as an enterprise zone is also designation of the area as a reinvestment zone for:

- (1) tax increment financing under Chapter 311, Tax Code;
- (2) tax abatement under Chapter 312, Tax Code; ~~and~~
- (3) limitations on appraised value under former Subchapter B or C, Chapter 313, Tax Code; and
- (4) limitations on taxable value under Subchapter T, Chapter 403, of this code.

SECTION 5. Section 23.03, Tax Code, is amended to read as follows:

Sec. 23.03. COMPILATION OF LARGE PROPERTIES AND PROPERTIES SUBJECT TO LIMITATION ON APPRAISED OR TAXABLE VALUE. Each year the chief appraiser shall compile and send to the Texas ~~Department of~~ Economic Development and Tourism Office a list of properties in the appraisal district that in that tax year:

- (1) have a market value of \$100 million or more; ~~or~~
- (2) are subject to a limitation on appraised value under former Subchapter B or C, Chapter 313; or
- (3) are subject to a limitation on taxable value under Subchapter T, Chapter 403, Government Code.

SECTION 6. Section 26.012(6), Tax Code, is amended to read as follows:

(6) "Current total value" means the total taxable value of property listed on the appraisal roll for the current year, including all appraisal roll supplements and corrections as of the date of the calculation, less the taxable value of property exempted for the current tax year for the first time under Section 11.31 or 11.315, except that:

- (A) the current total value for a school district excludes:
 - (i) the total value of homesteads that qualify for a tax limitation as provided by Section 11.26; ~~and~~
 - (ii) new property value of property that is subject to an agreement entered into under former Subchapter B or C, Chapter 313; and

(iii) new property value of property that is subject to an agreement entered into under Subchapter T, Chapter 403, Government Code; and

(B) the current total value for a county, municipality, or junior college district excludes the total value of homesteads that qualify for a tax limitation provided by Section 11.261.

SECTION 7. Section 171.602(f), Tax Code, is amended to read as follows:

(f) The comptroller may not issue a credit under this section before the later of:

- (1) ~~September 1, 2018; or~~
~~[(2)]~~ the expiration of an agreement under former Subchapter B or C, Chapter 313, regarding the clean energy project for which the credit is issued; or
- (2) the expiration of an agreement under Subchapter T, Chapter 403, Government Code, regarding the clean energy project for which the credit is issued.

SECTION 8. Section 312.0025(a), Tax Code, is amended to read as follows:

(a) Notwithstanding any other provision of this chapter to the contrary, the governing body of a school district, in the manner required for official action and for purposes of former Subchapter B or C, Chapter 313, of this code or Subchapter T, Chapter 403, Government Code, may designate an area entirely within the territory of the school district as a reinvestment zone if the governing body finds that, as a result of the designation and the granting of a limitation on appraised value under former Subchapter B or C, Chapter 313, of this code or the granting of a limitation on taxable value under Subchapter T, Chapter 403, Government Code, for property located in the reinvestment zone, the designation is reasonably likely to:

- (1) contribute to the expansion of primary employment in the reinvestment zone; or
- (2) attract major investment in the reinvestment zone that would:
 - (A) be a benefit to property in the reinvestment zone and to the school district; and
 - (B) contribute to the economic development of the region of this state in which the school district is located.

SECTION 9. The lieutenant governor and the speaker of the house of representatives shall appoint the initial members of the Jobs, Energy, Technology, and Innovation Act Oversight Committee under Sections 403.618(a)(1), (2), and (3)(B), Government Code, as added by this Act, as soon as practicable after the effective date of this Act.

SECTION 10. The comptroller of public accounts shall adopt rules and develop and make available the forms and materials as required under Section 403.623, Government Code, as added by this Act, as soon as practicable after the effective date of this section.

SECTION 11. (a) Except as provided by Subsection (b) of this section, this Act takes effect January 1, 2024.

- (b) Section 10 of this Act takes effect September 1, 2023.

Representative Hunter moved to adopt the conference committee report on **HB 5**.

The motion to adopt the conference committee report on **HB 5** prevailed by (Record 2260): 100 Yeas, 36 Nays, 1 Present, not voting.

Yeas — Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bonnen; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Canales; Capriglione; Clardy; Cole; Cook; Cortez; Craddick; Cunningham; Darby; Dean; DeAyala; Dorazio; Dutton; Frank; Gámez; Gerdes; Geren; Goldman; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Holland; Hunter; Jetton; Johnson, A.; Johnson, J.E.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lozano; Lujan; Martinez; Metcalf; Meyer; Meza; Moody; Morales, E.; Morrison; Muñoz; Murr; Neave Criado; Noble; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Price; Raney; Raymond; Rogers; Romero; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Turner; VanDeaver; Vasut; Vo; Wilson.

Nays — Allen; Bowers; Bryant; Collier; Flores; Gervin-Hawkins; González, J.; González, M.; Goodwin; Harrison; Hinojosa; Howard; Isaac; Johnson, J.D.; Jones, J.; Leo-Wilson; Lopez, R.; Manuel; Martinez Fischer; Morales, C.; Oliverson; Plesa; Ramos; Reynolds; Rosenthal; Schaefer; Schatzline; Sherman; Swanson; Talarico; Tinderholt; Toth; Troxclair; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Bhojani; Cain; Campos; Davis; Gates; Hull; Morales Shaw; Rose.

STATEMENTS OF VOTE

When Record No. 2260 was taken, I was shown voting yes. I intended to vote no.

Bernal

When Record No. 2260 was taken, I was in the house but away from my desk. I would have voted yes.

Bhojani

When Record No. 2260 was taken, I was shown voting no. I intended to vote yes.

J.D. Johnson

When Record No. 2260 was taken, I was in the house but away from my desk. I would have voted no.

Morales Shaw

When Record No. 2260 was taken, I was in the house but away from my desk. I would have voted yes.

Rose

When Record No. 2260 was taken, I was shown voting yes. I intended to vote no.

Vasut

HR 2506 - ADOPTED
(by Wilson)

The following privileged resolution was laid before the house:

HR 2506

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 3697** (county regulation of subdivisions and approval of subdivision plans or plats) to consider and take action on the following matters:

(1) House Rule 13, Sections 9(a)(1), (3), and (4), are suspended to permit the committee to change, alter, or amend text which is not in disagreement, to add text on any matter which is not in disagreement, and to add text on any matter which is not included in either the house or senate version of the bill in proposed SECTION 1 of the bill, in Section 232.001, Local Government Code, by amending Subsection (a) and adding Subsection (g) to read as follows:

(a) The owner of a tract of land located outside the limits of a municipality must have a plat of the subdivision prepared if the owner divides the tract into two or more parts to lay out:

(1) a subdivision of the tract, including an addition;

(2) lots; or

(3) streets, alleys, squares, parks, or other parts of the tract intended by the owner of the tract to be dedicated to public use [~~or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts~~].

(g) A plat is considered filed on the date the applicant submits the plat, along with a completed plat application and the application fees and other requirements prescribed by or under this subchapter, to:

(1) the commissioners court; or

(2) the county authority responsible for approving plats.

Explanation: The change is necessary to repeal the plat preparation requirement in relation to purchasers or owners of certain lots and to specify the date on which a plat is considered filed.

(2) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on any matter which is not included in either the house or senate version of the bill by adding the following SECTIONS to the bill:

SECTION 2. Subchapter A, Chapter 232, Local Government Code, is amended by adding Sections 232.0012 and 232.0022 to read as follows:

Sec. 232.0012. CONSTRUCTION OF SUBCHAPTER. This subchapter may not be construed to restrict a county from establishing a submittal calendar to be used by an applicant to facilitate compliance with the approval process described by Sections 232.0025, 232.0026, 232.0027, and 232.0028.

Sec. 232.0022. DELEGATION OF APPROVAL RESPONSIBILITY. (a) The commissioners court of a county or the court's designee may designate to one or more officers or employees of the county the authority to approve, approve with conditions, or disapprove a plat.

(b) An applicant has the right to appeal to the commissioners court or the court's designee if the designated person or persons disapprove a plat.

SECTION 3. The heading to Section 232.0025, Local Government Code, is amended to read as follows:

Sec. 232.0025. APPROVAL PROCEDURE: TIMELY APPROVAL OF PLATS ~~[AND PLANS]~~.

SECTION 5. Section 232.0026(a), Local Government Code, is amended to read as follows:

(a) A commissioners court or county authority responsible for approving plats [designee] that conditionally approves or disapproves of a plat application under this subchapter shall provide the applicant a written statement of the conditions for the conditional approval or the reasons for disapproval that clearly articulates each specific condition for the conditional approval or reason for disapproval.

SECTION 6. Sections 232.0027 and 232.0028, Local Government Code, are amended to read as follows:

Sec. 232.0027. APPROVAL PROCEDURE: APPLICANT RESPONSE TO CONDITIONAL APPROVAL OR DISAPPROVAL. After the conditional approval or disapproval of a plat application under Section 232.0026, the applicant may submit to the commissioners court or county authority responsible for approving plats [designee] that conditionally approved or disapproved the application a written response that satisfies each condition for the conditional approval or remedies each reason for disapproval provided. The commissioners court or county authority [designee] may not establish a deadline for an applicant to submit the response.

Sec. 232.0028. APPROVAL PROCEDURE: APPROVAL OR DISAPPROVAL OF RESPONSE. (a) A commissioners court or county authority responsible for approving plats [designee] that receives a response under Section 232.0027 shall determine whether to approve or disapprove the applicant's previously conditionally approved or disapproved plat application not later than the 15th day after the date the response was submitted under Section 232.0027.

(b) A commissioners court or county authority responsible for approving plats [designee] that conditionally approves or disapproves a plat application following the submission of a response under Section 232.0027:

- (1) must comply with Section 232.0026; and

(2) may disapprove the application only for a specific condition or reason provided to the applicant for the original application under Section 232.0026.

(c) A commissioners court or county authority responsible for approving plats ~~[designee]~~ that receives a response under Section 232.0027 shall approve a previously conditionally approved or disapproved plat application if the applicant's response adequately addresses each condition for the conditional approval or each reason for the disapproval.

(d) A previously conditionally approved or disapproved plat application is approved if:

(1) the applicant filed a response that meets the requirements of Subsection (c); and

(2) the commissioners court or county authority responsible for approving plats ~~[designee]~~ that received the response does not disapprove the application on or before the date required by Subsection (a) and in accordance with Section 232.0026.

SECTION 8. Section 232.0025(d-1), Local Government Code, is repealed.

Explanation: The change is necessary to provide limitations on county regulation of subdivisions and approval of subdivision plats and plans.

(3) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on any matter which is not included in either the house or senate version of the bill in proposed SECTION 4 of the bill, by amending Sections 232.0025(b), (c), (d), (f), (g), and (h), Local Government Code, and adding Section 232.0025(f-1), Local Government Code, to read as follows:

(b) If a person submits a plat application to the commissioners court that does not include all of the documentation or other information required by Subsection (a), the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ shall, not later than the 10th business day after the date the commissioners court receives the application, notify the applicant of the missing documents or other information. The commissioners court shall allow an applicant to timely submit the missing documents or other information.

(c) An application is considered complete when all documentation or other information required by Subsection (a) is received. Acceptance by the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ of a completed plat application with the documentation or other information required by Subsection (a) shall not be construed as approval of the documentation or other information.

(d) Except as provided by Subsection (f), the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ shall approve, approve with conditions, or disapprove a plat application not later than the 30th day after the date the completed application is received by the commissioners court or the county authority ~~[court's designee]~~. An application is approved by the commissioners court or the county authority ~~[court's designee]~~ unless the application is disapproved within that period and in accordance with Section 232.0026.

(f) The 30-day period under Subsection (d):

(1) for a purpose related to Chapter 2007, Government Code, may be extended for a period not to exceed 30 days, if:

(A) requested and agreed to in writing by the applicant and approved by the commissioners court or the county authority responsible for approving plats [~~court's designee~~]; or

(B) Chapter 2007, Government Code, requires the county to perform a takings impact assessment in connection with the plat application; or [~~and~~]

(2) for a purpose unrelated to Chapter 2007, Government Code, may be extended for one or more periods, not to exceed 30 days, if requested and agreed to in writing by the applicant and approved by the commissioners court or the county authority.

(f-1) The 30-day period under Subsection (d) applies only to a decision wholly within the control of the commissioners court or the county authority responsible for approving plats [~~court's designee~~].

(g) The commissioners court or the county authority responsible for approving plats [~~court's designee~~] shall make the determination under Subsection (f)(1) of whether the 30-day period will be extended not later than the 20th day after the date a completed plat application is received by the commissioners court or the county authority [~~court's designee~~].

(h) The commissioners court or the county authority responsible for approving plats [~~court's designee~~] may not require an applicant to waive the time limits or approval procedure contained in this subchapter.

Explanation: The change is necessary to conform to other changes made in the bill and to change requirements relating to the timely approval of plat applications.

(4) House Rule 13, Sections 9(a)(1), (3), and (4), are suspended to permit the committee to change, alter, or amend text which is not in disagreement, to add text on any matter which is not in disagreement, and to add text on any matter which is not included in either the house or senate version of the bill in proposed SECTION 4 of the bill, by amending Section 232.0025(i), Local Government Code, to read as follows:

(i) If the commissioners court or the county authority responsible for approving plats [~~court's designee~~] fails to approve, approve with conditions, or disapprove a plat application as required by this subchapter:

(1) the commissioners court shall refund the greater of the unexpended portion of any application fee or deposit or 50 percent of an application fee or deposit that has been paid;

(2) the application is granted by operation of law; [~~and~~]

(3) the applicant may apply to a district court in the county where the tract of land is located for a writ of mandamus to compel the commissioners court to issue documents recognizing the plat application's approval;

(4) the applicant shall recover reasonable attorney's fees and court costs incurred in bringing an action under Subdivision (3) if the applicant prevails; and

(5) the county may recover reasonable attorney's fees and court costs incurred in an action brought under Subdivision (3) if the county prevails and the court finds the action is frivolous.

Explanation: The change is necessary to conform to other changes made in the bill and to provide for the awarding of attorney's fees and court costs in certain actions.

HR 2506 was adopted by (Record 2261): 128 Yeas, 13 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Cunningham; Darby; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hayes; Hefner; Hernandez; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lujan; Martinez; Martinez Fischer; Metcalf; Meyer; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu.

Nays — Craddick; Goodwin; Harrison; Hinojosa; Jones, V.; Leo-Wilson; Lozano; Meza; Noble; Price; Schaefer; Schatzline; Zwiener.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Campos; Davis; Manuel.

STATEMENT OF VOTE

When Record No. 2261 was taken, I was in the house but away from my desk. I would have voted yes.

Manuel

HB 3697 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Wilson submitted the following conference committee report on **HB 3697**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3697** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Bettencourt
Hall
Huffman
Middleton
Springer

Wilson
C. Bell
Vasut
E. Thompson

On the part of the senate

On the part of the house

HB 3697, A bill to be entitled an act relating to county regulation of subdivisions and approval of subdivision plans or plats.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 232.001, Local Government Code, is amended by amending Subsection (a) and adding Subsections (g) and (h) to read as follows:

(a) The owner of a tract of land located outside the limits of a municipality must have a plat of the subdivision prepared if the owner divides the tract into two or more parts to lay out:

(1) a subdivision of the tract, including an addition;

(2) lots; or

(3) streets, alleys, squares, parks, or other parts of the tract intended by the owner of the tract to be dedicated to public use [~~or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts~~].

(g) A plat is considered filed on the date the applicant submits the plat, along with a completed plat application and the application fees and other requirements prescribed by or under this subchapter, to:

(1) the commissioners court; or

(2) the county authority responsible for approving plats.

(h) The commissioners court or the county authority responsible for approving plats may not require an analysis, study, document, agreement, or similar requirement to be included in or as part of an application for a plat, development permit, or subdivision of land that is not explicitly required by state law.

SECTION 2. Subchapter A, Chapter 232, Local Government Code, is amended by adding Sections 232.0012 and 232.0022 to read as follows:

Sec. 232.0012. CONSTRUCTION OF SUBCHAPTER. This subchapter may not be construed to restrict a county from establishing a submittal calendar to be used by an applicant to facilitate compliance with the approval process described by Sections 232.0025, 232.0026, 232.0027, and 232.0028.

Sec. 232.0022. DELEGATION OF APPROVAL RESPONSIBILITY. (a) The commissioners court of a county or the court's designee may designate to one or more officers or employees of the county the authority to approve, approve with conditions, or disapprove a plat.

(b) An applicant has the right to appeal to the commissioners court or the court's designee if the designated person or persons disapprove a plat.

SECTION 3. The heading to Section 232.0025, Local Government Code, is amended to read as follows:

Sec. 232.0025. APPROVAL PROCEDURE: TIMELY APPROVAL OF PLATS ~~[AND PLANS]~~.

SECTION 4. Section 232.0025, Local Government Code, is amended by amending Subsections (a), (b), (c), (d), (f), (g), (h), and (i) and adding Subsection (f-1) to read as follows:

(a) The commissioners court of a county or a person designated by the commissioners court shall issue a written list of all ~~[the]~~ documentation and other information that must be submitted with a plat application. The documentation or other information must relate to a requirement authorized under this section or other applicable law. An application submitted to the commissioners court or the person designated by the commissioners court that contains all ~~[the]~~ documents and other information on the written list is considered complete. The commissioners court shall post and continuously maintain the most current version of the list on the county's Internet website.

(b) If a person submits a plat application to the commissioners court that does not include all of the documentation or other information required by Subsection (a), the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ shall, not later than the 10th business day after the date the commissioners court receives the application, notify the applicant of the missing documents or other information. The commissioners court shall allow an applicant to timely submit the missing documents or other information.

(c) An application is considered complete when all documentation or other information required by Subsection (a) is received. Acceptance by the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ of a completed plat application with the documentation or other information required by Subsection (a) shall not be construed as approval of the documentation or other information.

(d) Except as provided by Subsection (f), the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ shall approve, approve with conditions, or disapprove a plat application not later than the 30th day after the date the completed application is received by the commissioners court or the county authority ~~[court's designee]~~. An application is approved by the commissioners court or the county authority ~~[court's designee]~~ unless the application is disapproved within that period and in accordance with Section 232.0026.

(f) The 30-day period under Subsection (d):

(1) for a purpose related to Chapter 2007, Government Code, may be extended for a period not to exceed 30 days, if:

(A) requested and agreed to in writing by the applicant and approved by the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~; or

(B) Chapter 2007, Government Code, requires the county to perform a takings impact assessment in connection with the plat application; or ~~[and]~~

(2) for a purpose unrelated to Chapter 2007, Government Code, may be extended for one or more periods, not to exceed 30 days, if requested and agreed to in writing by the applicant and approved by the commissioners court or the county authority.

(f-1) The 30-day period under Subsection (d) applies only to a decision wholly within the control of the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~.

(g) The commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ shall make the determination under Subsection (f)(1) of whether the 30-day period will be extended not later than the 20th day after the date a completed plat application is received by the commissioners court or the county authority ~~[court's designee]~~.

(h) The commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ may not require an applicant to waive the time limits or approval procedure contained in this subchapter.

(i) If the commissioners court or the county authority responsible for approving plats ~~[court's designee]~~ fails to approve, approve with conditions, or disapprove a plat application as required by this subchapter:

(1) the commissioners court shall refund the greater of the unexpended portion of any application fee or deposit or 50 percent of an application fee or deposit that has been paid;

(2) the application is granted by operation of law; ~~and~~

(3) the applicant may apply to a district court in the county where the tract of land is located for a writ of mandamus to compel the commissioners court to issue documents recognizing the plat application's approval;

(4) the applicant shall recover reasonable attorney's fees and court costs incurred in bringing an action under Subdivision (3) if the applicant prevails; and

(5) the county may recover reasonable attorney's fees and court costs incurred in an action brought under Subdivision (3) if the county prevails and the court finds the action is frivolous.

SECTION 5. Section 232.0026(a), Local Government Code, is amended to read as follows:

(a) A commissioners court or county authority responsible for approving plats ~~[designee]~~ that conditionally approves or disapproves of a plat application under this subchapter shall provide the applicant a written statement of the conditions for the conditional approval or the reasons for disapproval that clearly articulates each specific condition for the conditional approval or reason for disapproval.

SECTION 6. Sections 232.0027 and 232.0028, Local Government Code, are amended to read as follows:

Sec. 232.0027. APPROVAL PROCEDURE: APPLICANT RESPONSE TO CONDITIONAL APPROVAL OR DISAPPROVAL. After the conditional approval or disapproval of a plat application under Section 232.0026, the applicant may submit to the commissioners court or county authority responsible for approving plats ~~[designee]~~ that conditionally approved or disapproved the

application a written response that satisfies each condition for the conditional approval or remedies each reason for disapproval provided. The commissioners court or county authority [designee] may not establish a deadline for an applicant to submit the response.

Sec. 232.0028. APPROVAL PROCEDURE: APPROVAL OR DISAPPROVAL OF RESPONSE. (a) A commissioners court or county authority responsible for approving plats [designee] that receives a response under Section 232.0027 shall determine whether to approve or disapprove the applicant's previously conditionally approved or disapproved plat application not later than the 15th day after the date the response was submitted under Section 232.0027.

(b) A commissioners court or county authority responsible for approving plats [designee] that conditionally approves or disapproves a plat application following the submission of a response under Section 232.0027:

- (1) must comply with Section 232.0026; and
- (2) may disapprove the application only for a specific condition or reason provided to the applicant for the original application under Section 232.0026.

(c) A commissioners court or county authority responsible for approving plats [designee] that receives a response under Section 232.0027 shall approve a previously conditionally approved or disapproved plat application if the applicant's response adequately addresses each condition for the conditional approval or each reason for the disapproval.

(d) A previously conditionally approved or disapproved plat application is approved if:

(1) the applicant filed a response that meets the requirements of Subsection (c); and

(2) the commissioners court or county authority responsible for approving plats [designee] that received the response does not disapprove the application on or before the date required by Subsection (a) and in accordance with Section 232.0026.

SECTION 7. Section 232.0033, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) The commissioners court of a county or the court's designee may not refuse to review a plat application or refuse to approve a plat for recordation for failure to identify a corridor, as defined by Section 201.619, Transportation Code, unless the corridor is part of an agreement between the Texas Department of Transportation and the county under that section.

SECTION 8. Section 232.0025(d-1), Local Government Code, is repealed.

SECTION 9. As soon as practicable after the effective date of this Act but not later than January 1, 2024, each county shall adopt and publish the list described by Section 232.0025, Local Government Code, as amended by this Act.

SECTION 10. The changes in law made by this Act apply only to a plat application submitted on or after the effective date of this Act. A plat application submitted before the effective date of this Act is governed by the law in effect on the date the application was submitted, and that law is continued in effect for that purpose.

SECTION 11. This Act takes effect September 1, 2023.

Representative Wilson moved to adopt the conference committee report on **HB 3697**.

The motion to adopt the conference committee report on **HB 3697** prevailed by (Record 2262): 119 Yeas, 24 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bell, C.; Bell, K.; Bernal; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bumgarner; Burns; Burrows; Button; Cain; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Cunningham; Darby; Dean; DeAyala; Dorazio; Dutton; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Holland; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lujan; Martinez; Martinez Fischer; Metcalf; Meyer; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Raney; Raymond; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu.

Nays — Bailes; Bucy; Campos; Canales; Craddick; Davis; Flores; González, J.; González, M.; Goodwin; Hinojosa; Howard; Jones, V.; Kacal; Leo-Wilson; Lozano; Meza; Moody; Morales, C.; Price; Ramos; Reynolds; Talarico; Zwiener.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Frazier; Garcia; Herrero; Shaheen.

Absent — Manuel.

STATEMENTS OF VOTE

When Record No. 2262 was taken, I was shown voting yes. I intended to vote no.

J. Jones

When Record No. 2262 was taken, I was in the house but away from my desk. I would have voted no.

Manuel

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

Bernal on motion of Bhojani.

HB 3452 - MOTION TO ADOPT CONFERENCE COMMITTEE REPORT

Without objection, Representative Jetton submitted the following conference committee report on **HB 3452**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3452** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Huffman
Bettencourt
Creighton
Hinojosa
Hughes

Jetton
Slawson
Vasut

On the part of the senate

On the part of the house

HB 3452, A bill to be entitled An Act relating to the discipline of judges by the State Commission on Judicial Conduct and the legislature.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 33.001(b), Government Code, is amended to read as follows:

(b) For purposes of Section 1-a, Article V, Texas Constitution, "wilful or persistent conduct that is clearly inconsistent with the proper performance of a judge's duties" includes:

(1) wilful, persistent, and unjustifiable failure to timely execute the business of the court, considering the quantity and complexity of the business;

(2) wilful violation of a provision of the Texas penal statutes or the Code of Judicial Conduct;

(3) persistent or wilful violation of the rules promulgated by the supreme court;

(4) incompetence in the performance of the duties of the office;

(5) failure to cooperate with the commission; ~~or~~

(6) violation of any provision of a voluntary agreement to resign from judicial office in lieu of disciplinary action by the commission; or

(7) persistent or wilful violation of Article 17.15, Code of Criminal Procedure.

SECTION 2. Section 33.0212, Government Code, is amended to read as follows:

Sec. 33.0212. REPORT AND RECOMMENDATIONS ON FILED COMPLAINTS. (a) As soon as practicable after a complaint is filed with the commission, commission staff shall conduct a preliminary investigation of the filed complaint and draft recommendations for commission action.

(a-1) On completion of the preliminary investigation and submission of recommendations under Subsection (a), commission staff shall provide to the judge who is the subject of the complaint written notice of:

(1) the complaint, the results of the preliminary investigation, and the commission staff's recommendations for commission action regarding the complaint; and

(2) the judge's right to attend each commission meeting at which the complaint is included in the report filed with the commission members under Subsection (a-2).

(a-2) Not later than the 10th business day before a scheduled commission meeting ~~[120th day after the date a complaint is filed with the commission]~~, commission staff shall prepare and file with each member of the commission a report detailing:

(1) each complaint for which a preliminary investigation has been conducted under Subsection (a) but for which the investigation report has not been finalized under Subsection (b);

(2) the results of the preliminary investigation of the complaint; and

(3) the commission staff's recommendations for commission action regarding the complaint.

(b) Not later than the 120th ~~[90th]~~ day following the date of the first commission meeting at which a complaint is included in the report filed with the commission under Subsection (a-2) ~~[staff files with the commission the report required by Subsection (a)]~~, the commission shall finalize the investigation report and determine any action to be taken regarding the complaint, including:

(1) a public sanction;

(2) a private sanction;

(3) a suspension;

(4) an order of education;

(5) an acceptance of resignation in lieu of discipline;

(6) a dismissal; or

(7) an initiation of formal proceedings.

(b-1) After the commission meeting at which an investigation report is finalized and an action is determined under Subsection (b), the commission shall provide to the judge who is the subject of a complaint:

(1) written notice of the action to be taken regarding the complaint not more than five business days after the commission meeting; and

(2) as the commission determines appropriate, notice of the action to be taken published on the commission's Internet website not more than seven business days after the commission meeting.

(c) If, because of extenuating circumstances, the commission [staff] is unable to finalize an investigation report and determine the action to be taken regarding a complaint under Subsection (b) [~~provide an investigation report and recommendation to the commission~~] before the 120th day following the date of the first [~~the complaint was filed with the~~] commission meeting at which a complaint is included in the report filed with the commission under Subsection (a-2), the commission may order an extension [~~the staff shall notify the commission and propose the number of days required for the commission and commission staff to complete the investigation report and recommendations and finalize the complaint. The staff may request an extension~~] of not more than 240 [270] days from the date of the first [~~the complaint was filed with the~~] commission meeting at which a complaint is included in the report filed with the commission under Subsection (a-2). [~~The commission shall finalize the complaint not later than the 270th day following the date the complaint was filed with the commission.~~]

(d) [~~The executive director may request that the chairperson grant an additional 120 days to the time provided under Subsection (c) for the commission and commission staff to complete the investigation report and recommendations and finalize the complaint.~~]

[~~(e)~~] If the commission orders an extension of time under Subsection (c) [~~chairperson grants additional time under Subsection (d)~~], the commission must timely inform the legislature of the extension. The commission may not disclose to the legislature any confidential information regarding the complaint.

SECTION 3. Section 33.0213, Government Code, is amended to read as follows:

Sec. 33.0213. NOTIFICATION OF LAW ENFORCEMENT AGENCY INVESTIGATION. On notice by any law enforcement agency investigating an action for which a complaint has been filed with the commission, the commission:

(1) may place the commission's complaint file on hold and decline any further investigation that would jeopardize the law enforcement agency's investigation; or

(2) shall [~~The commission may~~] continue an investigation that would not jeopardize a law enforcement investigation regarding the conduct subject to the complaint and may issue a censure or sanction based on the complaint.

SECTION 4. Section 33.034(a), Government Code, is amended to read as follows:

(a) A judge who receives from the commission a public sanction or censure issued by the commission under Section 1-a(8), Article V, Texas Constitution, that makes the judge ineligible for assignment under Section 74.055 [~~or any other type of sanction~~] is entitled to a review of the commission's decision as provided by this section. This section does not apply to a decision by the commission to institute formal proceedings.

SECTION 5. Section 33.037, Government Code, is amended to read as follows:

Sec. 33.037. SUSPENSION FROM OFFICE ~~[PENDING APPEAL]~~. (a) If a judge who is convicted of a felony or a misdemeanor involving official misconduct appeals the conviction, the commission shall suspend the judge from office without pay pending final disposition of the appeal.

(b) If the commission initiates formal proceedings against a judge, the commission shall suspend the judge from office without pay not later than the 30th day after the date a special master is appointed and pending final disposition of the formal proceedings unless the special master determines the suspension is unwarranted.

(c) If the commission issues a public reprimand of a judge based on the judge's persistent or wilful violation of Article 17.15, Code of Criminal Procedure, the commission shall:

(1) suspend the judge from office without pay for 60 days; and

(2) send notice of the reprimand and suspension to:

(A) the governor;

(B) the lieutenant governor;

(C) the speaker of the house of representatives;

(D) the presiding officers of each legislative standing committee

with jurisdiction over the judiciary;

(E) the comptroller;

(F) the chief justice of the supreme court;

(G) the Office of Court Administration of the Texas Judicial

System; and

(H) the presiding judge of the administrative judicial region for the court served by the suspended judge.

SECTION 6. Section 74.055(c), Government Code, is amended to read as follows:

(c) To be eligible to be named on the list, a retired or former judge must:

(1) have served as an active judge for at least 96 months in a district, statutory probate, statutory county, or appellate court;

(2) have developed substantial experience in the judge's area of specialty;

(3) not have been removed from office;

(4) certify under oath to the presiding judge, on a form prescribed by the state board of regional judges, that:

(A) the judge has never been either:

(i) publicly reprimanded or censured by the State Commission on Judicial Conduct; or

(ii) publicly reprimanded, sanctioned, or censured, or any combination of those punishments, more than once, unless the reprimand, sanction, or censure has been reviewed and rescinded by a special court of review under Section 33.034; and

(B) the judge:

(i) did not resign or retire from office after the State Commission on Judicial Conduct notified the judge of the commencement of a full investigation into an allegation or appearance of misconduct or disability of the judge as provided in Section 33.022 and before the final disposition of that investigation; or

(ii) if the judge did resign from office under circumstances described by Subparagraph (i), was not publicly reprimanded or censured as a result of the investigation;

(5) annually demonstrate that the judge has completed in the past state fiscal year the educational requirements for active district, statutory probate, and statutory county court judges; and

(6) certify to the presiding judge a willingness not to appear and plead as an attorney in any court in this state for a period of two years.

SECTION 7. Section 665.052(b), Government Code, is amended to read as follows:

(b) In this section, "incompetency" means:

(1) gross ignorance of official duties;

(2) gross carelessness in the discharge of official duties; ~~[or]~~

(3) inability or unfitness to discharge promptly and properly official duties because of a serious physical or mental defect that did not exist at the time of the officer's election; or

(4) persistent or wilful violation of Article 17.15, Code of Criminal Procedure.

SECTION 8. As soon as practicable after the effective date of this Act, the State Commission on Judicial Conduct shall adopt rules to implement Section 33.001(b), Government Code, as amended by this Act.

SECTION 9. Sections 33.001(b) and 665.052(b), Government Code, as amended by this Act, apply only to an allegation of judicial misconduct received by the State Commission on Judicial Conduct or the legislature on or after the effective date of this Act, regardless of whether the conduct or act that is the subject of the allegation occurred or was committed before, on, or after the effective date of this Act.

SECTION 10. Section 33.037, Government Code, as amended by this Act, applies only to a special master appointed to hear a formal proceeding on or after the effective date of this Act.

SECTION 11. A former or retired judge on a list maintained by a presiding judge under Section 74.055(a), Government Code, who is ineligible to be named on the list under Section 74.055(c), Government Code, as amended by this Act, shall be struck from the list on the effective date of this Act and may not be assigned to any court on or after the effective date of this Act.

SECTION 12. This Act takes effect September 1, 2023.

HB 3452 - REMARKS

REPRESENTATIVE CANALES: Mr. Jetton, the original bill said that a complaint had to be sworn. Can you tell the body what that is?

REPRESENTATIVE JETTON: I remember us having that conversation. That section of the bill was removed in the committee report.

CANALES: How is the complaint filed now?

JETTON: In the same manner that it was. Currently, I believe it's an online report. Someone makes a complaint, and it's not sworn.

CANALES: It's not a sworn complaint?

JETTON: That is correct.

CANALES: So somebody can make a complaint against a county court at law judge or a state district judge, and under your bill, if they've conducted an investigation and even though the investigation is not complete, they can remove or suspend a judge off the bench—an elected official—with no complete investigation?

JETTON: The investigation would have to get to the point where a master—whatever that position is—is assigned and they would have 30 days to decide whether or not that suspension should go forward.

CANALES: The judge in that particular case—there would be no finding by the commission? It would just be somebody whose opinion is that the judge should be removed and there's no actual hearing?

JETTON: Prior to that point, I believe the bill requires the report, along with findings, to be provided to the judge prior to that formal investigation where a master, or whoever, is appointed.

CANALES: You were present yesterday during the impeachment proceedings?

JETTON: Yes.

CANALES: Okay, and to your knowledge does an individual who's impeached by this body—are they suspended without pay?

JETTON: I'm not advised.

PARLIAMENTARY INQUIRY

REPRESENTATIVE CANALES: When this body impeaches a public official, is that public official suspended upon impeachment?

SPEAKER PHELAN: Yes, sir, Mr. Canales.

CANALES: When this body impeaches a public official and that official is immediately suspended, is he or she suspended with or without pay?

SPEAKER: It is the chair's understanding that an officer who has been impeached is not rendering services and therefore cannot be compensated.

HB 3452 - (consideration continued)

CANALES: Mr. Jetton, you do understand that this body can impeach a district judge because that's a precedent that we learned yesterday, correct?

JETTON: I believe so.

CANALES: Okay. Under your bill, without impeachment—under an investigation with no impeachment proceeding as for this body, but through an administrative body—you're delegating that body the authority to remove an elected official which we have here as elected officials. But the body you're talking about having an elected official removed by is an administrative body. Is that not correct?

JETTON: If I'm not mistaken, it's an administrative body that answers to a board that's appointed by the governor that would make that decision.

CANALES: It's not an elected body, is it?

JETTON: No, it's not an elected body.

CANALES: The bill you have completely bypasses this elected body, and it allows, without any findings, a district judge or a county court at law judge to be removed by an administrative body without a true hearing where the judge gets to respond?

JETTON: I don't think that's accurate. If I'm not mistaken, the process is a complaint is filed, an investigation occurs by the State Commission on Judicial Conduct, and that complaint is brought forward to the board to decide whether or not they should move forward. It is then that a master—and I forget the name of it right now because I don't have the bill in front of me—is assigned. Within 30 days, if that individual believes that there's substantial evidence, then the suspension occurs. If not, then it is stopped at that point. The judge during that point is able to make their argument.

CANALES: So in your bill it's not even the board. It's a special master, isn't it, that makes the decision?

JETTON: On the temporary suspension, yes.

CANALES: How temporary is the suspension? It could be indefinite, couldn't it?

JETTON: No, well—

CANALES: Until it takes place?

JETTON: The intent of the bill is to make sure that there's a process in place that expeditiously you have a conclusion so that a judge that is suspended could be reinstated if there's not any findings.

CANALES: For the body's information, the actual Judicial Conduct Commission in your bill has not made a finding yet, but you've already removed an elected official by virtue of somebody that's a special master. Not even the Judicial Conduct Commission is suspending them, is it?

JETTON: Well, the suspension would have to happen through legislation. The master would be able to stop it. Before the investigation would arrive at a formal investigation to this point a board would have a say in whether or not that proceeded.

CANALES: I'll ask the question again. Perhaps it wasn't clear. An investigation commences, correct?

JETTON: Correct.

CANALES: Then at some point that investigative body has a belief that the judge should be suspended, and they appoint a special master? Or the special master just makes the conclusion on his own?

JETTON: From what my understanding is, when a complaint is made, an investigation occurs. That investigation, if there are findings, is brought to the board, and that board decides whether or not it proceeds to a formal investigation where a master is assigned and 30 days after that, if the master does not conclude that a suspension is not necessary, the suspension would occur.

CANALES: That's my point. That's what I want everybody to hear. It's not even the Judicial Conduct Commission anymore under your bill, it's a special master that is determining whether he is going to suspend and remove an elected judge from office at his discretion or her discretion. Is that correct?

JETTON: That sounds correct.

CANALES: There's been no determination under your bill by the State Board of Judicial Conduct that there's no factual findings, there's no investigative findings, the judge hasn't had a chance to respond, and there's been no formal proceeding, but he is removed on the basis of a special master that was appointed—one person?

JETTON: Correct.

CANALES: Do you believe that is due process for the judge?

JETTON: I believe that that individual has the responsibility to determine whether the findings show that there's enough evidence to temporarily suspend that individual.

CANALES: At what point does the judge get to respond to the special master's finding in your bill?

JETTON: I don't have the bill in front of me.

CANALES: He doesn't in your bill. The judge doesn't get to respond to the special master's finding. If you don't have the bill in front of you, perhaps we can postpone for a minute while you go get it? The question, while you're looking, so we're on the same page, is when the special master makes the recommendation that he be suspended, what does the judge—when he is suspended by the special master, what is the judge's remedy at that point?

MESSAGE FROM THE SENATE

A message from the senate was received at this time (see the addendum to the daily journal, Messages from the Senate, Message No. 8).

HB 3452 - (consideration continued)

Representative Jetton moved to adopt the conference committee report on **HB 3452**.

The motion to adopt the conference committee report on **HB 3452** was lost by (Record 2263): 58 Yeas, 84 Nays, 1 Present, not voting.

Yeas — Allison; Anderson; Bell, C.; Bell, K.; Bonnen; Buckley; Burns; Burrows; Button; Cain; Capriglione; Cook; Craddick; Cunningham; Darby; Dean; DeAyala; Frank; Gerdes; Geren; Goldman; Guillen; Harless; Harris, C.E.; Harris, C.J.; Hefner; Holland; Hull; Isaac; Jetton; Kitzman; Kuempel; Lambert; Landgraf; Leo-Wilson; Lopez, J.; Lujan; Metcalf; Meyer; Morrison; Murr; Noble; Oliverson; Orr; Patterson; Paul; Raney; Raymond; Shine; Slawson; Smithee; Stucky; Thimesch; Toth; Troxclair; VanDeaver; Vasut; Wilson.

Nays — Allen; Anchía; Ashby; Bailes; Bhojani; Bowers; Bryant; Bucy; Bumgarner; Campos; Canales; Clardy; Cole; Collier; Cortez; Davis; Dorazio; Dutton; Flores; Gámez; Gates; Gervin-Hawkins; González, J.; González, M.; Goodwin; Guerra; Harrison; Hayes; Hernandez; Hinojosa; Howard; Hunter; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Klick; Lalani; Leach; Longoria; Lopez, R.; Lozano; Manuel; Martinez; Martinez Fischer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Muñoz; Neave Criado; Ordaz; Ortega; Perez; Plesa; Price; Ramos; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Sherman; Smith; Spiller; Swanson; Talarico; Tepper; Thierry; Thompson, E.; Thompson, S.; Tinderholt; Turner; Vo; Walle; Wu; Zwiener.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Bernal; Frazier; Garcia; Herrero; Shaheen.

Absent — Schofield.

STATEMENTS OF VOTE

When Record No. 2263 was taken, I was shown voting yes. I intended to vote no.

Cook

When Record No. 2263 was taken, I was shown voting yes. I intended to vote no.

Craddick

When Record No. 2263 was taken, I was shown voting no. I intended to vote yes.

Harrison

When Record No. 2263 was taken, I was shown voting yes. I intended to vote no.

Lambert

When Record No. 2263 was taken, I was shown voting no. I intended to vote yes.

Lozano

When Record No. 2263 was taken, I was shown voting yes. I intended to vote no.

Noble

When Record No. 2263 was taken, I was shown voting yes. I intended to vote no.

Stucky

When Record No. 2263 was taken, I was shown voting no. I intended to vote yes.

Swanson

When Record No. 2263 was taken, I was shown voting no. I intended to vote yes.

Tinderholt

BILLS AND RESOLUTIONS SIGNED BY THE SPEAKER

Notice was given at this time that the speaker had signed bills and resolutions in the presence of the house (see the addendum to the daily journal, Signed by the Speaker, Senate List No. 37).

HR 2507 - ADOPTED (by Wilson)

The following privileged resolution was laid before the house:

HR 2507

BE IT RESOLVED by the House of Representatives of the State of Texas, 88th Legislature, Regular Session, 2023, That House Rule 13, Section 9(a), be suspended in part as provided by House Rule 13, Section 9(f), to enable the conference committee appointed to resolve the differences on **HB 3699** (municipal regulation of subdivisions and approval of subdivision plans or plats) to consider and take action on the following matters:

(1) House Rule 13, Section 9(a)(4), is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill by adding the following SECTIONS to the bill:

SECTION 1. Sections 212.001(2) and (3), Local Government Code, are amended to read as follows:

(2) [~~"Plan" means a subdivision development plan, including a subdivision plan, subdivision construction plan, site plan, land development application, and site development plan.~~

~~(3)] "Plat" includes a preliminary plat, [~~general plan,~~] final plat, and replat.~~

SECTION 2. Subchapter A, Chapter 212, Local Government Code, is amended by adding Section 212.0015 to read as follows:

Sec. 212.0015. CONSTRUCTION OF SUBCHAPTER. This subchapter may not be construed to restrict a municipality from establishing a submittal calendar to be used by an applicant to facilitate compliance with the approval process described by Sections 212.009, 212.0091, 212.0093, and 212.0095.

SECTION 6. Sections 212.0065(a) and (c), Local Government Code, are amended to read as follows:

(a) The governing body of a municipality or the municipal planning commission may delegate to one or more officers or employees of the municipality or of a utility owned or operated by the municipality the ability to approve, approve with conditions, or disapprove a plat [±

~~(1) amending plats described by Section 212.016;~~

~~(2) minor plats or replats involving four or fewer lots fronting on an existing street and not requiring the creation of any new street or the extension of municipal facilities; or~~

~~(3) a replat under Section 212.0145 that does not require the creation of any new street or the extension of municipal facilities].~~

(c) An applicant has the right to appeal to the governing body of the municipality or the municipal planning commission if the designated ~~[The]~~ person disapproves a ~~[or persons shall not disapprove the]~~ plat ~~[and shall be required to refer any plat which the person or persons refuse to approve to the municipal authority responsible for approving plats within the time period specified in Section 212.009].~~

SECTION 9. Section 212.0091(a), Local Government Code, is amended to read as follows:

(a) A municipal authority or governing body that conditionally approves or disapproves a ~~[plan or]~~ plat under this subchapter shall provide the applicant a written statement of the conditions for the conditional approval or reasons for disapproval that clearly articulates each specific condition for the conditional approval or reason for disapproval.

SECTION 10. Sections 212.0093, 212.0095, and 212.0096, Local Government Code, are amended to read as follows:

Sec. 212.0093. APPROVAL PROCEDURE: APPLICANT RESPONSE TO CONDITIONAL APPROVAL OR DISAPPROVAL. After the conditional approval or disapproval of a ~~[plan or]~~ plat under Section 212.0091, the applicant may submit to the municipal authority or governing body that conditionally approved or disapproved the ~~[plan or]~~ plat a written response that satisfies each condition for the conditional approval or remedies each reason for disapproval provided. The municipal authority or governing body may not establish a deadline for an applicant to submit the response.

Sec. 212.0095. APPROVAL PROCEDURE: APPROVAL OR DISAPPROVAL OF RESPONSE. (a) A municipal authority or governing body that receives a response under Section 212.0093 shall determine whether to approve or disapprove the applicant's previously conditionally approved or disapproved ~~[plan or]~~ plat not later than the 15th day after the date the response was submitted.

(b) A municipal authority or governing body that conditionally approves or disapproves a ~~[plan or]~~ plat following the submission of a response under Section 212.0093:

(1) must comply with Section 212.0091; and

(2) may disapprove the ~~[plan or]~~ plat only for a specific condition or reason provided to the applicant under Section 212.0091.

(c) A municipal authority or governing body that receives a response under Section 212.0093 shall approve a previously conditionally approved or disapproved [~~plan or~~] plat if the response adequately addresses each condition of the conditional approval or each reason for the disapproval.

(d) A previously conditionally approved or disapproved [~~plan or~~] plat is approved if:

(1) the applicant filed a response that meets the requirements of Subsection (c); and

(2) the municipal authority or governing body that received the response does not disapprove the [~~plan or~~] plat on or before the date required by Subsection (a) and in accordance with Section 212.0091.

Sec. 212.0096. APPROVAL PROCEDURE: ALTERNATIVE APPROVAL PROCESS. (a) Notwithstanding Sections 212.009, 212.0091, 212.0093, and 212.0095, an applicant may elect at any time to seek approval for a [~~plan or~~] plat under an alternative approval process adopted by a municipality if the process allows for a shorter approval period than the approval process described by Sections 212.009, 212.0091, 212.0093, and 212.0095.

(b) An applicant that elects to seek approval under the alternative approval process described by Subsection (a) is not:

(1) required to satisfy the requirements of Sections 212.009, 212.0091, 212.0093, and 212.0095 before bringing an action challenging a disapproval of a [~~plan or~~] plat under this subchapter; and

(2) prejudiced in any manner in bringing the action described by Subdivision (1), including satisfying a requirement to exhaust any and all remedies.

SECTION 11. Section 212.0099, Local Government Code, is amended to read as follows:

Sec. 212.0099. JUDICIAL REVIEW OF DISAPPROVAL. In a legal action challenging a disapproval of a [~~plan or~~] plat under this subchapter, the municipality has the burden of proving by clear and convincing evidence that the disapproval meets the requirements of this subchapter or any applicable case law. The court may not use a deferential standard.

Explanation: This change is necessary to provide limitations on municipal regulation of subdivisions and approval of subdivision plans or plats.

(2) House Rule 13, Sections 9(a)(1), (3), and (4), are suspended to permit the committee to change, alter, or amend text which is not in disagreement, to add text on a matter which is not in disagreement, and to add text on a matter which is not included in either the house or senate version of the bill in proposed SECTION 4 of the bill, in Section 212.004, Local Government Code, by amending Subsections (a) and (b) and adding Subsections (f) and (g) to read as follows:

(a) The owner of a tract of land located within the limits or in the extraterritorial jurisdiction of a municipality who divides the tract in two or more parts to lay out a subdivision of the tract, including an addition to a municipality, to lay out suburban, building, or other lots, or to lay out streets, alleys, squares, parks, or other parts of the tract intended by the owner of the tract to be dedicated

to public use ~~[or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts]~~ must have a plat of the subdivision prepared. A division of a tract under this subsection includes a division regardless of whether it is made by using a metes and bounds description in a deed of conveyance or in a contract for a deed, by using a contract of sale or other executory contract to convey, or by using any other method. A division of land under this subsection does not include a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.

(b) To be recorded, the plat must:

- (1) describe the subdivision by metes and bounds;
- (2) locate the subdivision with respect to a corner of the survey or tract or an original corner of the original survey of which it is a part; and
- (3) state the dimensions of the subdivision and of each street, alley, square, park, or other part of the tract intended by the owner of the tract to be dedicated to public use ~~[or for the use of purchasers or owners of lots fronting on or adjacent to the street, alley, square, park, or other part]~~.

(f) A plat is considered filed on the date the applicant submits the plat, along with a completed plat application and the application fees and other requirements prescribed by or under this subchapter, to:

- (1) the governing body of the municipality; or
- (2) the municipal authority responsible for approving plats.

(g) The governing body of a municipality or the municipal authority responsible for approving plats may not require an analysis, study, document, agreement, or similar requirement to be included in or as part of an application for a plat, development permit, or subdivision of land that is not explicitly required by state law.

Explanation: This change is necessary to repeal the plat preparation requirement in relation to purchasers or owners of certain lots, to specify the date on which a plat is considered filed, and to prohibit a municipality or municipal authority from requiring certain additional materials for a plat, development permit, or subdivision of land.

(3) House Rule 13, Sections 9(a)(3) and (4), are suspended to permit the committee to add text on a matter which is not in disagreement and to add text on a matter which is not included in either the house or senate version of the bill in proposed SECTION 8 of the bill, by amending Sections 212.009(a), (b), (c), and (d), Local Government Code, to read as follows:

(a) The municipal authority responsible for approving plats shall approve, approve with conditions, or disapprove a ~~[plan or]~~ plat within 30 days after the date the ~~[plan or]~~ plat is filed. A ~~[plan or]~~ plat is approved by the municipal authority unless it is disapproved within that period and in accordance with Section 212.0091.

(b) If an ordinance requires that a ~~[plan or]~~ plat be approved by the governing body of the municipality in addition to the planning commission, the governing body shall approve, approve with conditions, or disapprove the ~~[plan or]~~ plat within 30 days after the date the ~~[plan or]~~ plat is approved by the

planning commission or is approved by the inaction of the commission. A [~~plan or~~] plat is approved by the governing body unless it is disapproved within that period and in accordance with Section 212.0091.

(c) If a [~~plan or~~] plat is approved, the municipal authority giving the approval shall endorse the [~~plan or~~] plat with a certificate indicating the approval. The certificate must be signed by:

(1) the authority's presiding officer and attested by the authority's secretary; or

(2) a majority of the members of the authority.

(d) If the municipal authority responsible for approving plats fails to approve, approve with conditions, or disapprove a [~~plan or~~] plat within the prescribed period, the authority on the applicant's request shall issue a certificate stating the date the [~~plan or~~] plat was filed and that the authority failed to act on the [~~plan or~~] plat within the period. The certificate is effective in place of the endorsement required by Subsection (c).

Explanation: This change is necessary to conform to other changes made in the bill.

(4) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 8 of the bill, in amended Section 212.009(b-2), Local Government Code, by striking "a period" and substituting "one or more periods, each [~~a period~~]".

Explanation: This change is necessary to provide for multiple extensions for the deadlines provided by Section 212.009, Local Government Code.

(5) House Rule 13, Section 9(a)(1), is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 12 of the bill, in added Section 212.010(e), Local Government Code, by striking "The prevailing party may recover reasonable and necessary attorney's fees and court costs in the action." and substituting the following:

The applicant shall recover reasonable attorney's fees and court costs in the action if the applicant prevails. The municipality may recover reasonable attorney's fees and court costs in the action if the municipality prevails and the court finds the action is frivolous.

Explanation: This change is necessary to provide different standards for recovery of attorney's fees and court costs for an applicant and a municipality.

HR 2507 was adopted by (Record 2264): 134 Yeas, 3 Nays, 2 Present, not voting.

Yeas — Allen; Allison; Anchía; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Kuempel; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lujan; Manuel; Martinez Fischer; Metcalf;

Meyer; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Leo-Wilson; Meza; Sherman.

Present, not voting — Mr. Speaker(C); Lozano.

Absent, Excused — Bernal; Frazier; Garcia; Herrero; Shaheen.

Absent — Gates; Klick; Lalani; Martinez; Perez.

STATEMENTS OF VOTE

When Record No. 2264 was taken, I was shown voting present, not voting. I intended to vote yes.

Lozano

When Record No. 2264 was taken, I was in the house but away from my desk. I would have voted yes.

Perez

HB 3699 - CONFERENCE COMMITTEE REPORT ADOPTED

Without objection, Representative Wilson submitted the following conference committee report on **HB 3699**:

Austin, Texas, May 27, 2023

The Honorable Dan Patrick
President of the Senate

The Honorable Dade Phelan
Speaker of the House of Representatives

Sirs: We, your conference committee, appointed to adjust the differences between the senate and the house of representatives on **HB 3699** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

Bettencourt

Wilson

Hall

C. Bell

Paxton

Vasut

Springer

E. Thompson

West

On the part of the senate

On the part of the house

HB 3699, A bill to be entitled An Act relating to municipal regulation of subdivisions and approval of subdivision plans or plats.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections 212.001(2) and (3), Local Government Code, are amended to read as follows:

~~(2) ["Plan" means a subdivision development plan, including a subdivision plan, subdivision construction plan, site plan, land development application, and site development plan.~~

~~(3)~~ "Plat" includes a preliminary plat, ~~[general plan,]~~ final plat, and replat.

SECTION 2. Subchapter A, Chapter 212, Local Government Code, is amended by adding Section 212.0015 to read as follows:

Sec. 212.0015. CONSTRUCTION OF SUBCHAPTER. This subchapter may not be construed to restrict a municipality from establishing a submittal calendar to be used by an applicant to facilitate compliance with the approval process described by Sections 212.009, 212.0091, 212.0093, and 212.0095.

SECTION 3. Subchapter A, Chapter 212, Local Government Code, is amended by adding Section 212.0021 to read as follows:

Sec. 212.0021. SUBDIVISION REQUIREMENTS. The governing body of a municipality, by ordinance and after notice is published in a newspaper of general circulation in the municipality, may:

(1) adopt, based on the amount and kind of travel over each street or road in a subdivision, reasonable specifications relating to the construction of each street or road; and

(2) adopt reasonable specifications to provide adequate drainage for each street or road in a subdivision in accordance with standard engineering practices.

SECTION 4. Section 212.004, Local Government Code, is amended by amending Subsections (a) and (b) and adding Subsections (f) and (g) to read as follows:

(a) The owner of a tract of land located within the limits or in the extraterritorial jurisdiction of a municipality who divides the tract in two or more parts to lay out a subdivision of the tract, including an addition to a municipality, to lay out suburban, building, or other lots, or to lay out streets, alleys, squares, parks, or other parts of the tract intended by the owner of the tract to be dedicated to public use ~~[or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts]~~ must have a plat of the subdivision prepared. A division of a tract under this subsection includes a division regardless of whether it is made by using a metes and bounds description in a deed of conveyance or in a contract for a deed, by using a contract of sale or other executory contract to convey, or by using any other method. A division of land under this subsection does not include a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.

(b) To be recorded, the plat must:

(1) describe the subdivision by metes and bounds;

(2) locate the subdivision with respect to a corner of the survey or tract or an original corner of the original survey of which it is a part; and

(3) state the dimensions of the subdivision and of each street, alley, square, park, or other part of the tract intended by the owner of the tract to be dedicated to public use [~~or for the use of purchasers or owners of lots fronting on or adjacent to the street, alley, square, park, or other part~~].

(f) A plat is considered filed on the date the applicant submits the plat, along with a completed plat application and the application fees and other requirements prescribed by or under this subchapter, to:

(1) the governing body of the municipality; or

(2) the municipal authority responsible for approving plats.

(g) The governing body of a municipality or the municipal authority responsible for approving plats may not require an analysis, study, document, agreement, or similar requirement to be included in or as part of an application for a plat, development permit, or subdivision of land that is not explicitly required by state law.

SECTION 5. Section 212.005, Local Government Code, is amended to read as follows:

Sec. 212.005. APPROVAL BY MUNICIPALITY REQUIRED. (a) The municipal authority responsible for approving plats must approve a plat or replat that is required to be prepared under this subchapter and that satisfies the requirements of this subchapter [~~all applicable regulations~~].

(b) This subchapter may not be construed to convey any authority to a municipality regarding the completeness of an application or the approval of a plat or replat that is not explicitly granted by this subchapter.

SECTION 6. Sections 212.0065(a) and (c), Local Government Code, are amended to read as follows:

(a) The governing body of a municipality or the municipal planning commission may delegate to one or more officers or employees of the municipality or of a utility owned or operated by the municipality the ability to approve, approve with conditions, or disapprove a plat [~~±~~

[~~(1) amending plats described by Section 212.016;~~

[~~(2) minor plats or replats involving four or fewer lots fronting on an existing street and not requiring the creation of any new street or the extension of municipal facilities; or~~

[~~(3) a replat under Section 212.0145 that does not require the creation of any new street or the extension of municipal facilities~~].

(c) An applicant has the right to appeal to the governing body of the municipality or the municipal planning commission if the designated [~~The~~] person disapproves a [~~or persons shall not disapprove the~~] plat [~~and shall be required to refer any plat which the person or persons refuse to approve to the municipal authority responsible for approving plats within the time period specified in Section 212.009~~].

SECTION 7. Subchapter A, Chapter 212, Local Government Code, is amended by adding Section 212.0081 to read as follows:

Sec. 212.0081. REQUIRED APPLICATION MATERIALS. (a) Each municipality to which this subchapter applies shall adopt and make available to the public a complete, written list of all documentation and other information that

the municipality requires to be submitted with a plat application. The required documentation and other information must be related to a requirement authorized under this subchapter.

(b) An application submitted to the municipal authority responsible for approving plats that contains all documents and other information on the list provided under Subsection (a) is considered complete.

(c) A municipality that operates an Internet website shall publish and continuously maintain the list described by Subsection (a) on the Internet website not later than the 30th day after the date the municipality adopts or amends the list.

(d) A municipality that does not operate an Internet website shall publish the list described by Subsection (a) on adoption of the list or an amendment to the list in:

(1) a newspaper of general circulation in the municipality; and

(2) a public place in the location in which the governing body of the municipality meets.

SECTION 8. Sections 212.009(a), (b), (b-2), (c), and (d), Local Government Code, are amended to read as follows:

(a) The municipal authority responsible for approving plats shall approve, approve with conditions, or disapprove a ~~[plan or]~~ plat within 30 days after the date the ~~[plan or]~~ plat is filed. A ~~[plan or]~~ plat is approved by the municipal authority unless it is disapproved within that period and in accordance with Section 212.0091.

(b) If an ordinance requires that a ~~[plan or]~~ plat be approved by the governing body of the municipality in addition to the planning commission, the governing body shall approve, approve with conditions, or disapprove the ~~[plan or]~~ plat within 30 days after the date the ~~[plan or]~~ plat is approved by the planning commission or is approved by the inaction of the commission. A ~~[plan or]~~ plat is approved by the governing body unless it is disapproved within that period and in accordance with Section 212.0091.

(b-2) Notwithstanding Subsection (a) or (b), the parties shall ~~[may]~~ extend the 30-day period described by those subsections for one or more periods, each [a period] not to exceed 30 days if:

(1) both:

(A) the applicant requests the extension in writing to the municipal authority responsible for approving plats or the governing body of the municipality, as applicable; and

(B) ~~[(2)]~~ the municipal authority or governing body, as applicable, approves the extension request; or

(2) Chapter 2007, Government Code, requires the municipality to perform a takings impact assessment in connection with the plan or plat.

(c) If a ~~[plan or]~~ plat is approved, the municipal authority giving the approval shall endorse the ~~[plan or]~~ plat with a certificate indicating the approval. The certificate must be signed by:

(1) the authority's presiding officer and attested by the authority's secretary; or

(2) a majority of the members of the authority.

(d) If the municipal authority responsible for approving plats fails to approve, approve with conditions, or disapprove a [~~plan or~~] plat within the prescribed period, the authority on the applicant's request shall issue a certificate stating the date the [~~plan or~~] plat was filed and that the authority failed to act on the [~~plan or~~] plat within the period. The certificate is effective in place of the endorsement required by Subsection (c).

SECTION 9. Section 212.0091(a), Local Government Code, is amended to read as follows:

(a) A municipal authority or governing body that conditionally approves or disapproves a [~~plan or~~] plat under this subchapter shall provide the applicant a written statement of the conditions for the conditional approval or reasons for disapproval that clearly articulates each specific condition for the conditional approval or reason for disapproval.

SECTION 10. Sections 212.0093, 212.0095, and 212.0096, Local Government Code, are amended to read as follows:

Sec. 212.0093. APPROVAL PROCEDURE: APPLICANT RESPONSE TO CONDITIONAL APPROVAL OR DISAPPROVAL. After the conditional approval or disapproval of a [~~plan or~~] plat under Section 212.0091, the applicant may submit to the municipal authority or governing body that conditionally approved or disapproved the [~~plan or~~] plat a written response that satisfies each condition for the conditional approval or remedies each reason for disapproval provided. The municipal authority or governing body may not establish a deadline for an applicant to submit the response.

Sec. 212.0095. APPROVAL PROCEDURE: APPROVAL OR DISAPPROVAL OF RESPONSE. (a) A municipal authority or governing body that receives a response under Section 212.0093 shall determine whether to approve or disapprove the applicant's previously conditionally approved or disapproved [~~plan or~~] plat not later than the 15th day after the date the response was submitted.

(b) A municipal authority or governing body that conditionally approves or disapproves a [~~plan or~~] plat following the submission of a response under Section 212.0093:

(1) must comply with Section 212.0091; and

(2) may disapprove the [~~plan or~~] plat only for a specific condition or reason provided to the applicant under Section 212.0091.

(c) A municipal authority or governing body that receives a response under Section 212.0093 shall approve a previously conditionally approved or disapproved [~~plan or~~] plat if the response adequately addresses each condition of the conditional approval or each reason for the disapproval.

(d) A previously conditionally approved or disapproved [~~plan or~~] plat is approved if:

(1) the applicant filed a response that meets the requirements of Subsection (c); and

(2) the municipal authority or governing body that received the response does not disapprove the ~~[plan or]~~ plat on or before the date required by Subsection (a) and in accordance with Section 212.0091.

Sec. 212.0096. APPROVAL PROCEDURE: ALTERNATIVE APPROVAL PROCESS. (a) Notwithstanding Sections 212.009, 212.0091, 212.0093, and 212.0095, an applicant may elect at any time to seek approval for a ~~[plan or]~~ plat under an alternative approval process adopted by a municipality if the process allows for a shorter approval period than the approval process described by Sections 212.009, 212.0091, 212.0093, and 212.0095.

(b) An applicant that elects to seek approval under the alternative approval process described by Subsection (a) is not:

(1) required to satisfy the requirements of Sections 212.009, 212.0091, 212.0093, and 212.0095 before bringing an action challenging a disapproval of a ~~[plan or]~~ plat under this subchapter; and

(2) prejudiced in any manner in bringing the action described by Subdivision (1), including satisfying a requirement to exhaust any and all remedies.

SECTION 11. Section 212.0099, Local Government Code, is amended to read as follows:

Sec. 212.0099. JUDICIAL REVIEW OF DISAPPROVAL. In a legal action challenging a disapproval of a ~~[plan or]~~ plat under this subchapter, the municipality has the burden of proving by clear and convincing evidence that the disapproval meets the requirements of this subchapter or any applicable case law. The court may not use a deferential standard.

SECTION 12. Section 212.010, Local Government Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

(c) The municipal authority responsible for approving plats may not require the dedication of land within a subdivision for a future street or alley that is:

(1) not intended by the owner of the tract; and

(2) not included, funded, and approved in:

(A) a capital improvement plan adopted by the municipality; or

(B) a similar plan adopted by a county in which the municipality is

located or the state.

(d) A municipal authority responsible for approving plats may not refuse to review a plat or to approve a plat for recordation for failure to identify a corridor, as defined by Section 201.619, Transportation Code, unless the corridor is part of an agreement between the Texas Department of Transportation and a county in which the municipality is located under that section.

(e) If a municipal authority responsible for approving plats fails or refuses to approve a plat that meets the requirements of this subchapter, the owner of the tract that is the subject of the plat may bring an action in a district court in a county in which the tract is located for a writ of mandamus to compel the municipal authority to approve the plat by issuing to the owner applicable approval documentation. The applicant shall recover reasonable attorney's fees

and court costs in the action if the applicant prevails. The municipality may recover reasonable attorney's fees and court costs in the action if the municipality prevails and the court finds the action is frivolous.

SECTION 13. As soon as practicable after the effective date of this Act but not later than January 1, 2024, each municipality shall adopt and publish the list described by Section 212.0081, Local Government Code, as added by this Act.

SECTION 14. The changes in law made by this Act apply only to an application submitted on or after the effective date of this Act. An application submitted before the effective date of this Act is governed by the law applicable to the application immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 15. This Act takes effect September 1, 2023.

Representative Wilson moved to adopt the conference committee report on **HB 3699**.

The motion to adopt the conference committee report on **HB 3699** prevailed by (Record 2265): 139 Yeas, 3 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gerwin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Longoria; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Troclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Nays — Leo-Wilson; Schaefer; Toth.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Bernal; Frazier; Garcia; Herrero; Shaheen.

Absent — Schatzline.

STATEMENT OF VOTE

When Record No. 2265 was taken, I was shown voting yes. I intended to vote no.

Meza

HCR 126 - ADOPTED
(by Wilson)

The following privileged resolution was laid before the house:

HCR 126

WHEREAS, **HB 3699** has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED, by the 88th Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to make the following correction to the enrolled version of **HB 3699**:

In SECTION 4 of the bill, in added Section 212.004(g), Local Government Code, strike "required" and substitute "allowed".

HCR 126 was adopted by (Record 2266): 142 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Allison; Anchia; Anderson; Ashby; Bailes; Bell, C.; Bell, K.; Bhojani; Bonnen; Bowers; Bryant; Buckley; Bucy; Bumgarner; Burns; Burrows; Button; Cain; Campos; Canales; Capriglione; Clardy; Cole; Collier; Cook; Cortez; Craddick; Cunningham; Darby; Davis; Dean; DeAyala; Dorazio; Dutton; Flores; Frank; Gámez; Gates; Gerdes; Geren; Gervin-Hawkins; Goldman; González, J.; González, M.; Goodwin; Guerra; Guillen; Harless; Harris, C.E.; Harris, C.J.; Harrison; Hayes; Hefner; Hernandez; Hinojosa; Holland; Howard; Hull; Hunter; Isaac; Jetton; Johnson, A.; Johnson, J.D.; Johnson, J.E.; Jones, J.; Jones, V.; Kacal; King, K.; King, T.; Kitzman; Klick; Kuempel; Lalani; Lambert; Landgraf; Leach; Leo-Wilson; Lopez, J.; Lopez, R.; Lozano; Lujan; Manuel; Martinez; Martinez Fischer; Metcalf; Meyer; Meza; Moody; Morales, C.; Morales, E.; Morales Shaw; Morrison; Muñoz; Murr; Neave Criado; Noble; Oliverson; Ordaz; Orr; Ortega; Patterson; Paul; Perez; Plesa; Price; Ramos; Raney; Raymond; Reynolds; Rogers; Romero; Rose; Rosenthal; Schaefer; Schatzline; Schofield; Sherman; Shine; Slawson; Smith; Smithee; Spiller; Stucky; Swanson; Talarico; Tepper; Thierry; Thimesch; Thompson, E.; Thompson, S.; Tinderholt; Toth; Troxclair; Turner; VanDeaver; Vasut; Vo; Walle; Wilson; Wu; Zwiener.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Bernal; Frazier; Garcia; Herrero; Shaheen.

Absent — Longoria.

HOUSE AT EASE

At 9:08 p.m., the chair announced that the house would stand at ease.

The chair called the house to order at 10:38 p.m.

MESSAGES FROM THE SENATE

Messages from the senate were received at this time (see the addendum to the daily journal, Messages from the Senate, Message Nos. 9 and 10).

ADJOURNMENT

Representative Meyer moved that the house adjourn until 11 a.m. tomorrow.

The motion prevailed.

The house accordingly, at 10:39 p.m., adjourned until 11 a.m. tomorrow.

ADDENDUM

SIGNED BY THE SPEAKER

The following bills and resolutions were today signed in the presence of the house by the speaker:

House List No. 35

HB 33, HB 44, HB 55, HB 108, HB 456, HB 711, HB 718, HB 784, HB 1009, HB 1087, HB 1181, HB 1182, HB 1211, HB 1228, HB 1287, HB 1361, HB 1515, HB 1540, HB 1558, HB 1590, HB 1707, HB 1833, HB 1883, HB 2071, HB 2129, HB 2138, HB 2190, HB 2263, HB 2323, HB 2660, HB 2706, HB 2847, HB 3009, HB 3058, HB 3161, HB 3265, HB 3286, HB 3359, HB 3424, HB 3462, HB 3506, HB 3553, HB 3579, HB 3727, HB 3810, HB 3837, HB 4087, HB 4169, HB 4183, HB 4256, HB 4363, HB 4628, HB 4704, HB 4885, HB 5135, HB 5336, HB 5398, HCR 112, HCR 113, HCR 114, HCR 115, HCR 118, HCR 121, HCR 122, HJR 2

House List No. 36

HB 1, HB 4041

Senate List No. 37

SCR 59

MESSAGES FROM THE SENATE

The following messages from the senate were today received by the house:

Message No. 1

MESSAGE FROM THE SENATE

SENATE CHAMBER

Austin, Texas

Sunday, May 28, 2023

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 3297 (20 Yeas, 11 Nays)

SB 12 (19 Yeas, 12 Nays)

SB 17 (19 Yeas, 12 Nays)

SB 29 (20 Yeas, 11 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 2

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 2

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS DISCHARGED ITS CONFEREES AND CONCURRED IN HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SJR 93 (27 Yeas, 4 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 3

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 3

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 3 (26 Yeas, 5 Nays)
HB 621 (23 Yeas, 8 Nays)
HB 915 (28 Yeas, 3 Nays)
HB 1500 (31 Yeas, 0 Nays)
HB 2121 (31 Yeas, 0 Nays)
HB 3372 (31 Yeas, 0 Nays)
HB 3440 (31 Yeas, 0 Nays)
HB 3474 (31 Yeas, 0 Nays)
HB 4635 (30 Yeas, 1 Nay)
SB 1677 (29 Yeas, 2 Nays)
SB 1933 (19 Yeas, 12 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 4

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 4

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS CONCURRED IN THE HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SB 1699 (31 Yeas, 0 Nays)

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 357 (31 Yeas, 0 Nays)
HB 1243 (19 Yeas, 12 Nays)
HB 2729 (20 Yeas, 11 Nays)
HB 4443 (30 Yeas, 1 Nay)
HB 5344 (27 Yeas, 4 Nays)
SB 28 (31 Yeas, 0 Nays)
SB 1727 (31 Yeas, 0 Nays)
SJR 75 (31 Yeas, 0 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 5

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 5

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 12 (31 Yeas, 0 Nays)
SB 22 (31 Yeas, 0 Nays)
SB 2315 (31 Yeas, 0 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 6

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 6

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

SCR 59 Hughes SPONSOR: Leo-Wilson
Returning SB 1725 to the Senate for further consideration.

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 7

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 7

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 9 (30 Yeas, 1 Nay)

HB 30 (31 Yeas, 0 Nays)

HJR 125 (30 Yeas, 1 Nay)

SB 2627 (28 Yeas, 3 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 8

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 8

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 5 (26 Yeas, 5 Nays)

HB 17 (20 Yeas, 11 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 9

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 9

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

HCR 126 Wilson

Instructing the enrolling clerk of the house to make corrections in H.B. No. 3699.

THE SENATE HAS CONCURRED IN THE HOUSE AMENDMENTS TO THE FOLLOWING MEASURES:

SB 640 (31 Yeas, 0 Nays)

THE SENATE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

HB 3447 (29 Yeas, 2 Nays)

HB 3452 (20 Yeas, 11 Nays)

HB 3699 (20 Yeas, 11 Nays)

Respectfully,
Patsy Spaw
Secretary of the Senate

Message No. 10

MESSAGE FROM THE SENATE
SENATE CHAMBER
Austin, Texas
Sunday, May 28, 2023 - 10

The Honorable Speaker of the House
House Chamber
Austin, Texas

Mr. Speaker:

I am directed by the senate to inform the house that the senate has taken the following action:

THE SENATE HAS PASSED THE FOLLOWING MEASURES:

SCR 61 Hughes SPONSOR: Leo-Wilson
Instructing the enrolling clerk of the senate to make a correction in S.B. No. 1725.

Respectfully,
Patsy Spaw
Secretary of the Senate

APPENDIX

ENROLLED

May 27 - **HB 33, HB 55, HB 456, HB 711, HB 718, HB 784, HB 1009, HB 1087, HB 1181, HB 1182, HB 1211, HB 1515, HB 1540, HB 1558, HB 1590, HB 1707, HB 1833, HB 1883, HB 2071, HB 2263, HB 2660, HB 2706, HB 2847, HB 3009, HB 3161, HB 3265, HB 3286, HB 3359, HB 3462, HB 3506, HB 3579, HB 3727, HB 3810, HB 3837, HB 4041, HB 4087, HB 4169, HB 4183, HB 4256, HB 4363, HB 4628, HB 4704, HB 4885, HB 5135, HB 5336, HB 5398, HCR 112, HCR 113, HCR 115, HCR 118, HJR 2**

SIGNED BY THE GOVERNOR

**May 27 - HB 367, HB 567, HB 796, HB 1550, HB 1602, HB 1740,
HB 1755, HB 1772, HB 1809, HB 1846, HB 1890, HB 2073, HB 2464,
HB 2755, HB 3007, HB 3060, HB 3437, HB 3507, HB 3731, HB 4422,
HB 4553, HB 4964**

