

SENATE JOURNAL

EIGHTY-SECOND LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

SIXTY-FIRST DAY

(Monday, May 16, 2011)

The Senate met at 11:07 a.m. pursuant to adjournment and was called to order by Senator Eltife.

The roll was called and the following Senators were present: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Gallegos, Harris, Hegar, Hinojosa, Huffman, Jackson, Lucio, Nelson, Nichols, Ogden, Patrick, Rodriguez, Seliger, Shapiro, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Williams, Zaffirini.

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

The Reverend Jacqueline Baker Hammett, Hyde Park Christian Church, Austin, offered the invocation as follows:

Gracious and loving God, we come before You at this time and in this place, praying for Your holy presence to surround, support, and uplift those assembled here today. This session is drawing to a close, O God, and many of these, Your servants, many of these, Your children, are tired. They carry a heavy burden, O God, the weight and needs of many peoples and constituencies rest upon their shoulders. And so, we pray that they may be graced with Your wisdom, we pray that they may be inspired by Your light, we pray that they may be guided by Your love for all people. Bless each and every person that works as a public servant for truly this is a calling. Renew their commitment to work together for the greatest good. Refresh their hearts that they may serve with compassion. Restore their faith in what is good and just and honorable and true. Inspire all of us to remember the responsibility and privilege of service. Keep us ever mindful that life is a gift and every day and every moment matters. So let us live with purpose and intent. Help us to find common ground. Guide us to seek a common goal and identify a common good. Motivate us to see all faces and hear all voices. May our choices, our work, our words, and our actions leave a positive legacy that both honors the past and touches the future. May future generations look to us as an example of unity and constructive cooperation. May our children see in us examples of peace and reconciliation. With humble hearts then, let us serve. With gracious and gentle spirits, let us

work together. With mindful and caring intent, let us seek the well-being of all those people, Your people, our people, all people that we are called to serve. We pray all these things in a spirit of love and service. Amen.

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

The motion prevailed without objection.

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Monday, May 16, 2011 - 1

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

HB 19

Riddle

Relating to the prosecution and punishment of a person operating a motor vehicle without a license.

HB 25

Guillen

Relating to the carrying of certain weapons in a watercraft.

HB 31

Guillen

Relating to the period of license suspension after moving violations for a holder of a provisional driver's license.

HB 51

Lucio III

Relating to energy efficiency standards for certain buildings and to high-performance design, construction, and renovation standards for certain buildings and facilities of institutions of higher education.

HB 96

Fletcher

Relating to the exclusion of certain witnesses during a criminal proceeding.

HB 159

Raymond

Relating to the resumption of employment by certain retirees within the Texas Municipal Retirement System.

HB 161

Raymond

Relating to the dissemination of criminal history record information by the Department of Public Safety concerning certain intoxication offenses.

HB 167

Raymond

Relating to the transportation of certain mental health patients.

HB 189

Smith, Todd

Relating to the criminal and civil consequences for certain intoxication offenses and to certain fees associated with the enforcement and administration of certain of those consequences.

HB 197

Solomons

Relating to the provision of certain documentation before a person may engage in a licensed occupation; providing a criminal penalty.

HB 230

Phillips

Relating to the authority of a county to regulate the location of halfway houses in the unincorporated areas of the county; providing a penalty.

HB 254

Hilderbran

Relating to establishing the Texas Derbies.

HB 278

Alonzo

Relating to pretrial hearings in criminal cases.

HB 326

Guillen

Relating to the reporting requirements of, and certain unfunded mandates related to the functions of, a state agency that is undergoing review by the Sunset Advisory Commission.

HB 359

Allen

Relating to discipline in public schools, including the use of corporal punishment and the prosecution of certain children for school-related offenses.

HB 427

Driver

Relating to the creation of the Rowlett Waterfront Entertainment Management District; providing authority to impose a tax, levy an assessment, and issue bonds.

HB 452

Lucio III

Relating to temporary housing between academic terms for certain postsecondary students who have been under the conservatorship of the Department of Family and Protective Services.

HB 550

Dutton

Relating to an exemption to the requirement for a fishing license for residents of a certain age.

HB 599

Jackson, Jim

Relating to the release of certain criminal history record information subject to an order of nondisclosure.

HB 629

Pickett

Relating to the use of municipal or county sales tax increment financing for a transportation reinvestment zone.

HB 677

Lucio III

Relating to cognitive-linguistic or neurocognitive assessments of participants in extracurricular athletic activities sponsored or sanctioned by the University Interscholastic League.

HB 680

Schwertner

Relating to complaints filed with the Texas Medical Board.

- HB 695** Allen
Relating to the establishment of a program for the collection, transportation, recycling, and disposal of mercury-added thermostats.
- HB 720** Hartnett
Relating to the designation of a person as a vexatious litigant.
- HB 737** Otto
Relating to the East Montgomery County Improvement District.
- HB 804** Lewis
Relating to the offense of illegal voting by a person who is not a United States citizen.
- HB 875** Howard, Charlie
Relating to the identification of certain defendants as foreign nationals who were not lawfully admitted to the United States or whose lawful status has expired and to their release on bail.
- HB 882** Alvarado
Relating to the creation of an offense prohibiting certain transactions involving malt liquor containing certain stimulants.
- HB 892** Howard, Charlie
Relating to the creation of the offense of unlawful transport of an illegal alien.
- HB 940** Dukes
Relating to certain educator misconduct; imposing a penalty.
- HB 963** Hartnett
Relating to the costs associated with proceedings regarding cruelly treated animals.
- HB 995** Gutierrez
Relating to provision by the secretary of state of notice to a candidate of the form of the candidate's name that will appear on the general election ballot.
- HB 1036** Legler
Relating to eligibility to file a sworn complaint with the Texas Ethics Commission.
- HB 1046** Fletcher
Relating to the confidentiality of certain personal information concerning current and former employees of certain divisions of the office of attorney general.
- HB 1122** Weber
Relating to the trafficking of persons.
- HB 1129** Kolkhorst
Relating to a study by the attorney general of the effects on state law and authority of certain international and other agreements and bodies.
- HB 1234** Miller, Doug
Relating to the authority of certain counties to impose a county hotel occupancy tax.
- HB 1244** Castro
Relating to developmental education courses and the assessment of student readiness under the Texas Success Initiative for public institutions of higher education.

- HB 1250** Frullo
Relating to the use of facsimile signatures for certain documents involving certain municipalities.
- HB 1363** McClendon
Relating to the transfer of permit procedures and enforcement related to oversize and overweight vehicles from the Texas Department of Transportation to the Texas Department of Motor Vehicles.
- HB 1386** Coleman
Relating to the public health threat presented by youth suicide.
- HB 1408** Flynn
Relating to combination resident hunting and fishing licenses for military personnel.
- HB 1429** Deshotel
Relating to rights and remedies of certain residential tenants; providing civil penalties.
- HB 1476** Riddle
Relating to the grounds for revocation of an emergency medical services personnel certification.
- HB 1544** Hunter
Relating to the design of specialty license plates issued to members and former members of the United States armed forces.
- HB 1547** Larson
Relating to the desired future conditions of groundwater resources within groundwater management areas.
- HB 1563** Flynn
Relating to the period of time between certain local option elections to legalize or prohibit the sale of alcoholic beverages.
- HB 1608** Strama
Relating to participation in and contributions to the state employee charitable campaign by retired state employees.
- HB 1646** Gallego
Relating to representation of certain applicants for writs of habeas corpus in cases involving the death penalty.
- HB 1681** Harless
Relating to the composition of the Finance Commission of Texas.
- HB 1793** Gutierrez
Relating to the practice of cosmetology.
- HB 1856** Woolley
Relating to the prosecution of and punishment for the offense of tampering with a witness.
- HB 1921** Pickett
Relating to the composition of a board of directors of a regional mobility authority created by a municipality.

HB 1937

Simpson

Relating to prosecution and punishment for the offense of official oppression by the intrusive touching of persons seeking access to public buildings and transportation; providing penalties.

HB 1969

Christian

Relating to the applicability of commercial fertilizer regulations to a substance containing animal manure or plant remains.

HB 2032

Darby

Relating to performance and payment security for certain comprehensive development agreements.

HB 2060

Pena

Relating to the confidentiality of certain information regarding state election inspectors.

HB 2089

Smithee

Relating to the resolution of overpayment or underpayment of income benefits under the workers' compensation program.

HB 2093

Thompson

Relating to the operation and regulation of certain consolidated insurance programs.

HB 2119

Madden

Relating to the requirement that the Texas Correctional Office on Offenders with Medical or Mental Impairments provide certain services and programs.

HB 2120

Miller, Doug

Relating to the composition of the board of trustees of the Teacher Retirement System of Texas.

HB 2292

Hunter

Relating to payment of claims to pharmacies and pharmacists.

HB 2338

Paxton

Relating to the posting on the Internet by the county assessor-collector of information regarding ad valorem tax rates.

HB 2357

Pickett

Relating to motor vehicles; providing penalties.

HB 2365

Eissler

Relating to certain responsibilities of education research centers and to a joint advisory board for education research centers.

HB 2369

Quintanilla

Relating to the accreditation of training programs and examinations for certain emergency medical services personnel.

HB 2380

Shelton

Relating to employment by school districts of certain persons under probationary contracts.

- HB 2383** Geren
Relating to a study regarding the reenactment of the franchise tax credit or providing other incentives for certain research and development activities.
- HB 2408** Darby
Relating to the regulation of the title insurance industry.
- HB 2417** Flynn
Relating to the Texas Code of Military Justice.
- HB 2443** Price
Relating to the offense of remaining, parking vehicles, or erecting structures on certain state property.
- HB 2446** Allen
Relating to the release of confidential physician-patient communications in certain circumstances.
- HB 2449** Aliseda
Relating to the illegal possession of another person's ballot to be voted by mail.
- HB 2493** Torres
Relating to authorizing enterprise project half designations and quarter designations under the enterprise zone program.
- HB 2496** Gonzalez, Naomi
Relating to creating a teen dating violence court program and the deferral of adjudication and dismissal of certain dating violence cases.
- HB 2507** Chisum
Relating to the offense of installing an irrigation system without a license.
- HB 2525** Harper-Brown
Relating to a mechanic's, contractor's, or materialman's lien for landscaping.
- HB 2560** Sheffield
Relating to transporting a foster child in a vehicle where a handgun is in the possession of a foster parent licensed to carry a concealed handgun.
- HB 2594** Truitt
Relating to the licensing and regulation of certain credit services organizations and the regulation of certain extensions of consumer credit obtained by those organizations or with regard to which the organizations provide assistance; providing an administrative penalty.
- HB 2603** Smithee
Relating to the distribution of universal service funds to certain small and rural local exchange companies.
- HB 2688** Lucio III
Relating to tuition and scholarships and fee exemptions for certain members of the armed services and certain military veterans attending institutions of higher education.
- HB 2722** Perry
Relating to the state Medicaid program as the payor of last resort.

- HB 2729** Callegari
Relating to local government contracts with private entities for civil works projects and improvements to real property.
- HB 2788** Laubenberg
Relating to the donation of blood by persons who are at least 16 years of age.
- HB 2819** King, Susan
Relating to the operation and efficiency of the eligibility determination process for supplemental nutrition assistance program benefits.
- HB 2884** Solomons
Relating to coordinated county transportation authorities; creating an offense.
- HB 2917** McClendon
Relating to the optional county fee in certain counties for the county road and bridge fund.
- HB 2931** Woolley
Relating to certain debt cancellation agreements made in connection with retail installment contracts.
- HB 2990** Deshotel
Relating to the electronic storage of personal identification information obtained from driver's licenses or personal identification certificates.
- HB 3018** Gutierrez
Relating to a policy of a school district concerning possession or use of a telecommunications device by a student.
- HB 3030** McClendon
Relating to the funding of projects in the boundaries of certain intermunicipal commuter rail districts.
- HB 3064** King, Phil
Relating to preventing the fraudulent issuance and use of disabled parking placards; providing a civil penalty.
- HB 3123** Thompson
Relating to codifying federal foster care funding requirements to locate and provide information to relatives and other adults following the removal of a child by the Department of Family and Protective Services, and court findings regarding those efforts.
- HB 3167** Callegari
Relating to the abolishment of the state regulation of talent agencies and personnel services.
- HB 3172** Gonzalez, Naomi
Relating to protective orders.
- HB 3237** Hernandez Luna
Relating to the establishment and operation of the Texas Women Veterans Program.
- HB 3268** Lyne
Relating to permits for air contaminant emissions of stationary natural gas engines used in combined heating and power systems.

- HB 3275** Coleman
Relating to the operation and governance of tax increment financing reinvestment zones.
- HB 3320** Hunter
Relating to costs related to the towing and storage of a motor vehicle for certain law enforcement purposes.
- HB 3324** McClendon
Relating to the operations and monitoring of fusion centers in this state.
- HB 3390** Lavender
Relating to money allocated under the federal-aid highway program.
- HB 3410** Smithee
Relating to the managing underwriters for surplus lines insurance transactions and to the collection of surplus lines insurance premium taxes for those transactions.
- HB 3422** Lozano
Relating to the use of auction proceeds from the sale of abandoned motor vehicles, watercraft, or outboard motors to compensate certain property owners.
- HB 3439** Raymond
Relating to missing children; providing a criminal penalty.
- HB 3453** Anchia
Relating to the regulatory authority of the consumer credit commissioner.
- HB 3461** Margo
Relating to transferring adult education and literacy programs to the Texas Higher Education Coordinating Board from the Texas Education Agency.
- HB 3462** Margo
Relating to the board of hospital managers of the El Paso County Hospital District.
- HB 3474** Gallego
Relating to criminal offenses regarding the possession or consumption of alcoholic beverages by a minor and providing alcoholic beverages to a minor.
- HB 3542** Gonzales, Larry
Relating to a supplemental payment for retirees of the Teacher Retirement System of Texas and the unfunded actuarial liabilities allowed under that system.
- HB 3589** Hancock
Relating to claim-handling deadlines in the event of certain weather-related catastrophes or natural disasters.
- HB 3597** Larson
Relating to the powers and duties of certain public improvement districts operated by counties.
- HB 3611** Truitt
Relating to the administration of medication for persons with intellectual and developmental disabilities.

- HB 3624** Hochberg
Relating to the eligibility of educational aides for tuition exemptions at public institutions of higher education.
- HB 3691** Gallego
Relating to the provision by certain judges or community supervision and corrections departments of certain programs and services, including certain pretrial programs and services, and to the imposition of certain sanctions against defendants supervised by those departments.
- HB 3696** Gallego
Relating to concurrent state and federal jurisdiction over units of the national park system in this state.
- HB 3746** Frullo
Relating to investigations of certain offenses involving the Internet-based sexual exploitation of a minor; creating the Internet crimes against children account to support those activities.
- HB 3747** McClendon
Relating to the selection of and requirements for serving as a member of the board of trustees of the Teacher Retirement System of Texas.
- HB 3754** Hilderbran
Relating to powers and duties of the Office of Public Utility Counsel to represent residential and small commercial consumers in certain water or sewer utility service matters before the Texas Commission on Environmental Quality.
- HB 3812** Howard, Charlie
Relating to the powers and duties of the Imperial Redevelopment District; providing authority to impose a tax and issue bonds.
- HB 3833** Phillips
Relating to the adoption of a uniform collaborative law Act in regard to family law matters.
- HB 3841** Martinez, "Mando"
Relating to the designation of a portion of Farm-to-Market Road 907 in Hidalgo County as Rudy Villarreal Road.
- HB 3842** Callegari
Relating to the creation of the Bridgeland Management District; providing authority to levy an assessment, impose a tax, and issue bonds.
- HB 3845** Sheffield
Relating to the powers of the CLL Municipal Utility District No. 1; providing authority to levy an assessment, impose a tax, and issue bonds.
- HB 3861** Craddick
Relating to the creation of the Midland County Utility District; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

HOUSE CONCURRENT RESOLUTION 100

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, The Texas State University System, the oldest and third-largest system of higher education in Texas, is celebrating its centennial in 2011; and

WHEREAS, Created by the Texas Legislature in 1911, the system originally brought together Sam Houston Normal Institute, in Huntsville; North Texas State Normal College, in Denton; Southwest Texas State Normal School, in San Marcos; and West Texas State Normal College, in Canyon; oversight of the system was vested in a group known as the State Normal School Board of Regents; and

WHEREAS, Over the years, the system has evolved dramatically; component institutions were renamed state teachers colleges in 1923, and they subsequently composed what was known as the State Senior College System; renamed the Texas State University System in 1975, the network now encompasses eight institutions: Sam Houston State University, Texas State University–San Marcos, Sul Ross State University, Sul Ross State University–Rio Grande College, Lamar University, Lamar Institute of Technology, Lamar State College–Orange, and Lamar State College–Port Arthur; and

WHEREAS, Each of the institutions in the Texas State University System carries the name of, or is closely associated with, a Texas hero—Sam Houston, statesman, commander of the Texas Army, first and third president of the Republic of Texas, and governor of Texas; Mirabeau Lamar, widely recognized as the Father of Texas Education and the second president of the Republic of Texas; Lawrence Sullivan Ross, Civil War veteran, general, governor, and president of the Agricultural and Mechanical College of Texas; and Lyndon Baines Johnson, 1930 graduate of Southwest Texas State Teachers College at San Marcos and 36th president of the United States of America; and

WHEREAS, Today, every school in the system is facing an increased demand for its services, with overall enrollment growing at a faster rate than the state's population; the number of students registered collectively in system institutions rose by 4.8 percent between the fall semesters of 2009 and 2010, reaching nearly 76,000; to accommodate those students, the system and its component institutions employ over 15,000 faculty and staff; and

WHEREAS, Campuses of the Texas State University System are located across the state, and each boasts a distinctive character and its own unique strengths; together, the schools' myriad offerings range from industrial certification to doctoral degrees, and a number of their programs have achieved national prominence; some of the schools are extensively engaged in research, and all put a premium on quality teaching; and

WHEREAS, Since its inception, the Texas State University System has enriched the lives of countless students, contributed to the advancement of human knowledge, and proved a powerful force for social progress and economic development in the Lone Star State; now, therefore, be it

RESOLVED, That the 82nd Legislature of the State of Texas hereby commemorate the centennial of the founding of the Texas State University System and honor all those associated with its member institutions for their commitment to academic excellence and public service; and, be it further

RESOLVED, That an official copy of this resolution be prepared for the Texas State University System as an expression of high regard by the Texas House of Representatives and Senate.

ZAFFIRINI

HCR 100 was read.

On motion of Senator Zaffirini, the resolution was considered immediately and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of the resolution.

GUESTS PRESENTED

Senator Zaffirini was recognized and introduced to the Senate a Texas State University System delegation: Board of Regents Chair Charlie Amato, Vice-chair Donna N. Williams, Regent Rossanna Salazar, Regent Jaime Garza, and Chancellor Brian McCall.

The Senate welcomed its guests.

SENATE CONCURRENT RESOLUTION 45

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, The Legislature of the State of Texas is pleased to recognize Otto P. Scharth on the occasion of his 88th birthday; and

WHEREAS, This distinguished gentleman served the nation with honor and distinction in the United States Army for 32 years, retiring with the rank of colonel; and

WHEREAS, Mr. Scharth enlisted in military service in 1943 and served as a combat infantryman in the European theater of operations during World War II; he went on to lead a special operations unit during the Huk Rebellion in the Philippines, to serve as a heavy weapons company commander in Korea, and to work as a senior logistics planner during the Vietnam War; and

WHEREAS, Following his retirement from the armed forces in 1975, he served as director of military affairs at the University of Mary Hardin-Baylor, where he worked with diligence and professionalism to ensure that soldiers and their family members could pursue a college education; and

WHEREAS, Mr. Scharth has been a leader in the Belton community, organizing and leading the Belton Kiwanis Club and the Fort Hood chapter of the Military Order of the World Wars; he has made numerous educational presentations in area high schools and before civic and church groups throughout the region; and

WHEREAS, A beloved and respected member of his community, he is known for his courage, his compassion for others, and his enthusiasm for living each day to the fullest; now, therefore, be it

RESOLVED, That the 82nd Legislature of the State of Texas hereby commend Otto P. Scharth on his exceptional service to the nation and state and extend to him best wishes for a memorable 88th birthday; and, be it further

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

FRASER

SCR 45 was read.

On motion of Senator Fraser, the resolution was considered immediately and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of the resolution.

GUESTS PRESENTED

Senator Fraser was recognized and introduced to the Senate Otto P. Scharth, Carole Jane Lamont, Joseph Lamont, and Elizabeth Ann Ingersoll.

The Senate welcomed its guests.

PHYSICIAN OF THE DAY

Senator West was recognized and presented Dr. Thomas Shima of Dallas as the Physician of the Day.

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

GUESTS PRESENTED

Senator West was recognized and introduced to the Senate an American Heart Association delegation.

The Senate welcomed its guests.

SENATE RESOLUTION 866

Senator West offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize Amber Pickens, who has been accepted to The Juilliard School and awarded a fellowship with the Alvin Ailey American Dance Theater School for Summer Studies in New York; and

WHEREAS, A senior at Booker T. Washington High School for the Performing and Visual Arts in Dallas, Amber is the only dance or acting student admitted to The Juilliard School for the 2011-2012 academic year; she will study in the Dance Division's four-year bachelor of fine arts program, which also includes a liberal arts component; and

WHEREAS, Considered one of the most prestigious performing arts conservatories in the world, The Juilliard School offers its students the opportunity to join a community of accomplished performing artists from around the world in a challenging and rigorous educational setting; and

WHEREAS, Before beginning her career at The Juilliard School, Amber will participate in the Ailey Fellowship Program in New York this summer; this exceptional program embodies the standards and ideals of Alvin Ailey, one of the 20th century's foremost practitioners of dance and choreography; and

WHEREAS, Through the years, Amber has received numerous awards and citations for her work, including being named a Texas Young Master of the Arts by the Texas Commission on the Arts and a YoungArts 2011 Honorable Mention Winner by the National Foundation for Advancement in the Arts; she is truly deserving of recognition for her dedication and commitment to developing her talent; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 82nd Legislature, hereby commend Amber Pickens on her many outstanding achievements and extend to her congratulations on being accepted to The Juilliard School and receiving a fellowship from the Alvin Ailey American Dance Theater School; and, be it further

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

SR 866 was read and was adopted without objection.

GUESTS PRESENTED

Senator West was recognized and introduced to the Senate Amber Pickens and her mother, Windsor Barbee.

The Senate welcomed its guests.

GUESTS PRESENTED

Senator Fraser was recognized and introduced to the Senate the Rising Star ISD debate team, accompanied by their coach and superintendent, Max Thompson.

The Senate welcomed its guests.

SENATE RESOLUTION 924

Senator Van de Putte offered the following resolution:

WHEREAS, The Senate of the State of Texas is pleased to recognize the H-E-B Excellence in Education Awards program and the recipients of the 2011 Excellence in Education Awards; and

WHEREAS, Created in 2002, the H-E-B Excellence in Education Awards were established to honor outstanding public school professionals and to thank them for their dedication and commitment; and

WHEREAS, The awards honor one elementary school teacher and one high school teacher in each of three categories, based on length of service; they also honor one elementary school principal and one high school principal as well as one large and one small school district; in honor of the 10th annual awards, a new award category has been introduced; this year, 10 campuses are being recognized with the H-E-B Fit Campus Award; and

WHEREAS, H-E-B seeks to pay tribute to those educators and administrators who go the extra mile each and every day to serve their students and their communities and who inspire others to do the same; and

WHEREAS, The Excellence in Education Awards are designed to recognize educators who demonstrate exceptional commitment to student achievement by developing innovative programs, by bringing about increased parental and community involvement, or by creating professional development opportunities; and

WHEREAS, The Excellence in Education Awards are proud to recognize the outstanding efforts of Texas educators who are building the future of Texas by educating our next generation of leaders; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 82nd Legislature, hereby commend H-E-B on its worthy program and congratulate the educators who have been selected as the 2011 recipients of the H-E-B Excellence in Education Awards and extend to all best wishes for the future; and, be it further

RESOLVED, That a copy of this Resolution be prepared in honor of the H-E-B Excellence in Education Awards program and as an expression of esteem from the Texas Senate.

SR 924 was again read.

The resolution was previously adopted on Friday, May 6, 2011.

GUESTS PRESENTED

Senator Van de Putte, joined by Senators Davis, Lucio, Uresti, Wentworth, Whitmire, and Zaffirini, was recognized and introduced to the Senate the H-E-B Excellence in Education Awards program winners: Lindsay Richard, Nghia Le, Jimmie Lynn Walker, Rachelle Grace, Yolanda Fernandez, Galen Hoffstadt, David Gonzalez, and Harlandale ISD representatives.

The Senate welcomed its guests.

BIRTHDAY GREETINGS EXTENDED

Senator Watson was recognized and, on behalf of the Senate, extended birthday greetings to Senator Davis.

SENATE RESOLUTION 938

Senator Carona offered the following resolution:

SR 938, Congratulating the Lumbermen's Association of Texas on the occasion of its 125th anniversary.

The resolution was read and was adopted without objection.

GUESTS PRESENTED

Senator Carona was recognized and introduced to the Senate a Lumbermen's Association of Texas delegation: 2011 President Rufus Duncan, 2010 President Robert Archer, and Executive Vice-president Barbara Douglas.

The Senate welcomed its guests.

BILLS AND RESOLUTIONS SIGNED

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

SB 198, SB 250, SB 279, SB 529, SB 551, SB 748, SB 758, SB 1024, SB 1107, SB 1478, SB 1505, SCR 45, SCR 46, SCR 52, SJR 28, HB 457, HB 564, HB 994, HB 1147, HB 1251, HB 1753, HB 2012, HB 2375, HB 2991, HB 3287, HCR 131, HCR 157.

**INTRODUCTION OF
BILLS AND RESOLUTIONS POSTPONED**

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

There was no objection.

CONCLUSION OF MORNING CALL

The Presiding Officer at 12:06 p.m. announced the conclusion of morning call.

**COMMITTEE SUBSTITUTE
SENATE BILL 1574 ON SECOND READING**

Senator Watson moved to suspend the regular order of business to take up for consideration **CSSB 1574** at this time on its second reading:

CSSB 1574, Relating to the use of money in a tax increment fund to pay costs related to public improvements used for social services programs that promote the development or redevelopment of a reinvestment zone.

The motion prevailed.

Senators Patrick and Shapiro asked to be recorded as voting "Nay" on suspension of the regular order of business.

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

All Members are deemed to have voted "Yea" on the passage to engrossment except as follows:

Nays: Patrick, Shapiro.

**COMMITTEE SUBSTITUTE
SENATE BILL 1574 ON THIRD READING**

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 1574** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Gallegos, Harris, Hegar, Hinojosa, Huffman, Jackson, Lucio, Nelson, Nichols, Ogden, Rodriguez, Seliger, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Williams, Zaffirini.

Nays: Patrick, Shapiro.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 1390 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1390** at this time on its second reading:

HB 1390, Relating to retainage under certain construction contracts.

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

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1390 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1390** be placed on its third reading and final passage.

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

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE SENATE BILL 555 ON SECOND READING

Senator Watson moved to suspend the regular order of business to take up for consideration **CSSB 555** at this time on its second reading:

CSSB 555, Relating to the regulation of LP-gas utility companies.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Gallegos, Hegar, Hinojosa, Huffman, Jackson, Lucio, Ogden, Rodriguez, Seliger, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Harris, Nelson, Nichols, Patrick, Shapiro.

The bill was read second time.

Senator Watson offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSSB 555** (senate committee printing) by striking all below the enacting clause and substituting the following:

SECTION 1. Title 3, Utilities Code, is amended by adding Subtitle C to read as follows:

SUBTITLE C. PROPANE GAS DISTRIBUTION SYSTEMS

CHAPTER 141. STANDARDS FOR DISTRIBUTION SYSTEM RETAILERS

Sec. 141.001. DEFINITIONS. In this chapter:

(1) "Distribution system retailer":

(A) means a retail propane dealer that owns or operates for compensation in this state equipment and facilities connected to a contiguous piping system through which propane gas is supplied to at least 10 residential end users and:

(i) has a Class E license issued by the Gas Services Division of the License and Permit Section of the railroad commission, or is an active company representative or operations supervisor on file with the Section; and

(ii) is a regular supplier or a potential regular supplier of propane to a consumer; and

(B) does not include a person that furnishes propane gas only to the person, to the person's employees, or to the person's tenants as an incident of employment or tenancy, if the service is not resold to commercial customers or other end users.

(2) "Railroad commission" means the Railroad Commission of Texas or the successor agency to that commission.

Sec. 141.002. APPLICABILITY. This chapter applies only to a distribution system retailer. This chapter does not apply to a traditional retail liquefied petroleum gas company that provides service in the service area.

Sec. 141.003. RATE AND FEE CEILINGS. (a) A distribution system retailer may not charge a customer during any given billing period a rate for gas that exceeds the actual average delivered price charged, excluding price specials and tank rental fees, for propane gas delivered to company-owned, individual propane tanks by traditional retail liquefied petroleum gas companies that provide service in the service area where the distribution system retailer is located. The actual average price must be determined using independent objective market surveys of liquefied petroleum gas prices quoted by traditional liquefied petroleum gas companies and charged in the ordinary course of business during the respective billing period. Each distribution system retailer each quarter shall supply the market surveys and report the gas rates the distribution system retailer charges to the railroad commission.

(b) For the following services or occurrences, a distribution system retailer may charge a fee not to exceed:

(1) \$12 a month as a recurring monthly fee to maintain an active gas service account with the distribution system retailer to be charged to a customer whose actual gas usage exceeds 99 gallons;

(2) \$17.50 a month as a recurring monthly fee to maintain an active service account with the distribution system retailer as long as the service address's gas usage history during the preceding 12-month period does not exceed 99 gallons;

(3) \$15 for a late payment received by the distribution system retailer, provided the bill was mailed or electronically transmitted 15 days prior to the date payment is due;

(4) \$25 to disconnect or terminate service from an active or delinquent account;

(5) \$65 for standard next available service for an active or delinquent account;

(6) \$125 for accelerated reconnect service;

(7) \$30 for a dishonored check that was received for a payment; and

(8) \$75 to initiate service to a new customer.

(c) The railroad commission by rule annually shall adjust the fee limits described by Subsection (b) upward or downward based on changes in the Consumer Price Index for All Urban Consumers in the State of Texas published by the Bureau of Labor Statistics of the United States Department of Labor each calendar year. The distribution system retailer's adjustment, if required, must be made not later than the later of September or the 45th day after the date the railroad commission gives notice of the change to the distribution system retailer.

(d) Nothing in this section limits a distribution system retailer's ability to pass through to a customer a new governmental fee, fee increase, or charge imposed on the retailer after September 1, 2011. Any fee, fee increase or charge passed through to a customer shall be listed as a separate item on a customer's bill.

Sec. 141.004. DISCONNECTION OF PROPANE GAS SERVICE. (a) A distribution system retailer may not disconnect propane gas service to a residential customer on a weekend day unless personnel of the distribution system retailer are available on that day to take payments and reconnect service.

(b) A distribution system retailer may not disconnect propane gas service to a residential customer during an extreme weather emergency, as defined by Section 104.258. The distribution system retailer shall defer collection of the full payment of bills that are due during an extreme weather emergency, as defined by Section 104.258, until after the emergency is over.

Sec. 141.005. CONTINUITY OF SERVICE. (a) A distribution system retailer shall make all reasonable efforts to prevent interruptions of service. When an interruption occurs, the distribution system retailer shall reestablish service within the shortest possible time consistent with prudent operating principles so that the smallest number of customers are affected.

(b) Excluding service interruptions for nonpayment, a distribution system retailer shall keep complete records of all emergency and scheduled service interruptions lasting greater than four hours in duration and affecting more than two customers. The records must describe the cause of each interruption, the date, length, location, approximate number of customers affected by the interruption, and, in the case of an emergency interruption, the remedy and steps taken to prevent a recurrence, if applicable. The distribution system retailer shall submit copies of the records to the railroad commission quarterly.

(c) The distribution system retailer shall notify the railroad commission in writing not later than 48 hours after an interruption in service that affects the entire system and lasts more than four hours caused by a Grade I leak that represents an existing or probable hazard to persons or property and requires immediate repair or continuous action until the conditions are no longer hazardous. The notice shall include the distribution system retailer's assessment of the cause of the interruption. A written report of a service interruption in another form, including a part of a safety report, is sufficient to comply with this subsection.

(d) The railroad commission shall establish a toll-free number to enable a customer of a distribution system retailer to notify the railroad commission of a service interruption that does not involve a refusal to serve under Section 141.006. The railroad commission shall immediately investigate the cause of the service interruption.

(e) To restore and maintain service, the railroad commission may assume temporary receivership of a system that experiences a service interruption that affects the entire system:

- (1) exceeding 48 hours in duration;
- (2) more than three times in one month; or

(3) that is the result of the distribution system retailer's failure to replenish the primary propane tank that is not caused by a general local market disruption or a restriction on wholesale propane supplies.

(f) The railroad commission may draw down all or part of the financial surety posted under Section 141.009, as required, to restore and maintain service under Subsection (e).

(g) If the railroad commission assumes temporary receivership of a system under Subsection (e), it shall notify the distribution system retailer and provide the distribution system retailer 72 hours to prepare and submit a plan to avoid continuing receivership.

(h) If a distribution system retailer's inability to fulfill its financial obligations is the cause of a service interruption described by Subsection (e), the railroad commission may delegate the operation of the system to a homeowners' association or municipal utility district until another distribution system retailer can assume control over the system or until a court in bankruptcy proceedings instructs otherwise.

Sec. 141.006. GROUNDS FOR REFUSAL TO SERVE. (a) A distribution system retailer may refuse service to an applicant if:

(1) an applicant fails to pay fees, advances, contributions, or deposits required for service under the distribution system retailer's policies;

(2) an applicant fails to furnish a service or meter location specified for service by the distribution system retailer;

(3) the existence or repeated creation of an unsafe condition, such as impaired meter access or a leak in the applicant's piping system, may potentially endanger life or property in the distribution system retailer's opinion;

(4) an applicant or service location owner is delinquent in payment for services provided by a distribution system retailer service location owner;

(5) another current resident of the premises to receive service is delinquent in payment for services provided by a distribution system retailer; or

(6) an applicant fails to adhere to an agreed payment plan.

(b) The right to refuse service ends when the cause for the refusal to serve is corrected.

Sec. 141.007. REASONABLE TIME TO BEGIN SERVICE. A distribution system retailer may delay providing service following an application or execution of an agreement for service for a reasonable amount of time considering required approvals or permits, the extent of the facilities to be built, and the distribution system retailer's workload at the time.

Sec. 141.008. CUSTOMER COMPLAINTS. (a) A distribution system retailer that receives a written complaint promptly and suitably shall investigate the complaint and advise the complainant of the results of the investigation. A distribution system retailer shall keep for at least three years after the final disposition of each complaint a record that includes each complainant's name and address, the date and nature of the complaint, and the adjustment or disposition of the complaint. A distribution system retailer is not required to keep a record of a complaint that does not require the distribution system retailer to take specific further action. A distribution system

retailer shall notify each complainant of the right to file a complaint with the railroad commission if the complainant is not satisfied by the distribution system retailer's resolution of the matter.

(b) On receipt of a complaint from the railroad commission on behalf of a customer, a distribution system retailer promptly and suitably shall investigate and notify the railroad commission and complainant of the results of the investigation. An initial response must be made not later than the third business day after the date the distribution system retailer receives the complaint electronically to up to two electronic addresses designated by the distribution system retailer. A distribution system retailer shall send a final and complete response to the railroad commission and complainant not later than the 15th day after the date the complaint was received, unless the railroad commission grants additional time before the expiration of the 15-day period.

(c) The railroad commission may impose sanctions on a distribution system retailer if, after an investigation, the railroad commission determines that the distribution system retailer has violated Section 141.003. Sanctions may include:

(1) ordering a distribution system retailer to refund the amounts of any overcharges to the distribution system retailer's customers; or

(2) drawing all or a portion of the financial surety for the purpose of refunding the amounts of any overcharges to the distribution system retailer's customers not refunded before the 61st day after the date the railroad commission orders a refund.

Sec. 141.009. PERFORMANCE GUARANTEE. (a) A distribution system retailer shall post, in favor of the railroad commission, financial surety in the form of a letter of credit or cash deposited with the railroad commission in an amount equal to the lesser of \$3 multiplied by the number of gallons of storage capacity in all of the systems operated by the distribution system retailer or \$100,000. The issuer of a letter of credit used to meet this requirement shall honor the letter of credit if the issuer receives from the railroad commission notice that the letter of credit is due and payable. The railroad commission may draw all or a portion of the financial surety.

(b) A distribution system retailer is exempt from posting the financial surety if, during the most recent five years:

(1) the distribution system retailer continuously has met the definition of distribution system retailer under Section 141.001;

(2) the distribution system retailer has not experienced a service interruption that would have allowed the railroad commission to place any system operated by the distribution system retailer in temporary receivership under Section 141.005(e) if that subsection had been in effect during that period; and

(3) the distribution system retailer has maintained the same or substantially similar ownership.

Sec. 141.010. MARKET SURVEY RULES. (a) The market survey described by Section 141.003(a) shall be conducted according to rules developed by the railroad commission under this chapter. The railroad commission, by rule, shall:

(1) limit the survey pool to traditional retail liquefied petroleum gas companies that provide service to an area not more than 10 miles from the distribution system retailer's system;

(2) determine the geographic area of the survey area where surveyed companies may be located in the event that fewer than six companies provide service to the service area;

(3) determine the appropriate survey sample size in the event that fewer than six companies provide service to an area;

(4) allow the distribution system retailer to determine the survey sample size provided the sample size includes a minimum of six companies;

(5) provide that the railroad commission and the distribution system retailer may each select half of the companies to be included in the survey and, if necessary, alternates to be included in the survey;

(6) require a survey to be conducted twice a month during the period from November to April and once a month during the period from March to December;

(7) require the survey quotes to include delivery amounts to be more than 100 gallons and not greater than 500 gallons during the period from November to April and less than 100 gallons during the period from May to October;

(8) prohibit a company from being surveyed twice in a seven-day period;
and

(9) require a survey company retained by a distribution system retailer to be a disinterested third party.

(b) A survey company shall conduct a survey once during each half of the month during the period from November to April. A survey company shall have discretion when to conduct a survey during that period.

(c) The railroad commission by rule may require an officer of the survey company and a distribution system retailer to provide a signed sworn statement attesting to the survey company's disinterested third-party status and disclosing compensation the survey company received. The railroad commission shall qualify a company that meets these requirements unless the railroad commission shows the company is not capable of performing the survey or is not a disinterested third party.

(d) Except for the information described in Subsection (b), the railroad commission may not require a survey company:

(1) to disclose:

(A) private financial information;

(B) a list of employees or contractors; or

(C) proprietary methodology; or

(2) to provide information or perform an activity that violates the survey company's industry standards or that increases the cost of the survey.

(e) The railroad commission shall maintain a list of two or more qualified survey companies that a distribution system retailer may select and provide 30-day advance notice to affected distribution system retailers when a qualified surveyor's qualification is terminated.

Sec. 141.011. RULES. (a) The railroad commission shall adopt rules implementing this chapter, including rules that establish procedures for:

(1) calculating gas rate ceilings;

(2) reporting market surveys and gas rates to the railroad commission;

(3) addressing unresolved complaints from a customer of a distribution system retailer; and

(4) establishing rates to apply to a retailer whose rates are based on flawed market surveys.

(b) The procedure the railroad commission adopts for calculating a gas rate ceiling based on information from a survey of six or more companies must provide for using the average of surveyed prices, excluding a single highest and a single lowest quote.

(c) The railroad commission may institute nonfinancial resolutions of complaints under this chapter.

(d) The railroad commission may institute financial resolutions only for violations of this chapter.

Sec. 141.012. DISCLOSURE TO HOMEOWNERS. (a) A distribution system retailer shall provide to a homeowners' association or municipal utility district with jurisdiction over property that receives service from a distribution system retailer, or to the distribution system retailer's customers if there is no homeowners' association or municipal utility district, a disclosure that includes:

(1) the general methodology used to determine the distribution system retailer's gas rates;

(2) a copy of this chapter or a summary of the customers' rights under this chapter; and

(3) for development agreements entered into after September 1, 2011, a statement disclosing the existence of a financial interest a homeowners' association, municipal utility district, or developer holds in the gas system.

(b) A homeowners' association or municipal utility district that has jurisdiction over real property that receives service from a distribution system retailer shall provide the disclosure described by Subsection (a) to all homeowners along with a list of the homeowners' covenants and deed restrictions. The homeowners' association or municipal utility district shall post the information required to be disclosed under this subsection on the homeowners' association or municipal utility district website.

SECTION 2. This Act takes effect September 1, 2011.

The amendment to **CSSB 555** was read and was adopted by a viva voce vote.

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

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

CSSB 555 as amended was passed to engrossment by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to engrossment except as follows:

Nays: Harris, Nelson, Nichols, Patrick, Shapiro.

COMMITTEE SUBSTITUTE SENATE BILL 555 ON THIRD READING

Senator Watson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSSB 555** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Gallegos, Hegar, Hinojosa, Huffman, Jackson, Lucio, Ogden, Rodriguez, Seliger, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Williams, Zaffirini.

Nays: Harris, Nelson, Nichols, Patrick, Shapiro.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Monday, May 16, 2011 - 2

The Honorable President of the Senate
Senate Chamber
Austin, Texas

Mr. President:

I am directed by the House to inform the Senate that the House has taken the following action:

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

HCR 84 Cain
Designating 42 as the official State Game of Texas.

HCR 163 Pickett
Convening a joint memorial session to honor Texans killed while serving in the Global War on Terrorism, commemorating Memorial Day 2011, and paying tribute to all those who have died in the service of the United States.

SB 141 Eltife Sponsor: Anchia
Relating to debt management services and the regulation of debt management services providers.
(Committee Substitute/Amended)

SB 248 Estes Sponsor: Landtroop
Relating to the regulation of public grain warehouse operators.

SB 331 Shapiro Sponsor: Madden
Relating to designating certain synthetic cannabinoids as controlled substances under the Texas Controlled Substances Act; providing penalties and establishing certain criminal consequences or procedures.

SB 356 Watson Sponsor: Kleinschmidt
Relating to awards for certain members of the state military forces inducted into federal service in support of Operations Iraqi Freedom, New Dawn, and Enduring Freedom.

SB 403 Eltife Sponsor: Murphy
Relating to the consideration of pension and other postemployment benefits in establishing the rates of a gas utility.

- SB 509** Lucio Sponsor: Lozano
Relating to the validation of a home-rule charter for certain municipalities.
- SB 533** Davis Sponsor: Gallego
Relating to the minimum standards for the certifications of sexual assault training programs and sexual assault nurse examiners and for certification renewal by those entities.
- SB 564** Uresti Sponsor: Gallego
Relating to the election of members of the board of directors of the Middle Pecos Groundwater Conservation District.
- SB 604** Rodriguez Sponsor: Gonzalez, Naomi
Relating to the execution of lawful process by county jailers.
- SB 628** Duncan Sponsor: Chisum
Relating to the authority of the Childress County Hospital District to provide facilities and services for persons who are elderly or disabled; providing authority to issue bonds and notes.
- SB 690** Carona Sponsor: Miller, Sid
Relating to the enforcement of a self-service storage facility lien; providing a penalty. (Amended)
- SB 810** Hinojosa Sponsor: Hunter
Relating to the boundaries of the Ingleside Cove Wildlife Sanctuary. (Committee Substitute)
- SB 816** Lucio Sponsor: Lucio III
Relating to the appointment and recommendations of the Border Trade Advisory Committee.
- SB 1121** Estes Sponsor: Lyne
Relating to the student fees for the university center at Midwestern State University.
- SB 1140** Watson Sponsor: Hartnett
Relating to payment by a water control and improvement district for certain damages caused by the district's operation of a sanitary sewer system.
- SB 1150** Seliger Sponsor: Frullo
Relating to requiring certain non-ERCOT utilities to comply with energy efficiency goals.
- SB 1165** Carona Sponsor: Truitt
Relating to certain enforcement powers of the banking commissioner; providing administrative penalties.
- SB 1217** Estes Sponsor: Hilderbran
Relating to an excavator's duty to notify a notification center before excavating; providing civil and criminal penalties.
- SB 1229** Eltife Sponsor: Eiland
Relating to the registration with the Texas Department of Insurance of certain contract examiners.

- SB 1241** West Sponsor: Jackson, Jim
Relating to authorizing certain courts to access information in the juvenile justice information system.
- SB 1242** West Sponsor: Jackson, Jim
Relating to the judicial immunity and powers of certain magistrates.
- SB 1327** Watson Sponsor: Howard, Donna
Relating to the confidentiality of information obtained by a compliance office of an institution of higher education.
- SB 1353** Eltife Sponsor: Solomons
Relating to certain claims against persons licensed as real estate brokers and salespersons.
(Amended)
- SB 1356** Estes Sponsor: Hardcastle
Relating to the repeal of certain laws regulating the registration of animal tattoo marks with the Department of Public Safety of the State of Texas.
- SB 1357** Estes Sponsor: Hardcastle
Relating to the redemption and impoundment of estrays.
- SB 1385** Lucio Sponsor: Oliveira
Relating to the authority of the chief appraiser of an appraisal district or the collector for a taxing unit to waive penalties for failing to file certain documents.
- SB 1431** Carona Sponsor: Smithee
Relating to the functions of insurance holding company systems.
(Amended)
- SB 1433** Carona Sponsor: Smithee
Relating to insurer receivership.
- SB 1492** Uresti Sponsor: Hilderbran
Relating to the election of directors of the Real-Edwards Conservation and Reclamation District.
- SB 1496** Uresti Sponsor: Anderson, Rodney
Relating to the scope and validity of correction instruments in the conveyance of real property.
- SB 1608** Carona Sponsor: Rodriguez, Eddie
Relating to operating a motor vehicle without a driver's license or financial responsibility; creating a penalty.
- SB 1806** Lucio Sponsor: Miller, Sid
Relating to timely filing of a surplus lines policy; providing penalties.

SB 1886 Deuell
Relating to the Fannin County Juvenile Board.

Sponsor: Phillips

Respectfully,

/s/Robert Haney, Chief Clerk
House of Representatives

HOUSE BILL 413 ON SECOND READING

On motion of Senator Hegar and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 413** at this time on its second reading:

HB 413, Relating to the confidentiality of certain information held by a veterinarian.

The bill was read second time.

Senator Hegar offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 413** (senate committee printing) in SECTION 1 of the bill, in amended Section 801.353(f), Occupations Code (page 1, line 21), by striking "or physician" and substituting "[~~or~~] physician, or other licensed health care professional".

The amendment to **HB 413** was read and was adopted by a viva voce vote.

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

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

HB 413 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 413 ON THIRD READING

Senator Hegar moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 413** be placed on its third reading and final passage.

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

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

GUEST PRESENTED

Senator Zaffirini was recognized and introduced to the Senate Tommy Adkisson, Bexar County Commissioner.

The Senate welcomed its guest.

HOUSE BILL 2277 ON SECOND READING

On motion of Senator Williams and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2277** at this time on its second reading:

HB 2277, Relating to the sale, exchange, or replacement of life insurance and annuity contracts.

The bill was read second time.

Senator Carona offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 2277** (senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. Subtitle A, Title 7, Insurance Code, is amended by adding Chapter 1111A to read as follows:

CHAPTER 1111A. LIFE SETTLEMENT CONTRACTS

Sec. 1111A.001. SHORT TITLE. This Act may be cited as the Life Settlements Act.

Sec. 1111A.002. DEFINITIONS. In this chapter:

(1) "Advertisement" means a written, electronic, or printed communication or a communication by means of a recorded telephone message or transmitted on radio, television, the Internet, or similar communications media, including film strips, motion pictures, and videos, published, disseminated, circulated, or placed directly before the public for the purpose of creating an interest in or inducing a person to purchase or sell, assign, devise, bequest, or transfer the death benefit or ownership of a life insurance policy or an interest in a life insurance policy under a life settlement contract.

(2) "Broker" means a person who, on behalf of an owner and for a fee, commission, or other valuable consideration, offers or attempts to negotiate a life settlement contract between an owner and a provider or estimates life expectancies for a life settlement contract. A broker who offers or attempts to negotiate a life settlement contract represents only the owner and owes a fiduciary duty to the owner to act according to the owner's instructions, and in the best interest of the owner, notwithstanding the manner in which the broker is compensated. A broker does not include an attorney, certified public accountant, or financial planner retained in the type of practice customarily performed in a professional capacity to represent the owner whose compensation is not paid directly or indirectly by the provider or any other person, except the owner.

(3) "Business of life settlements" means an activity involved in, but not limited to, offering to enter into, soliciting, negotiating, procuring, effectuating, monitoring, or tracking, of life settlement contracts.

(4) "Chronically ill" means:

(A) being unable to perform at least two activities of daily living such as eating, toileting, transferring, bathing, dressing, or continence;

(B) requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment; or

(C) having a level of disability similar to that described in Paragraph (A) as determined under rules adopted by the commissioner after consideration of any applicable regulation, guideline, or determination of the United States Secretary of Health and Human Services.

(5) "Financing entity" means an underwriter, placement agent, lender, purchaser of securities, purchaser of a policy or certificate from a provider, credit enhancer, or any entity that has a direct ownership in a policy or certificate that is the subject of a life settlement contract whose principal activity related to the transaction is providing funds to effect the life settlement contract or purchase of a policy, and who has an agreement in writing with a provider to finance the acquisition of a life settlement contract. The term does not include a non-accredited investor or purchaser.

(6) "Financing transaction" means a transaction in which a licensed provider obtains financing from a financing entity including secured or unsecured financing, a securitization transaction, or a securities offering that is either registered or exempt from registration under federal and state securities law.

(7) "Fraudulent life settlement act" includes:

(A) an act or omission committed by a person who, knowingly and with intent to defraud, for the purpose of depriving another of property or for pecuniary gain, commits, or permits an employee or an agent to engage in, acts including:

(i) presenting, causing to be presented, or preparing with knowledge and belief that it will be presented to or by a provider, premium finance lender, broker, insurer, insurance agent, or any other person, false material information, or concealing material information, as part of, in support of, or concerning a fact material to one or more of the following:

(a) an application for the issuance of a life settlement contract or an insurance policy;

(b) the underwriting of a life settlement contract or an insurance policy;

(c) a claim for payment or benefit pursuant to a life settlement contract or an insurance policy;

(d) premium paid on an insurance policy;

(e) payment for and changes in ownership or beneficiary made in accordance with the terms of a life settlement contract or an insurance policy;

(f) the reinstatement or conversion of an insurance policy;

(g) in the solicitation, offer to enter into, or effectuation of a life settlement contract, or an insurance policy;

(h) the issuance of written evidence of life settlement contracts or insurance; or

(i) an application for or the existence of or any payment related to a loan secured directly or indirectly by an interest in a life insurance policy;

(ii) failing to disclose to the insurer, if the insurer has requested the disclosure, that the prospective insured has undergone a life expectancy evaluation by any person or entity other than the insurer or its authorized representatives in connection with the issuance of the policy; or

(iii) employing a device, scheme, or artifice to defraud in the business of life settlements; and

(B) acts or omissions in the furtherance of a fraud or to prevent the detection of a fraud, or acts or omissions that permit an employee or an agent to:

(i) remove, conceal, alter, destroy, or sequester from the commissioner the assets or records of a license holder or another person engaged in the business of life settlements;

(ii) misrepresent or conceal the financial condition of a license holder, financing entity, insurer, or other person;

(iii) transact the business of life settlements in violation of laws requiring a license, certificate of authority, or other legal authority for the transaction of the business of life settlements;

(iv) file with the commissioner or the chief insurance regulatory official of another jurisdiction a document containing false information or concealing information about a material fact;

(v) engage in embezzlement, theft, misappropriation, or conversion of monies, funds, premiums, credits, or other property of a provider, insurer, insured, owner, insurance policy owner, or any other person engaged in the business of life settlements or insurance;

(vi) knowingly and with intent to defraud, enter into, broker, or otherwise deal in a life settlement contract, the subject of which is a life insurance policy that was obtained by presenting false information concerning any fact material to the policy or by concealing that fact, for the purpose of misleading another, or providing information concerning any fact material to the policy, if the owner or the owner's agent intended to defraud the policy's issuer;

(vii) attempt to commit, assist, aid or abet in the commission of, or engage in conspiracy to commit the acts or omissions specified in this paragraph; or

(viii) misrepresent the state of residence of an owner to be a state or jurisdiction that does not have a law substantially similar to this chapter for the purpose of evading or avoiding the provisions of this chapter.

(8) "Insured" means a person covered under the policy being considered for sale in a life settlement contract.

(9) "Life expectancy" means the arithmetic mean of the number of months the insured under the life insurance policy to be settled can be expected to live as determined by a life expectancy company or provider considering medical records and appropriate experiential data.

(10) "Life insurance agent" means a person licensed in this state as a resident or nonresident insurance agent who has received qualification or authority to write life insurance coverage under this code.

(11) "Life settlement contract" means a written agreement entered into between a provider and an owner establishing the terms under which compensation or anything of value will be paid and is less than the expected death benefit of the insurance policy or certificate, in return for the owner's assignment, transfer, sale, devise, or bequest of the death benefit or a portion of an insurance policy or certificate of insurance for compensation; provided, however, that the minimum value for a life settlement contract must be greater than a cash surrender value or accelerated death

benefit available at the time of an application for a life settlement contract. The term also includes the transfer for compensation or value of ownership or beneficial interest in a trust or other entity that owns the policy if the trust or other entity was formed or used for the principal purpose of acquiring one or more life insurance contracts that insure the life of an individual residing in this state. The term also includes:

(A) a written agreement for a loan or other lending transaction, secured primarily by an individual or group life insurance policy; and

(B) a premium finance loan made for a policy on or before the date of issuance of the policy if:

(i) the loan proceeds are not used solely to pay premiums for the policy and any costs or expenses incurred by the lender or the borrower in connection with the financing;

(ii) the owner receives on the date of the premium finance loan a guarantee of the future life settlement value of the policy; or

(iii) the owner agrees on the date of the premium finance loan to sell the policy or any portion of its death benefit on a date following the issuance of the policy.

(11-A) "Life settlement contract" does not include:

(A) a policy loan by a life insurance company under the terms of a life insurance policy or accelerated death provision contained in the life insurance policy, whether issued with the original policy or as a rider;

(B) a premium finance loan or any loan made by a bank or other licensed financial institution, provided that neither default on the loan nor the transfer of the policy in connection with the default is under an agreement or understanding with any other person for the purpose of evading regulation under this chapter;

(C) a collateral assignment of a life insurance policy by an owner;

(D) a loan made by a lender that does not violate Chapter 651, provided that the loan is not described in Subdivision (11) and is not otherwise within the definition of life settlement contract;

(E) an agreement with respect to which all the parties are closely related to the insured by blood or law or have a lawful substantial economic interest in the continued life, health, and bodily safety of the person insured, or are trusts established primarily for the benefit of the parties;

(F) a designation, consent, or agreement by an insured who is an employee of an employer in connection with the purchase by the employer, or trust established by the employer, of life insurance on the life of the employee;

(G) a bona fide business succession planning arrangement:

(i) between one or more shareholders in a corporation or between a corporation and one or more of its shareholders or one or more trusts established by its shareholders;

(ii) between one or more partners in a partnership or between a partnership and one or more of its partners or one or more trusts established by its partners; or

(iii) between one or more members in a limited liability company or between a limited liability company and one or more of its members or one or more trusts established by its members;

(H) an agreement entered into by a service recipient, or a trust established by the service recipient, and a service provider, or a trust established by the service provider, who performs significant services for the service recipient's trade or business; or

(I) any other contract, transaction, or arrangement from the definition of life settlement contract that the commissioner determines is not of the type intended to be regulated by this chapter.

(12) "Net death benefit" means the amount of the life insurance policy or certificate to be settled less any outstanding debts or liens.

(13) "Owner" means the owner of a life insurance policy or a certificate holder under a group policy, with or without a terminal illness, who enters or seeks to enter into a life settlement contract. In this chapter, the term "owner" is not limited to an owner of a life insurance policy or a certificate holder under a group policy that insures the life of an individual with a terminal or chronic illness or condition except as specifically provided. The term does not include:

(A) a provider or other license holder under this chapter;

(B) a qualified institutional buyer as defined by 17 C.F.R. Section 230.144A, as amended;

(C) a financing entity;

(D) a special purpose entity; or

(E) a related provider trust.

(14) "Patient identifying information" means an insured's address, telephone number, facsimile number, e-mail address, photograph or likeness, employer, employment status, social security number, or any other information that is likely to lead to the identification of the insured.

(15) "Policy" means an individual or group policy, group certificate, contract, or arrangement of life insurance owned by a resident of this state, regardless of whether delivered or issued for delivery in this state.

(16) "Premium finance loan" is a loan made primarily for the purposes of making premium payments on a life insurance policy that is secured by an interest in the life insurance policy.

(17) "Person" means an individual or legal entity, including a partnership, limited liability company, association, trust, or corporation.

(18) "Provider" means a person, other than an owner, who enters into or effectuates a life settlement contract with an owner. The term does not include:

(A) a bank, savings bank, savings and loan association, or credit union;

(B) a licensed lending institution or creditor or secured party pursuant to a premium finance loan agreement that takes an assignment of a life insurance policy or certificate issued pursuant to a group life insurance policy as collateral for a loan;

(C) the insurer of a life insurance policy or rider to the extent of providing accelerated death benefits or riders under Subchapter B, Chapter 1111, or cash surrender value;

(D) an individual who enters into or effectuates not more than one agreement in a calendar year for the transfer of a life insurance policy or certificate issued pursuant to a group life insurance policy, for compensation or anything of value less than the expected death benefit payable under the policy;

(E) a purchaser;

(F) any authorized or eligible insurer that provides stop loss coverage to a provider, purchaser, financing entity, special purpose entity, or related provider trust;

(G) a financing entity;

(H) a special purpose entity;

(I) a related provider trust;

(J) a broker; or

(K) an accredited investor or qualified institutional buyer as those terms are defined by 17 C.F.R. Section 230.144A, as amended, who purchases a life settlement policy from a provider.

(19) "Purchased policy" means a policy or group certificate that has been acquired by a provider pursuant to a life settlement contract.

(20) "Purchaser" means a person who pays compensation or anything of value as consideration for a beneficial interest in a trust that is vested with, or for the assignment, transfer, or sale of, an ownership or other interest in a life insurance policy or a certificate issued pursuant to a group life insurance policy that has been the subject of a life settlement contract.

(21) "Related provider trust" means a titling trust or other trust established by a licensed provider or a financing entity for the sole purpose of holding the ownership or beneficial interest in purchased policies in connection with a financing transaction. In order to qualify as a related provider trust, the trust must have a written agreement with the licensed provider under which the licensed provider is responsible for ensuring compliance with all statutory and regulatory requirements and under which the trust agrees to make all records and files relating to life settlement transactions available to the department as if those records and files were maintained directly by the licensed provider.

(22) "Settled policy" means a life insurance policy or certificate that has been acquired by a provider pursuant to a life settlement contract.

(23) "Special purpose entity" means a corporation, partnership, trust, limited liability company, or other legal entity formed solely to provide either directly or indirectly access to institutional capital markets:

(A) for a financing entity or provider; or

(B) in connection with a transaction in which:

(i) the securities in the special purpose entity are acquired by the owner or by a qualified institutional buyer as defined by 17 C.F.R. Section 230.144A, as amended; or

(ii) the securities pay a fixed rate of return commensurate with established asset-backed institutional capital markets.

(24) "Terminally ill" means having an illness or sickness that can reasonably be expected to result in death not later than 24 months after the date of diagnosis.

Sec. 1111A.003. LICENSING REQUIREMENTS; EXEMPTION. (a) A person, wherever located, may not act as a provider or broker with an owner who is a resident of this state, unless the person holds a license from the department.

(b) An application for a provider or broker license must be made to the department by the applicant on a form prescribed by the commissioner. The application must be accompanied by a fee in an amount established by the commissioner by rule. The license and renewal fees for a provider license must be reasonable and the license and renewal fees for a broker license may not exceed those established for an insurance agent, as otherwise provided by this chapter.

(c) A person who has been licensed as a life insurance agent in this state or the person's home state for at least one year and is licensed as a nonresident agent in this state meets the licensing requirements of this section and may operate as a broker.

(d) Not later than the 30th day after the first date of operating as a broker, a life insurance agent shall notify the commissioner on a form prescribed by the commissioner that the agent is acting as a broker and shall pay any applicable fee to be determined by the commissioner by rule. Notification must include an acknowledgement by the life insurance agent that the agent will operate as a broker in accordance with this chapter.

(e) An insurer that issued a policy that is the subject of a life settlement contract is not responsible for any act or omission of a broker or provider or purchaser arising out of or in connection with the life settlement transaction, unless the insurer receives compensation for the placement of a life settlement contract from the provider, purchaser, or broker in connection with the life settlement contract.

(f) A person licensed as an attorney, certified public accountant, or financial planner accredited by a nationally recognized accreditation agency, who is retained to represent the owner and whose compensation is not paid directly or indirectly by the provider or purchaser, may negotiate life settlement contracts for the owner without having to obtain a license as a broker.

(g) A license expires on the second anniversary of the date of issuance. A license holder may renew the license on payment of a renewal fee. As specified by Subsection (b), the renewal fee for a provider license may not exceed a reasonable fee.

(h) An applicant shall provide the information that the commissioner requires on forms adopted by the commissioner. The commissioner may, at any time, require an applicant to fully disclose the identity of the applicant's stockholders that own at least 10 percent of the shares of an applicant the shares of which are publicly traded, partners, officers and employees, and the commissioner may, in the exercise of the commissioner's sole discretion, refuse to issue a license in the name of any person if the commissioner is not satisfied that an officer, an employee, a stockholder, or a partner of the applicant who may materially influence the applicant's conduct meets the standards of Sections 1111A.001 to 1111A.018.

(i) A license issued to a partnership, corporation, or other entity authorizes each member, officer, and designated employee named in the application and any supplement to the application to act as a license holder under the license.

(j) After the filing of an application and the payment of the license fee, the commissioner shall investigate each applicant and may issue a license if the commissioner finds that the applicant:

(1) if a provider, has provided a detailed plan of operation;
(2) is competent and trustworthy and intends to transact business in good faith;

(3) has a good business reputation and has had experience, training, or education to qualify in the business for which the license is applied;

(4) if the applicant is a legal entity, is formed or organized under the laws of this state or is a foreign legal entity authorized to transact business in this state, or provides a certificate of good standing from the state of its domicile; and

(5) has provided to the commissioner an antifraud plan that meets the requirements of Section 1111A.022 and includes:

(A) a description of the procedures for detecting and investigating possible fraudulent acts and procedures for resolving material inconsistencies between medical records and insurance applications;

(B) a description of the procedures for reporting fraudulent insurance acts to the commissioner;

(C) a description of the plan for antifraud education and training of its underwriters and other personnel; and

(D) a written description or chart outlining the arrangement of the antifraud personnel who are responsible for the investigation and reporting of possible fraudulent insurance acts and the investigation of unresolved material inconsistencies between medical records and insurance applications.

(k) The commissioner may not issue a license to a nonresident applicant unless a written designation of an agent for service of process is filed and maintained with the department or unless the applicant has filed with the department the applicant's written irrevocable consent that any action against the applicant may be commenced by service of process on the commissioner.

(l) A license holder shall file with the department not later than March 1 of each year an annual statement containing the information as the commissioner by rule prescribes.

(m) A provider may not allow any person to perform the functions of a broker unless the person holds a current, valid license as a broker, and as provided in this section.

(n) A broker may not allow any person to perform the functions of a provider unless the person holds a current, valid license as a provider, and as provided in this section.

(o) A provider or broker shall provide to the commissioner new or revised information about officers, stockholders described by Subsection (h), partners, directors, members, or designated employees within 30 days of the change.

(p) An individual licensed as a broker shall complete on a biennial basis 15 hours of training related to life settlements and life settlement transactions, as required by the commissioner. A life insurance agent who is operating as a broker under this section is not subject to the requirements of this subsection.

(q) The business of life settlements constitutes the business of insurance.

Sec. 1111A.004. LICENSE SUSPENSION, REVOCATION, OR REFUSAL TO RENEW. (a) The commissioner may suspend, revoke, or refuse to renew the license of a license holder if the commissioner finds that:

(1) there was a material misrepresentation in the application for the license;
(2) the license holder or an officer, partner, member, or director of the license holder has been guilty of fraudulent or dishonest practices, is subject to a final administrative action, or is otherwise shown to be untrustworthy or incompetent to act as a license holder;

(3) the license holder is a provider and demonstrates a pattern of unreasonably withholding payments to policy owners;

(4) the license holder no longer meets the requirements for initial licensure;

(5) the license holder or any officer, partner, member, or director of the license holder has been convicted of a felony, or of any misdemeanor with respect to which criminal fraud is an element, or has pleaded guilty or nolo contendere with respect to a felony or a misdemeanor with respect to which criminal fraud or moral turpitude is an element, regardless of whether a judgment of conviction has been entered by the court;

(6) the license holder is a provider and has entered into a life settlement contract using a form that has not been approved under this chapter;

(7) the license holder is a provider and has failed to honor contractual obligations in a life settlement contract;

(8) the license holder is a provider and has assigned, transferred, or pledged a settled policy to a person other than a provider licensed in this state, a purchaser, an accredited investor or qualified institutional buyer as defined respectively in 17 C.F.R. Section 230.144A, as amended, a financing entity, a special purpose entity, or a related provider trust; or

(9) the license holder or any officer, partner, member, or key management personnel of the license holder has violated this chapter.

(b) The commissioner may deny a license application or suspend, revoke, or refuse to renew the license of a license holder in accordance with Chapter 2001, Government Code.

Sec. 1111A.005. REQUIREMENTS FOR CONTRACT FORMS, DISCLOSURE FORMS, AND ADVERTISEMENTS. (a) A person may not use any form of life settlement contract in this state unless the form has been filed with and approved, if required, by the commissioner in a manner that conforms with the filing procedures and any time restrictions or deeming provisions for life insurance forms, policies, and contracts.

(b) An insurer may not, as a condition of responding to a request for verification of coverage or in connection with the transfer of a policy pursuant to a life settlement contract, require that the owner, insured, provider, or broker sign any form, disclosure, consent, waiver, or acknowledgment that has not been expressly approved by the commissioner for use in connection with life settlement contracts.

(c) A person may not use a life settlement contract form or provide to an owner a disclosure statement form unless the form is first filed with and approved by the commissioner. The commissioner shall disapprove a life settlement contract form or disclosure statement form if, in the commissioner's opinion, the contract or contract provisions fail to meet the requirements of Sections 1111A.011, 1111A.012, 1111A.014, and 1111A.023(b), or are unreasonable, contrary to the interests of the public, or otherwise misleading or unfair to the owner.

(d) At the commissioner's discretion, the commissioner may require the submission of advertisements.

Sec. 1111A.006. REPORTING REQUIREMENTS AND PRIVACY. (a) For a policy settled not later than the fifth anniversary of the date of policy issuance, each provider shall file with the commissioner not later than March 1 of each year an annual statement containing the information that the commissioner prescribes by rule. In addition to any other requirements, the annual statement must specify the total number, aggregate face amount, and life settlement proceeds of policies settled during the immediately preceding calendar year, together with a breakdown of the information by policy issue year. The annual statement must also include the names of each insurance company whose policies have been settled and the brokers that have settled the policies.

(b) The information required under Subsection (a) is limited to only those transactions in which the insured is a resident of this state and may not include individual transaction data regarding the business of life settlements or information if there is a reasonable basis to find that the information could be used to identify the owner or the insured.

(c) A provider that wilfully fails to file an annual statement as required in this section, or wilfully fails to reply not later than the 30th day after the date the provider receives a written inquiry from the department about the filing of the annual statement, shall, in addition to other penalties provided by this chapter, after notice and opportunity for hearing be subject to a penalty of up to \$250 for each day of delay, not to exceed \$25,000 in the aggregate, for the failure to file or respond.

(d) Except as otherwise allowed or required by law, a provider, broker, insurance company, insurance agent, information bureau, rating agency or company, or any other person with actual knowledge of an insured's identity, may not disclose the identity of an insured or information that there is a reasonable basis to believe could be used to identify the insured or the insured's financial or medical information to any other person unless the disclosure is:

(1) necessary to effect a life settlement contract between the owner and a provider and the owner and insured have provided prior written consent to the disclosure;

(2) necessary to effectuate the sale of a life settlement contract, or interests in the contract, as an investment, provided the sale is conducted in accordance with applicable state and federal securities law and provided further that the owner and the insured have both provided prior written consent to the disclosure;

(3) provided in response to an investigation or examination by the commissioner or another governmental officer or agency or under Section 1111A.018;

(4) a term or condition of the transfer of a policy by one provider to another licensed provider, in which case the receiving provider shall comply with the confidentiality requirements of this subsection;

(5) necessary to allow the provider or broker or the provider's or broker's authorized representative to make contact for the purpose of determining health status provided that in this subdivision, authorized representative does not include a person who has or may have a financial interest in the settlement contract other than a

provider, licensed broker, financing entity, related provider trust, or special purpose entity and that the provider or broker requires the authorized representative to agree in writing to adhere to the privacy provisions of this chapter; or

(6) required to purchase stop loss coverage.

(e) Nonpublic personal information solicited or obtained in connection with a proposed or actual life settlement contract is subject to the provisions applicable to financial institutions under the federal Gramm-Leach-Bliley Act (Pub. L. No. 106-102), and any other state and federal laws relating to confidentiality of nonpublic personal information.

Sec. 1111A.007. EXAMINATION. Subchapter B, Chapter 401, applies to a person engaged in the business of life settlements.

Sec. 1111A.008. IMMUNITY FROM LIABILITY. (a) No cause of action shall arise nor shall any liability be imposed against the commissioner, the commissioner's authorized representatives, or any examiner appointed by the commissioner for a statement made or conduct performed in good faith while carrying out this chapter.

(b) No cause of action shall arise, nor shall any liability be imposed against any person for the act of communicating or delivering information to the commissioner or the commissioner's authorized representative or examiner pursuant to an examination made under this chapter, if the act of communication or delivery was performed in good faith and without fraudulent intent or the intent to deceive. This subsection does not abrogate or modify in any way any common law or statutory privilege or immunity enjoyed by any person identified in Subsection (a).

Sec. 1111A.009. INVESTIGATIVE AUTHORITY OF THE COMMISSIONER. The commissioner may investigate a suspected fraudulent life settlement act and a person engaged in the business of life settlements.

Sec. 1111A.010. COST OF EXAMINATIONS. The reasonable and necessary cost of an examination under this chapter is to be assessed against the person being examined in accordance with Section 751.208.

Sec. 1111A.011. ADVERTISING. (a) A broker or provider licensed pursuant to this chapter may conduct or participate in an advertisement in this state. The advertisement must comply with all advertising and marketing laws under Chapter 541 and rules adopted by the commissioner that are applicable to life insurers or to license holders under this chapter.

(b) Advertisements shall be accurate, truthful, and not misleading in fact or by implication.

(c) A person may not:

(1) market, advertise, solicit, or otherwise promote the purchase of a policy for the sole purpose of or with an emphasis on settling the policy; or

(2) use the words "free," "no cost," or words of similar import in the marketing, advertising, or soliciting of, or otherwise promoting, the purchase of a policy.

Sec. 1111A.012. DISCLOSURES TO OWNERS. (a) Not later than the fifth day after the date a provider receives the application for a life settlement contract, the provider shall provide, in a separate written document, the following information to the owner:

(1) the fact that possible alternatives to life settlement contracts exist, including accelerated benefits offered by the issuer of the life insurance policy;

(2) the fact that some or all of the proceeds of a life settlement contract may be taxable and that assistance should be sought from a professional tax advisor;

(3) the fact that the proceeds from a life settlement contract could be subject to the claims of creditors;

(4) the fact that receipt of proceeds from a life settlement contract may adversely affect the recipients' eligibility for public assistance or other government benefits or entitlements and that advice should be obtained from the appropriate agency;

(5) the fact that the owner has a right to terminate a life settlement contract within 15 days of the date the contract is executed by all parties and the owner has received the disclosures described in this section, that rescission, if exercised by the owner, is effective only if both notice of the rescission is given and the owner repays all proceeds and any premiums, loans, and loan interest paid on account of the provider during the rescission period, and that if the insured dies during the rescission period, the contract is considered rescinded subject to repayment by the owner or the owner's estate of all proceeds and any premiums, loans, and loan interest to the provider;

(6) the fact that proceeds will be sent to the owner within three business days after the provider has received the insurer or group administrator's acknowledgement that ownership of the policy or interest in the certificate has been transferred and the beneficiary has been designated in accordance with the terms of the life settlement contract;

(7) the fact that entering into a life settlement contract may cause the owner to forfeit other rights or benefits, including conversion rights and waiver of premium benefits that may exist under the policy or certificate of a group policy, and that assistance should be sought from a professional financial advisor;

(8) the amount and method of calculating the compensation, including anything of value, paid or given, or to be paid or given, to the broker, or any other person acting for the owner in connection with the transaction;

(9) the date by which the funds will be available to the owner and the identity of the transmitter of the funds;

(10) the fact that the commissioner requires delivery of a buyer's guide or a similar consumer advisory package in the form prescribed by the commissioner to owners during the solicitation process;

(11) the following language: "All medical, financial, or personal information solicited or obtained by a provider or broker about an insured, including the insured's identity or the identity of family members or a spouse or a significant other, may be disclosed as necessary to effect the life settlement contract between the owner and provider. If you are asked to provide this information, you will be asked to consent to the disclosure. The information may be provided to someone who buys the policy or provides funds for the purchase. You may be asked to renew your permission to share information every two years.";

(12) the fact that the commissioner requires providers and brokers to print separate signed fraud warnings on the applications and on the life settlement contracts as follows: "Any person who knowingly presents false information in an application for insurance or a life settlement contract is guilty of a crime and may be subject to fines and confinement in prison.";

(13) the fact that the insured may be contacted by either the provider or broker or an authorized representative of the provider or broker for the purpose of determining the insured's health status or to verify the insured's address and that this contact is limited to once every three months if the insured has a life expectancy of more than one year, and not more than once per month if the insured has a life expectancy of one year or less;

(14) the affiliation, if any, between the provider and the issuer of the insurance policy to be settled;

(15) that a broker represents exclusively the owner, and not the insurer or the provider or any other person, and owes a fiduciary duty to the owner, including a duty to act according to the owner's instructions and in the best interest of the owner;

(16) the name, address, and telephone number of the provider;

(17) the name, business address, and telephone number of the independent third party escrow agent, and the fact that the owner may inspect or receive copies of the relevant escrow or trust agreements or documents; and

(18) the fact that a change of ownership could in the future limit the insured's ability to purchase future insurance on the insured's life because there is a limit to how much coverage insurers will issue on one life.

(b) The written disclosures described by Subsection (a) must be conspicuously displayed in a life settlement contract furnished to the owner by a provider, including any affiliations or contractual arrangements between the provider and the broker.

(c) A broker shall provide the owner and the provider with at least the following disclosures not later than the date on which the life settlement contract is signed by all parties and which must be conspicuously displayed in the life settlement contract or in a separate document signed by the owner:

(1) the name, business address, and telephone number of the broker;

(2) a full, complete, and accurate description of all the offers, counter-offers, acceptances, and rejections relating to the proposed life settlement contract;

(3) a written disclosure of any affiliations or contractual arrangements between the broker and any person making an offer in connection with the proposed life settlement contract;

(4) the name of each broker who receives compensation and the amount of compensation, including anything of value, paid or given to the broker in connection with the life settlement contract; and

(5) a complete reconciliation of the gross offer or bid by the provider to the net amount of proceeds or value to be received by the owner.

(d) For the purpose of this section, "gross offer or bid" means the total amount or value offered by the provider for the purchase of one or more life insurance policies, inclusive of commissions and fees.

(e) The failure to provide the disclosures or rights described in this section is an unfair method of competition or an unfair or deceptive act or practice.

Sec. 1111A.013. DISCLOSURE TO INSURER. (a) Without limiting the ability of an insurer to assess the insurability of a policy applicant and to determine whether to issue the policy, and in addition to other questions an insurance carrier may lawfully pose to a life insurance applicant, an insurer may inquire in the application for insurance whether the proposed owner intends to pay premiums with the assistance of financing from a lender that will use the policy as collateral to support the financing.

(b) If, as described in Sections 1111A.002(11) and (11-A), the loan provides funds that can be used for a purpose other than paying for the premiums, costs, and expenses associated with obtaining and maintaining the life insurance policy and loan, and notwithstanding any other law, the application must be rejected as a violation of Section 1111A.017.

(c) If the financing does not violate Section 1111A.017, the insurance carrier:

(1) may make disclosures, not later than the date of the delivery of the policy, to the applicant and the insured, either on the application or on an amendment to the application that include the following or substantially similar statements:

"If you have entered into a loan arrangement in which the policy is used as collateral, and the policy does change ownership at some point in the future in satisfaction of the loan, the following may be true:

(A) a change of ownership could lead to a stranger owning an interest in the insured's life;

(B) a change of ownership could in the future limit your ability to purchase future insurance on the insured's life because there is a limit to how much coverage insurers will issue on one life;

(C) should there be a change of ownership and you wish to obtain more insurance coverage on the insured's life in the future, the insured's higher issue age, a change in health status, or other factors may reduce the ability to obtain coverage or may result in significantly higher premiums; and

(D) you should consult a professional advisor, since a change in ownership in satisfaction of the loan may result in tax consequences to the owner, depending on the structure of the loan.";

(2) may require certifications, such as the following, from the applicant or the insured:

(A) "I have not entered into any agreement or arrangement providing for the future sale of this life insurance policy";

(B) "My loan arrangement for this policy provides funds sufficient to pay for some or all of the premiums, costs, and expenses associated with obtaining and maintaining my life insurance policy, but I have not entered into any agreement by which I am to receive consideration in exchange for procuring this policy"; and

(C) "The borrower has an insurable interest in the insured."

Sec. 1111A.014. GENERAL RULES. (a) Before entering into a life settlement contract with an owner of a policy with respect to which the insured is terminally or chronically ill, the provider must obtain:

(1) if the owner is the insured, a written statement from a licensed attending physician that the owner is of sound mind and under no constraint or undue influence to enter into a settlement contract; and

(2) a document in which the insured consents to the release of medical records to a provider, settlement broker, or insurance agent and, if the policy was issued less than two years after the date of application for a settlement contract, to the insurance company that issued the policy.

(b) An insurer shall respond to a request for verification of coverage submitted by a provider, settlement broker, or life insurance agent not later than the 30th calendar day after the date the request is received. The request for verification of coverage must be made on a form approved by the commissioner. The insurer shall complete and issue the verification of coverage or indicate in which respects the insurer is unable to respond. In the response, the insurer shall indicate whether at the time of the response, based on the medical evidence and documents provided, the insurer intends to pursue an investigation about the validity of the insurance contract.

(c) On or before the date of execution of the life settlement contract, the provider shall obtain a witnessed document in which the owner consents to the settlement contract, represents that the owner has a full and complete understanding of the settlement contract and of the benefits of the policy, acknowledges that the owner is entering into the settlement contract freely and voluntarily, and, for persons with a terminal or chronic illness or condition, acknowledges that the insured has a terminal or chronic illness and that the terminal or chronic illness or condition was diagnosed after the policy was issued.

(d) The insurer may not unreasonably delay effecting change of ownership or beneficiary with any life settlement contract lawfully entered into in this state or with a resident of this state.

(e) If a settlement broker or life insurance agent performs any of these activities required of the provider, the provider is deemed to have fulfilled the requirements of this section.

(f) If a broker performs the verification of coverage activities required of the provider, the provider is deemed to have fulfilled the requirements of Section 1111A.012.

(g) Not later than the 20th day after the date that an owner executes the life settlement contract, the provider shall give written notice to the insurer that issued that insurance policy that the policy has become subject to a life settlement contract. The notice shall be accompanied by the documents required by Section 1111A.013(c).

(h) Medical information solicited or obtained by a license holder is subject to the applicable provision of state law relating to confidentiality of medical information, if not otherwise provided in this chapter.

(i) A life settlement contract entered into in this state must provide that the owner may rescind the contract on or before 15 days after the date the contract is executed by all parties to the contract. Rescission, if exercised by the owner, is effective only if notice of the rescission is given and the owner repays all proceeds and any premiums, loans, and loan interest paid on account of the provider within the rescission period. If the insured dies during the rescission period, the contract is rescinded subject to repayment by the owner or the owner's estate of all proceeds and any premiums, loans, and loan interest to the provider.

(j) Not later than the third business day after the date the provider receives from the owner the documents to effect the transfer of the insurance policy, the provider shall pay the proceeds of the settlement into an escrow or trust account managed by a trustee or escrow agent in a state or federally chartered financial institution pending acknowledgement of the transfer by the issuer of the policy. The trustee or escrow agent shall transfer to the owner the proceeds due to the owner not later than the third business day after the date the trustee or escrow officer receives from the insurer acknowledgment of the transfer of the insurance policy.

(k) Failure to tender the life settlement contract proceeds to the owner on or before the date disclosed to the owner renders the contract voidable by the owner for lack of consideration until the time the proceeds are tendered to and accepted by the owner. A failure to give written notice of the right of rescission under this subsection tolls the right of rescission for 30 days after the date the written notice of the right of rescission has been given.

(l) A fee paid by a provider, an owner, or other person to a broker in exchange for services provided to the owner pertaining to a life settlement contract must be computed as a percentage of the offer obtained, not the face value of the policy. Nothing in this section prohibits a broker from voluntarily reducing the broker's fee to less than a percentage of the offer obtained.

(m) A broker shall disclose to the owner anything of value paid or given to a broker that relates to a life settlement contract.

(n) A person, at any time prior to or at the time of the application for, or issuance of, a policy, or during a two-year period beginning on the date of issuance of the policy, may not enter into a life settlement contract regardless of the date the compensation is to be provided and regardless of the date the assignment, transfer, sale, devise, bequest, or surrender of the policy is to occur. This prohibition does not apply if:

(1) the owner certifies to the provider that the policy was issued on the owner's exercise of conversion rights arising out of a group or individual policy, provided the total of the time covered under the conversion policy plus the time covered under the prior policy is at least 24 months; or

(2) the owner submits independent evidence to the provider that one or more of the following conditions have been met during the two-year period described by this subsection:

(A) the owner or insured is terminally or chronically ill;

(B) the owner or insured disposes of the owner's or insured's ownership interests in a closely held corporation, pursuant to the terms of a buyout or other similar agreement in effect at the time the insurance policy was initially issued;

(C) the owner's spouse dies;

(D) the owner divorces the owner's spouse;

(E) the owner retires from full-time employment;

(F) the owner becomes physically or mentally disabled and a physician determines that the disability prevents the owner from maintaining full-time employment; or

(G) a final order, judgment, or decree is entered by a court of competent jurisdiction, on the application of a creditor of the owner, adjudicating the owner bankrupt or insolvent, or approving a petition seeking reorganization of the owner or appointing a receiver, trustee, or liquidator to all or a substantial part of the owner's assets.

(o) For the purposes of Subsection (n)(1), time covered under a group policy must be calculated without regard to a change in insurance carriers, provided the coverage has been continuous and under the same group sponsorship.

(p) Copies of the independent evidence described by Subsection (n)(2) must be submitted to the insurer at the time the provider submits a request to the insurer for verification of coverage. The copies must be accompanied by a letter of attestation from the provider that the copies are true and correct copies of the documents received by the provider. This section does not prohibit an insurer from exercising its right to contest the validity of a policy.

(q) If the provider submits to the insurer a copy of independent evidence provided for Subsection (n)(2)(A) at the time the provider submits a request to the insurer to effect the transfer of the policy to the provider, the copy is deemed to establish that the settlement contract satisfies the requirements of this section.

Sec. 1111A.015. AUTHORITY TO ADOPT RULES. (a) The commissioner may adopt rules implementing this chapter and regulating the activities and relationships of providers, brokers, insurers, and their authorized representatives.

(b) The commissioner may not adopt a rule establishing a price or fee for the sale or purchase of a life settlement contract. This subsection does not prohibit the commissioner from adopting a rule relating to an unjust price or fee for the sale or purchase of a life settlement contract.

(c) The commissioner may not adopt a rule that regulates the actions of an investor providing money to a life or viatical settlement company.

Sec. 1111A.016. CONFLICT OF LAWS. (a) If there is more than one owner on a single policy, and the owners are residents of different states, the life settlement contract is governed by the law of the state in which the owner having the largest percentage ownership resides or, if the owners hold equal ownership, the state of residence of one owner agreed on in writing by all of the owners. The law of the state of the insured shall govern in the event that equal owners fail to agree in writing on a state of residence for jurisdictional purposes.

(b) A provider licensed in this state who enters into a life settlement contract with an owner who is a resident of another state that has enacted statutes or adopted rules governing life settlement contracts is governed in the effectuation of that life settlement contract by the statutes and rules of the owner's state of residence. If the state in which the owner is a resident has not enacted statutes or adopted rules governing life settlement contracts, the provider shall give the owner notice that neither state regulates the transaction on which the owner is entering. For transactions in those states, however, the provider shall maintain all records required by this chapter if the transactions were executed in this state. The forms used in those states need not be approved by the department.

(c) If there is a conflict in the laws that apply to an owner and a purchaser in any individual transaction, the laws of the state that apply to the owner shall take precedence and the provider shall comply with those laws.

Sec. 1111A.017. PROHIBITED PRACTICES. (a) A person may not:

(1) enter into a life settlement contract if the person knows or reasonably should have known that the life insurance policy was obtained by means of a false, deceptive, or misleading application for the policy;

(2) engage in a transaction, practice, or course of business if the person knows or reasonably should have known that the intent of engaging in the transaction, practice, or course of business is to avoid the notice requirements of this chapter;

(3) engage in a fraudulent act or practice in connection with a transaction relating to any settlement involving an owner who is a resident of this state;

(4) issue, solicit, market, or otherwise promote the purchase of an insurance policy for the purpose of, or with an emphasis on, settling the policy;

(5) if providing premium financing, receive any proceeds, fee, or other consideration from the policy or owner in addition to the amounts required to pay principal, interest, and any reasonable costs or expenses incurred by the lender or borrower in connection with the premium finance agreement, except in event of a default, unless either the default on the loan or transfer of the policy occurs pursuant to an agreement or understanding with any other person for the purpose of evading regulation under this chapter;

(6) with respect to any settlement contract or insurance policy and to a broker, knowingly solicit an offer from, effectuate a life settlement contract with, or make a sale to any provider, financing entity, or related provider trust that is controlling, controlled by, or under common control with the broker unless the relationship is fully disclosed to the owner;

(7) with respect to any life settlement contract or insurance policy and a provider, knowingly enter into a life settlement contract with an owner if, in connection with the life settlement contract, anything of value will be paid to a broker that is controlling, controlled by, or under common control with the provider or the financing entity or related provider trust that is involved in such settlement contract, unless the relationship is fully disclosed to the owner;

(8) with respect to a provider, enter into a life settlement contract unless the life settlement promotional, advertising, and marketing materials, as may be prescribed by rule, have been filed with the commissioner, provided that in no event may any marketing materials expressly reference that the insurance is free for any period of time; or

(9) with respect to any life insurance agent, insurance company, broker, or provider, make any statement or representation to the applicant or policyholder in connection with the sale or financing of a life insurance policy to the effect that the insurance is free or without cost to the policyholder for any period of time unless provided in the policy.

(b) A violation of this section is a fraudulent life settlement act.

Sec. 1111A.018. FRAUD PREVENTION AND CONTROL. (a) A person may not commit a fraudulent life settlement act.

(b) A person may not interfere with the enforcement of this chapter or an investigation of a suspected or actual violation of this chapter.

(c) A person in the business of life settlements may not knowingly or intentionally permit a person convicted of a felony involving dishonesty or breach of trust to participate in the business of life settlements.

(d) A life settlement contract and an application for a life settlement contract, regardless of the form of transmission, must contain the following, or a substantially similar, statement: "Any person who knowingly presents false information in an application for insurance or a life settlement contract is guilty of a crime and may be subject to fines and confinement in prison."

(e) The failure to include a statement as required in Subsection (d) is not a defense in any prosecution for a fraudulent life settlement act.

Sec. 1111A.019. MANDATORY REPORTING OF FRAUDULENT LIFE SETTLEMENT ACTS. A person engaged in the business of life settlements has a duty under Section 701.051 to report a fraudulent life settlement act.

Sec. 1111A.020. CONFIDENTIALITY. (a) The documents and evidence obtained by the commissioner in an investigation of a suspected or an actual fraudulent life settlement act are privileged and confidential, are not a public record, and are not subject to discovery or subpoena in a civil or criminal action.

(b) Subsection (a) does not prohibit release by the commissioner of documents and evidence obtained in an investigation of a suspected or an actual fraudulent life settlement act:

(1) in an administrative or judicial proceeding to enforce a provision of this code or another insurance law of this state;

(2) to a federal, state, or local law enforcement or regulatory agency, to an organization established for the purpose of detecting and preventing a fraudulent life settlement act, or to the National Association of Insurance Commissioners; or

(3) at the discretion of the commissioner, to a person in the business of life settlements that is aggrieved by a fraudulent life settlement act.

(c) Release of documents and evidence under Subsection (b) does not abrogate or modify the privilege granted in Subsection (a).

Sec. 1111A.021. OTHER LAW ENFORCEMENT OR REGULATORY AUTHORITY. This chapter does not:

(1) preempt the authority or relieve the duty of another law enforcement or regulatory agency to investigate, examine, and prosecute a suspected violation of law;

(2) preempt, supersede, or limit any provision of any state securities law or any rule, order, or notice issued under the law;

(3) prevent or prohibit a person from disclosing voluntarily information concerning life settlement fraud to a law enforcement or regulatory agency other than the department; or

(4) limit the powers granted by the laws of this state to the commissioner or an insurance fraud unit to investigate and examine a possible violation of law and to take appropriate action against wrongdoers.

Sec. 1111A.022. LIFE SETTLEMENT ANTIFRAUD INITIATIVES. (a) A provider or broker shall implement antifraud initiatives reasonably calculated to detect, prosecute, and prevent fraudulent life settlement acts. At the discretion of the

commissioner, the commissioner may order, or a license holder may request and the commissioner may grant, a modification of the following required initiatives as necessary to ensure an effective antifraud program. A modification granted under this section may be more or less restrictive than the required initiatives so long as the modification may reasonably be expected to accomplish the purpose of this section. Antifraud initiatives must include:

(1) fraud investigators, who may be provider or broker employees or independent contractors; and

(2) an antifraud plan, which must be submitted to the commissioner and must include:

(A) a description of the procedures for detecting and investigating possible fraudulent life settlement acts and procedures for resolving material inconsistencies between medical records and insurance applications;

(B) a description of the procedures for reporting possible fraudulent life settlement acts to the commissioner;

(C) a description of the plan for antifraud education and training of underwriters and other personnel; and

(D) a description or chart outlining the organizational arrangement of the antifraud personnel who are responsible for the investigation and reporting of possible fraudulent life settlement acts and investigating unresolved material inconsistencies between medical records and insurance applications.

(b) An antifraud plan submitted to the commissioner is privileged and confidential, is not subject to disclosure under Chapter 552, Government Code, and is not subject to discovery or subpoena in a civil action.

Sec. 1111A.023. INJUNCTION; CIVIL REMEDIES; CEASE AND DESIST ORDERS. (a) In addition to the penalties and other enforcement provisions of this chapter, if any person violates this chapter or any rule implementing this chapter, the commissioner may seek an injunction in a court in the county where the person resides or has a principal place of business and may apply for temporary and permanent orders that the commissioner determines necessary to restrain the person from further committing the violation.

(b) The commissioner may issue a cease and desist order against a person who violates any provision of this chapter, any rule or order adopted by the commissioner, or any written agreement entered into with the commissioner, in accordance with Chapter 82.

(c) If the commissioner finds that an action in violation of this chapter presents an immediate danger to the public and requires an immediate final order, the commissioner may issue an emergency cease and desist order under Chapter 83.

(d) The provisions of this chapter may not be waived by agreement. No choice of law provision may prevent the application of this chapter to any settlement.

Sec. 1111A.024. PENALTIES. (a) It is a violation of this chapter for any person, provider, broker, or any other party related to the business of life settlements to commit a fraudulent life settlement act.

(b) A person who knowingly, recklessly, or intentionally commits a fraudulent life settlement act commits a criminal offense and is subject to penalties under Chapter 35, Penal Code.

(c) Subtitle B, Title 2, applies to a violation of this chapter.

Sec. 1111A.025. APPLICABILITY OF OTHER INSURANCE LAWS. The following laws apply to a person engaged in the business of life settlements:

(1) Chapters 82, 83, 84, 101, 481, 541, and 701;

(2) Sections 31.002, 32.021, 32.023, 32.041, 38.001, 81.004, 86.001, 86.051, 86.052, 201.004, 401.051, 401.054, 401.151(a), 521.003, 521.004, 543.001(c), 801.056, and 862.052;

(3) Subchapter A, Chapter 32;

(4) Subchapter C, Chapter 36;

(5) Subchapter B, Chapter 404; and

(6) Subchapter B, Chapter 491.

SECTION _____. (a) A provider lawfully transacting business in this state before the effective date of this Act may continue to do so pending approval or disapproval of the person's application for a license as long as the application is filed with the commissioner of insurance not later than 30 days after the date of the publication by the commissioner of an application form and instructions for licensure of providers. If the publication of the application form and instructions is before the effective date of this Act, then the filing of the application may not be later than 30 days after the effective date of this Act and the applicant may use any form of life settlement contract that has been filed with the commissioner pending approval, provided that the form is otherwise in compliance with the provisions of this Act. A person transacting business in this state under this provision shall comply with all other requirements of this Act.

(b) A person who has lawfully negotiated a life settlement contract between an owner residing in this state and one or more providers for at least one year immediately before the effective date of this Act may continue to do so pending approval or disapproval of the person's application for a license provided that the application is filed with the commissioner of insurance not later than the 30th day after the date of publication by the commissioner of an application form and instructions for licensure of brokers. If the publication of the application form and instructions is before the effective date of this Act, then the filing of the application may not be later than the 30th day after the effective date of this Act. Any person transacting business in this state under this provision shall comply with all other requirements of this Act.

SECTION _____. The heading to Chapter 1111, Insurance Code, is amended to read as follows:

CHAPTER 1111. [~~LIFE AND VIATICAL SETTLEMENTS AND~~]
ACCELERATED TERM LIFE INSURANCE BENEFITS

SECTION _____. Subsection (a), Section 1551.255, Insurance Code, is amended to read as follows:

(a) In this section, "viatical settlement" has the meaning assigned to "life settlement contract" by Section 1111A.002 [~~1111.004~~].

SECTION _____. Subchapter A, Chapter 1111, Insurance Code, is repealed.

The amendment to **HB 2277** was read.

Senator Carona offered the following amendment to Floor Amendment No. 1:

Floor Amendment No. 2

Amend Floor Amendment No. 1 by Carona to **HB 2277** as follows:

(1) In added Section 1111A.003(h), Insurance Code (page 13, lines 5 - 6), strike "disclose the identity of the applicant's stockholders that own at least 10 percent of the shares of an applicant the shares of which" and substitute "disclose the identity of its stockholders, except stockholders owning fewer than ten percent of the shares of an applicant whose shares".

(2) In added Section 1111A.012(a), Insurance Code (page 20, lines 26 - 29), strike "Not later than the fifth day after the date a provider receives the application for a life settlement contract, the provider shall provide, in a separate written document, the following information to the owner:" and substitute "The broker, or the provider if no broker is involved in the application, shall provide in writing, in a separate document that is signed by the owner, the following information to the owner not later than the date of application for a life settlement contract:".

(3) In added Chapter 1111A, Insurance Code, immediately following added Section 1111A.025 (between page 37 and 38), add the following:

Sec. 1111A.026. APPLICABILITY OF CERTAIN PROVISIONS TO LIFE EXPECTANCY ESTIMATORS. (a) The following provisions do not apply to a broker who acts solely as a life expectancy estimator:

(1) Section 1111A.003(p);

(2) Section 1111A.012; and

(3) Sections 1111A.014(l) and (m).

(b) The commissioner may exempt a broker who acts only as a life expectancy estimator from other provisions of this chapter if the commissioner finds that the application of those provisions to the broker are not necessary for the public welfare.

The amendment to Floor Amendment No. 1 to **HB 2277** was read and was adopted by a viva voce vote.

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

Question recurring on the adoption of Floor Amendment No. 1 to **HB 2277**, the amendment as amended was adopted by a viva voce vote.

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

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

HB 2277 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2277 ON THIRD READING

Senator Williams moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2277** be placed on its third reading and final passage.

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

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1146 ON SECOND READING**

Senator Carona moved to suspend the regular order of business to take up for consideration **CSHB 1146** at this time on its second reading:

CSHB 1146, Relating to the registration and regulation of appraisal management companies; providing penalties.

The motion prevailed.

Senators Birdwell, Estes, Patrick, and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

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

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Estes, Patrick, Williams.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1146 ON THIRD READING**

Senator Carona moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1146** be placed on its third reading and final passage.

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

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Gallegos, Harris, Hegar, Hinojosa, Huffman, Jackson, Lucio, Nelson, Nichols, Ogden, Rodriguez, Seliger, Shapiro, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Zaffirini.

Nays: Birdwell, Estes, Patrick, Williams.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 1106 ON SECOND READING

On motion of Senator West and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1106** at this time on its second reading:

HB 1106, Relating to providing certain information to a criminal defendant at the time the defendant is placed on deferred adjudication community supervision and at the time of the dismissal of certain proceedings against the defendant.

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

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1106 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1106** be placed on its third reading and final passage.

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

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1028 ON SECOND READING

On motion of Senator Estes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1028** at this time on its second reading:

HB 1028, Relating to certain contact between a criminal defendant and the victim of the offense of which the defendant is convicted or a member of the victim's family.

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

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1028 ON THIRD READING

Senator Estes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1028** be placed on its third reading and final passage.

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

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1123 ON SECOND READING

Senator West moved to suspend the regular order of business to take up for consideration **HB 1123** at this time on its second reading:

HB 1123, Relating to the regulation of athlete agents; providing administrative and criminal penalties.

The motion prevailed.

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

The bill was read second time.

Senator West offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend **HB 1123** (House Engrossed) as follows:

(1) On page 4, lines 8-10, strike the following:

"an arrest for a crime that in this state is an offense other than a Class C misdemeanor;"

(2) On page 4, lines 13-20, reletter the paragraphs of Section 2051(b)(3), Occupations Code, accordingly.

(3) On page 7, line 10, strike "arrest for" and substitute "conviction of".

(4) On page 7, line 17, strike "the arrest" and substitute "conviction."

The amendment to **HB 1123** was read and was adopted by a viva voce vote.

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

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

HB 1123 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Nelson.

HOUSE BILL 1123 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1123** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Gallegos, Harris, Hegar, Hinojosa, Huffman, Jackson, Lucio, Nichols, Ogden, Patrick, Rodriguez, Seliger, Shapiro, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Williams, Zaffirini.

Nays: Birdwell, Nelson.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 34 ON SECOND READING

On motion of Senator Shapiro and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 34** at this time on its second reading:

HB 34, Relating to including in the public high school curriculum instruction in methods of paying for postsecondary education and training.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 34** (senate committee printing) as follows:

(1) In SECTION 1 of the bill, in added Section 28.0021(b), Education Code (page 1, line 32), immediately following "section.", insert the following:

Each district and each open-enrollment charter school that offers a high school program shall ensure that a district or charter school student enrolled at an institution of higher education in a dual credit course meeting the requirements for an economics credit under Section 28.025 receives the instruction described under this subsection.

(2) In SECTION 1 of the bill, in added Section 28.0021(c), Education Code (page 1, line 44), between "Subsection (b)" and the period, insert "and shall ensure that the instruction described under this subsection is provided to a district or charter school student enrolled at an institution of higher education in a dual credit course meeting the requirements for an economics credit".

The amendment to **HB 34** was read and was adopted by a viva voce vote.

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

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

HB 34 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 34 ON THIRD READING

Senator Shapiro moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 34** be placed on its third reading and final passage.

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

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 27 ON SECOND READING

Senator Ellis moved to suspend the regular order of business to take up for consideration **HB 27** at this time on its second reading:

HB 27, Relating to the payment of fines and costs by defendants who are unable to pay the fines and costs in misdemeanor cases.

The motion prevailed.

Senators Estes, Nelson, and Shapiro asked to be recorded as voting "Nay" on suspension of the regular order of business.

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

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Estes, Nelson, Shapiro.

HOUSE BILL 27 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 27** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 28, Nays 3.

Yeas: Birdwell, Carona, Davis, Deuell, Duncan, Ellis, Eltife, Fraser, Gallegos, Harris, Hegar, Hinojosa, Huffman, Jackson, Lucio, Nichols, Ogden, Patrick, Rodriguez, Seliger, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Williams, Zaffirini.

Nays: Estes, Nelson, Shapiro.

The bill was read third time and was passed by the following vote: Yeas 28, Nays 3. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 2457 ON SECOND READING

On motion of Senator Jackson and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2457** at this time on its second reading:

CSHB 2457, Relating to the Texas Enterprise Fund and the Texas emerging technology fund.

The bill was read second time.

Senator Hinojosa, on behalf of Senator Ogden, offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2457** (Senate committee printing) as follows:

(1) In the recital to SECTION 1 of the bill (page 1, line 15), strike "amending Subsection (e) and adding Subsections (f-1) and (h-1)" and substitute "amending Subsections (c) and (e) and adding Subsections (d-1), (f-1), and (h-1)".

(2) In SECTION 1 of the bill, in amended Section 481.078, Government Code (page 1, between lines 16 and 17), insert the following:

(c) Except as provided by Subsections [Subsection] (d), and (d-1), the fund may be used only for economic development, infrastructure development, community development, job training programs, and business incentives.

(d-1) The fund may be used for the Texas homeless housing and services program administered by the Texas Department of Housing and Community Affairs. Subsections (e-1), (f), (f-1), (g), (h), (i), and (j) and Section 481.080 do not apply to a grant awarded for a purpose specified by this subsection.

(d-2) The fund may be used for the Jobs and Education for Texans Fund established under Chapter 403. Subsections (e-1), (f), (f-1), (g), (h), (i), and (j) and Section 481.080 do not apply to a grant awarded for a purpose specified by this subsection.

(3) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 481.079, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) For grants awarded for a purpose specified by Section 481.078(d-1), the report must include only the amount and purpose of each grant.

The amendment to **CSHB 2457** was read and was adopted by a viva voce vote.

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

Senator Davis offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 2457** (Senate committee printing) as follows:

(1) In the recital to SECTION 1 of the bill (page 1, line 15), strike "amending Subsection (e) and adding Subsections (f-1) and (h-1)" and substitute "amending Subsections (e) and (j) and adding Subsections (f-1), (f-2), and (h-1)".

(2) In SECTION 1 of the bill, following added Section 481.078(f-1), Government Code (page 1, between lines 37 and 38), insert the following:

(f-2) A grant agreement must contain a provision providing that if the recipient does not meet job creation performance targets as of the dates specified in the agreement, the recipient shall repay the grant in accordance with Subsection (j).

(3) In SECTION 1 of the bill, following added Section 481.078(h-1), Government Code (page 1, between lines 43 and 44), insert the following:

(j) Repayment of a grant under Subsection (f)(1)(A) shall ~~may~~ be prorated to reflect a partial attainment of job creation performance targets, and may be prorated for a partial attainment of other performance targets.

(4) In SECTION 19 of the bill (page 6, lines 47 and 48), strike "Section 480.078(f-1), Government Code, as added by this Act, applies" and substitute "Subsection (j), Section 481.078, Government Code, as amended by this Act, and Subsections (f-1) and (f-2), Section 481.078, Government Code, as added by this Act, apply".

The amendment to **CSHB 2457** was read and was adopted by a viva voce vote.

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

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

CSHB 2457 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 2457 ON THIRD READING

Senator Jackson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2457** be placed on its third reading and final passage.

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

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2229 ON SECOND READING

Senator Ellis moved to suspend the regular order of business to take up for consideration **HB 2229** at this time on its second reading:

HB 2229, Relating to the creation of the Texas HIV Medication Advisory Committee.

The motion prevailed.

Senators Birdwell, Hegar, Nichols, Patrick, and Williams asked to be recorded as voting "Nay" on suspension of the regular order of business.

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

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell, Hegar, Nichols, Patrick, Williams.

HOUSE BILL 2229 ON THIRD READING

Senator Ellis moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2229** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Carona, Davis, Deuell, Duncan, Ellis, Eltife, Estes, Fraser, Gallegos, Harris, Hinojosa, Huffman, Jackson, Lucio, Nelson, Ogden, Rodriguez, Seliger, Shapiro, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Zaffirini.

Nays: Birdwell, Hegar, Nichols, Patrick, Williams.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

SENATE RULES SUSPENDED**(Posting Rules)**

On motion of Senator Carona and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Business and Commerce might meet and consider the following bills tomorrow at 7:30 a.m.:

SB 1837, HB 1355, HB 1580, HB 1804, HB 1859, HB 2382, HB 2592, HB 2707, HB 2982.

SENATE RULE 11.10(a) SUSPENDED**(Public Notice of Committee Meetings)**

On motion of Senator Deuell and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Nominations might meet today.

**SENATE RULE 11.10(a) SUSPENDED
(Public Notice of Committee Meetings)**

On motion of Senator Williams and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Transportation and Homeland Security might meet today.

**NOTICE GIVEN FOR
LOCAL AND UNCONTESTED CALENDAR**

Senator Uresti announced that a Local and Uncontested Calendar had been furnished to each Member of the Senate. He then gave notice that the Local and Uncontested Calendar Session would be held at 8:00 a.m. tomorrow and that all bills and resolutions would be considered on second and third reading in the order in which they were listed.

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

On motion of Senator Uresti and by unanimous consent, Senate Rule 11.13 was suspended to grant all committees permission to meet while the Senate is meeting tomorrow during the Local and Uncontested Calendar Session.

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator West and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Intergovernmental Relations might meet and consider the following bills today:

HB 362, HB 1228, HB 1278, HB 1821, HB 2761, HB 2779.

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator Duncan and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on State Affairs might meet and consider **HB 3017** today.

**COMMITTEE SUBSTITUTE
HOUSE BILL 275 ON SECOND READING**

Senator Ogden moved to suspend the regular order of business to take up for consideration **CSHB 275** at this time on its second reading:

CSHB 275, Relating to making an appropriation of money from the economic stabilization fund for expenditure during the current state fiscal biennium.

The motion prevailed.

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

The bill was read second time.

Senator Ellis offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 275**, page 1, line 14, strike "\$3,973,557,000" and replace with "\$6,973,557,000".

The amendment to **CSHB 275** was read.

On motion of Senator Ogden, Floor Amendment No. 1 was tabled by the following vote: Yeas 18, Nays 13.

Yeas: Birdwell, Carona, Deuell, Duncan, Eltife, Estes, Fraser, Harris, Hegar, Huffman, Jackson, Nelson, Nichols, Ogden, Patrick, Seliger, Shapiro, Williams.

Nays: Davis, Ellis, Gallegos, Hinojosa, Lucio, Rodriguez, Uresti, Van de Putte, Watson, Wentworth, West, Whitmire, Zaffirini.

Senator West offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 275** (senate committee printing) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION ____ . TEXAS EDUCATION AGENCY: INCREASED BASIC ALLOTMENT UNDER FOUNDATION SCHOOL PROGRAM. Contingent on this Act being approved by a vote of two-thirds of the members present in each house of the legislature, as provided by Section 49-g(m), Article III, Texas Constitution, in addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2011, the amount of \$1,100,000,000 is appropriated from Economic Stabilization Fund 0599 to the Texas Education Agency, Strategy A.1.1, FSP - Equalized Operations, for the two-year period beginning on the effective date of this Act to increase the basic allotment under Section 42.101, Education Code, to \$4,905 for the fiscal years beginning September 1, 2011, and September 1, 2012.

The amendment to **CSHB 275** was read.

Senator West withdrew Floor Amendment No. 2.

CSHB 275 was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Birdwell.

**COMMITTEE SUBSTITUTE
HOUSE BILL 275 ON THIRD READING**

Senator Ogden moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 275** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Birdwell.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

SENATE RULES SUSPENDED
(Posting Rules)

On motion of Senator Ellis and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Government Organization might meet and consider the following bills today: **HB 2549, HB 2608.**

SENATE RULE 11.13 SUSPENDED
(Consideration of Bills in Committees)
(Motion In Writing)

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

MOTION TO RECESS

On motion of Senator Whitmire and by unanimous consent, the Senate at 1:36 p.m. agreed to recess, upon completion of the introduction of bills and resolutions on first reading, until 8:00 a.m. tomorrow for the Local and Uncontested Calendar Session.

The Senate further agreed to recess, upon conclusion of the Local and Uncontested Calendar Session, until 11:00 a.m. tomorrow.

HOUSE BILLS AND RESOLUTION ON FIRST READING

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

- HB 19** to Committee on Transportation and Homeland Security.
- HB 25** to Committee on Criminal Justice.
- HB 31** to Committee on Transportation and Homeland Security.
- HB 159** to Committee on State Affairs.
- HB 161** to Committee on Criminal Justice.
- HB 167** to Committee on Health and Human Services.
- HB 189** to Committee on Criminal Justice.
- HB 197** to Committee on Transportation and Homeland Security.
- HB 230** to Committee on Jurisprudence.
- HB 254** to Committee on State Affairs.
- HB 278** to Committee on Criminal Justice.
- HB 326** to Committee on Government Organization.
- HB 335** to Committee on Health and Human Services.
- HB 359** to Committee on Education.
- HB 427** to Committee on Intergovernmental Relations.
- HB 452** to Committee on Higher Education.
- HB 550** to Committee on Agriculture and Rural Affairs.
- HB 599** to Committee on Criminal Justice.
- HB 628** to Committee on State Affairs.
- HB 629** to Committee on Transportation and Homeland Security.

HB 677 to Committee on Education.
HB 680 to Committee on Health and Human Services.
HB 695 to Committee on Natural Resources.
HB 720 to Committee on State Affairs.
HB 737 to Committee on Intergovernmental Relations.
HB 804 to Committee on State Affairs.
HB 875 to Committee on Transportation and Homeland Security.
HB 882 to Committee on Business and Commerce.
HB 892 to Committee on Transportation and Homeland Security.
HB 940 to Committee on Criminal Justice.
HB 963 to Committee on Criminal Justice.
HB 995 to Committee on State Affairs.
HB 1036 to Committee on State Affairs.
HB 1046 to Committee on State Affairs.
HB 1122 to Committee on Criminal Justice.
HB 1129 to Committee on State Affairs.
HB 1234 to Committee on Economic Development.
HB 1244 to Committee on Higher Education.
HB 1250 to Committee on Intergovernmental Relations.
HB 1363 to Committee on Transportation and Homeland Security.
HB 1386 to Committee on Education.
HB 1408 to Committee on Veteran Affairs and Military Installations.
HB 1429 to Committee on Intergovernmental Relations.
HB 1476 to Committee on Health and Human Services.
HB 1544 to Committee on Transportation and Homeland Security.
HB 1547 to Committee on Natural Resources.
HB 1563 to Committee on Business and Commerce.
HB 1608 to Committee on State Affairs.
HB 1646 to Committee on Criminal Justice.
HB 1681 to Committee on Business and Commerce.
HB 1766 to Committee on State Affairs.
HB 1793 to Committee on Business and Commerce.
HB 1856 to Committee on Criminal Justice.
HB 1921 to Committee on Transportation and Homeland Security.
HB 1969 to Committee on Agriculture and Rural Affairs.
HB 2032 to Committee on Transportation and Homeland Security.
HB 2060 to Committee on State Affairs.
HB 2089 to Committee on State Affairs.
HB 2093 to Committee on State Affairs.
HB 2119 to Committee on Criminal Justice.
HB 2120 to Committee on State Affairs.
HB 2292 to Committee on State Affairs.
HB 2338 to Committee on Intergovernmental Relations.
HB 2357 to Committee on Transportation and Homeland Security.
HB 2365 to Committee on Higher Education.
HB 2369 to Committee on Health and Human Services.

HB 2380 to Committee on Education.
HB 2383 to Committee on Finance.
HB 2408 to Committee on Business and Commerce.
HB 2417 to Committee on Veteran Affairs and Military Installations.
HB 2443 to Committee on Transportation and Homeland Security.
HB 2446 to Committee on Health and Human Services.
HB 2449 to Committee on State Affairs.
HB 2493 to Committee on Economic Development.
HB 2496 to Committee on Criminal Justice.
HB 2507 to Committee on Natural Resources.
HB 2525 to Committee on Business and Commerce.
HB 2603 to Committee on Business and Commerce.
HB 2688 to Committee on Veteran Affairs and Military Installations.
HB 2722 to Committee on Health and Human Services.
HB 2729 to Committee on Economic Development.
HB 2788 to Committee on Health and Human Services.
HB 2819 to Committee on Health and Human Services.
HB 2884 to Committee on Transportation and Homeland Security.
HB 2917 to Committee on Transportation and Homeland Security.
HB 2931 to Committee on Business and Commerce.
HB 2990 to Committee on Transportation and Homeland Security.
HB 3018 to Committee on Education.
HB 3030 to Committee on Transportation and Homeland Security.
HB 3064 to Committee on Transportation and Homeland Security.
HB 3123 to Committee on Health and Human Services.
HB 3167 to Committee on Business and Commerce.
HB 3172 to Committee on Jurisprudence.
HB 3237 to Committee on Veteran Affairs and Military Installations.
HB 3268 to Committee on Natural Resources.
HB 3275 to Committee on Economic Development.
HB 3320 to Committee on Criminal Justice.
HB 3324 to Committee on Transportation and Homeland Security.
HB 3390 to Committee on Transportation and Homeland Security.
HB 3410 to Committee on Business and Commerce.
HB 3422 to Committee on Transportation and Homeland Security.
HB 3439 to Committee on Jurisprudence.
HB 3453 to Committee on Business and Commerce.
HB 3461 to Committee on Higher Education.
HB 3462 to Committee on Intergovernmental Relations.
HB 3474 to Committee on Criminal Justice.
HB 3542 to Committee on State Affairs.
HB 3589 to Committee on Business and Commerce.
HB 3597 to Committee on Natural Resources.
HB 3611 to Committee on Health and Human Services.
HB 3624 to Committee on Higher Education.
HB 3691 to Committee on Criminal Justice.

HB 3696 to Committee on Agriculture and Rural Affairs.

HB 3746 to Committee on Criminal Justice.

HB 3747 to Committee on State Affairs.

HB 3754 to Committee on Natural Resources.

HB 3812 to Committee on Intergovernmental Relations.

HB 3833 to Committee on Jurisprudence.

HB 3841 to Committee on Transportation and Homeland Security.

HB 3842 to Committee on Intergovernmental Relations.

HB 3845 to Committee on Intergovernmental Relations.

HB 3861 to Committee on Intergovernmental Relations.

HCR 74 to Committee on Health and Human Services.

CO-AUTHOR OF SENATE BILL 354

On motion of Senator Wentworth, Senator Shapiro will be shown as Co-author of **SB 354**.

CO-AUTHOR OF SENATE BILL 1175

On motion of Senator Jackson, Senator Davis will be shown as Co-author of **SB 1175**.

CO-AUTHOR OF SENATE BILL 1574

On motion of Senator Watson, Senator Zaffirini will be shown as Co-author of **SB 1574**.

CO-SPONSOR OF HOUSE BILL 243

On motion of Senator Zaffirini, Senator Uresti will be shown as Co-sponsor of **HB 243**.

CO-SPONSOR OF HOUSE BILL 1395

On motion of Senator Watson, Senator Hegar will be shown as Co-sponsor of **HB 1395**.

CO-SPONSOR OF HOUSE BILL 2457

On motion of Senator Jackson, Senator Davis will be shown as Co-sponsor of **HB 2457**.

CO-SPONSOR OF HOUSE BILL 3470

On motion of Senator Ogden, Senator Davis will be shown as Co-sponsor of **HB 3470**.

CO-SPONSORS OF HOUSE CONCURRENT RESOLUTION 18

On motion of Senator Shapiro, Senators Birdwell, Deuell, Fraser, Nelson, and Seliger will be shown as Co-sponsors of **HCR 18**.

RESOLUTIONS OF RECOGNITION

The following resolutions were adopted by the Senate:

Memorial Resolutions

SR 1003 by Ellis, In memory of Jerome Levy of Houston.

SR 1004 by Ellis, In memory of Clifton Gilmore, Jr., of Wadesboro, North Carolina.

Congratulatory Resolutions

SR 994 by Whitmire, Recognizing the Harris County Historical Commission on the dedication of the Centennial Marker replica honoring Lorenzo de Zavala.

SR 995 by West, Recognizing the Dallas County Community Supervision and Corrections Department on the occasion of Probation, Parole, and Community Supervision Week.

SR 997 by Wentworth, Recognizing Lavern Kistner on the occasion of her retirement from Brooks City-Base.

SR 998 by Lucio, Commending Taylor Sheneman for achieving the rank of Eagle Scout.

SR 999 by Lucio, Recognizing Juan Barrientes, Sr., of Brownsville on the occasion of his 80th birthday.

SR 1001 by Jackson, Recognizing Eugene A. Cernan for his service to the nation as a naval aviator and astronaut.

SR 1002 by Ellis, Recognizing Harmony Schools on the occasion of their 10th anniversary.

SR 1005 by Davis, Recognizing the South Hemphill Heights Neighborhood Association on the occasion of its 22nd anniversary.

RECESS

Pursuant to a previously adopted motion, the Senate at 1:46 p.m. recessed until 8:00 a.m. tomorrow for the Local and Uncontested Calendar Session.

APPENDIX

COMMITTEE REPORTS

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

May 16, 2011

STATE AFFAIRS — **CSHB 360, CSHB 2973**

OPEN GOVERNMENT — **CSHB 2313**

HEALTH AND HUMAN SERVICES — **CSHB 3342**

TRANSPORTATION AND HOMELAND SECURITY — **CSSB 513, CSHB 109, CSHB 630, CSHB 1899, CSHB 3510**

GOVERNMENT ORGANIZATION — **CSHB 1504, CSHB 2605**

STATE AFFAIRS — **CSHB 2477**

NATURAL RESOURCES — **CSHB 1981, CSHB 725**

CRIMINAL JUSTICE — **CSHB 1964**

BUSINESS AND COMMERCE — **CSSB 1920, CSHB 8**

HEALTH AND HUMAN SERVICES — **CSHB 2904, CSHB 1615**

INTERNATIONAL RELATIONS AND TRADE — **CSHB 397**

BILLS ENGROSSED

May 13, 2011

SB 1424, SB 1520, SB 1652, SB 1658, SB 1695, SB 1696, SB 1697, SB 1698, SB 1699, SB 1826

RESOLUTIONS ENROLLED

May 13, 2011

SR 984, SR 985, SR 986, SR 987, SR 992, SR 993, SR 1000

SENT TO SECRETARY OF STATE

May 16, 2011

SJR 28

SENT TO GOVERNOR

May 16, 2011

SB 198, SB 250, SB 279, SB 529, SB 551, SB 748, SB 758, SB 1024, SB 1107, SB 1478, SB 1505, SCR 45, SCR 46, SCR 52