

# SENATE JOURNAL

EIGHTY-FIFTH LEGISLATURE — REGULAR SESSION

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AUSTIN, TEXAS

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PROCEEDINGS

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SIXTY-SIXTH DAY

(Sunday, May 28, 2017)

The Senate met at 1:00 p.m. pursuant to adjournment and was called to order by the President.

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

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

Senator Hancock offered the invocation as follows:

Precious heavenly Father, the giver of all things, the creator of all things, God, on this memorial weekend, we first want to thank You for the sacrifice of Your son, who shed His blood that we may experience freedom. And as we do that, let us start this prayer in this day recognizing those that have shed their blood so this country and this state may experience freedom. And, God, lest we forget, may we also thank their fathers for their sacrifice for giving of their sons and their daughters for others. God, as we come here today to finalize a session, we pray that as Your servants, who are fortunate and blessed with the opportunity to serve in this capacity only through Your grace and only through Your mercy, the time, the energy, the effort, the votes, the discussion, the exchange would be one that would honor You, that we would be focused on the service to those that have called us and placed us here. Setting aside our differences, we come to You in this day acknowledging our weakness, and humbly we thank You for being able to be a speck in the mark in history of this great state. We thank You for our leaders that have guided us so well on these 140 days, and we pray that You would continue to bless the lives of those that You have gathered in this place. In Your name we pray. Amen.

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

The motion prevailed without objection.

**SENATE BILL 1109 WITH HOUSE AMENDMENT**

Senator Birdwell called **SB 1109** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

**Floor Amendment No. 1**

Amend **SB 1109** (house committee printing) as follows:

(1) On page 1, line 6, strike "Subsection (a-1)" and substitute "Subsections (a-1) and (a-2)".

(2) On page 1, between lines 12 and 13, insert the following:

(a-2) The governing body of a political subdivision, other than a county, located in a county that contains an intersection of U.S. Highway 277 and U.S. Highway 180 and that holds its general election for officers on the November uniform election date may, not later than December 31, 2018, change the date on which it holds its general election for officers to the May uniform election date. This subsection expires January 1, 2019.

The amendment was read.

Senator Birdwell moved to concur in the House amendment to **SB 1109**.

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

**SENATE BILL 2039 WITH HOUSE AMENDMENT**

Senator Zaffirini called **SB 2039** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

**Floor Amendment No. 1**

Amend **SB 2039** (house committee printing) on page 2, between lines 12 and 13, by inserting the following:

(c) Before the beginning of each school year, a school district that elects to use a module developed under Subsection (a) in the district's health curriculum shall provide written notice to the parent of each student enrolled in the district that includes the following:

(1) a statement that the district will provide instruction relating to sexual abuse and sex trafficking awareness to students enrolled in the district;

(2) a description of the material that will be used in providing instruction to students; and

(3) a statement that the parent has the right to review the material and remove the parent's student from the instruction.

(d) If a school district does not comply with the requirements of Subsection (c), a parent of a student enrolled in the district may file a complaint in accordance with the district's grievance procedure developed under Section 26.011.

The amendment was read.

Senator Zaffirini moved to concur in the House amendment to **SB 2039**.

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

Yeas: Birdwell, Campbell, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Buckingham, Burton, Creighton, Taylor of Collin.

### **SENATE BILL 1343 WITH HOUSE AMENDMENT**

Senator Hughes called **SB 1343** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

#### **Floor Amendment No. 1**

Amend **SB 1343** (house committee report) as follows:

(1) Add the following appropriately numbered SECTION to the bill:

SECTION \_\_\_\_\_. Section 503.001, Business & Commerce Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not apply to voiceprint data retained by a financial institution or an affiliate of a financial institution, as those terms are defined by 15 U.S.C. Section 6809.

(2) Strike page 3, line 27, through page 4, line 6, and substitute the following appropriately numbered SECTION:

SECTION \_\_\_\_\_. (a) Except as provided by Subsection (b) of this section, the changes in law made by this Act apply only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this subsection, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

(b) The change in law made by this Act to Section 503.001, Business & Commerce Code, applies only to a violation that occurs on or after the effective date of this Act. A violation that occurs before the effective date of this Act is governed by the law in effect on the date the violation occurred, and the former law is continued in effect for that purpose.

(3) Renumber the SECTIONS of the bill accordingly.

The amendment was read.

Senator Hughes moved to concur in the House amendment to **SB 1343**.

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

Nays: Huffines.

#### **LEAVE OF ABSENCE**

On motion of Senator Whitmire, Senator Menéndez was granted leave of absence on account of an illness in the family.

## SENATE BILL 1398 WITH HOUSE AMENDMENTS

Senator Lucio called **SB 1398** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

### Amendment

Amend **SB 1398** by substituting in lieu thereof the following:

#### A BILL TO BE ENTITLED AN ACT

relating to the placement and use of video cameras in certain self-contained classrooms or other settings providing special education services.

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

SECTION 1. Section 29.022, Education Code, is amended by amending Subsections (a), (b), (c), (d), (e), (i), and (j) and adding Subsections (a-1), (a-2), (a-3), (c-1), (e-1), (i-1), (l), (m), (n), (o), (p), (q), (r), (s), and (t) to read as follows:

(a) In order to promote student safety, on receipt of a written request authorized under Subsection (a-1) ~~[by a parent, trustee, or staff member]~~, a school district or open-enrollment charter school shall provide equipment, including a video camera, to the ~~[each]~~ school or schools in the district or the ~~[each]~~ charter school campus or campuses specified in the request ~~[in which a student who receives special education services in a self-contained classroom or other special education setting is enrolled]~~. A ~~[Each]~~ school or campus that receives equipment as provided by this subsection shall place, operate, and maintain one or more video cameras in ~~[each]~~ self-contained classrooms and ~~[classroom or]~~ other special education settings ~~[setting]~~ in which a majority of the students in regular attendance are~~[-~~

~~[(+)]~~ provided special education and related services~~[-]~~ and are

~~[(2)]~~ assigned to one or more ~~[a]~~ self-contained classrooms ~~[classroom]~~ or other special education settings ~~[setting]~~ for at least 50 percent of the instructional day, provided that:

(1) a school or campus that receives equipment as a result of the request by a parent or staff member is required to place equipment only in classrooms or settings in which the parent's child is in regular attendance or to which the staff member is assigned, as applicable; and

(2) a school or campus that receives equipment as a result of the request by a board of trustees, governing body, principal, or assistant principal is required to place equipment only in classrooms or settings identified by the requestor, if the requestor limits the request to specific classrooms or settings subject to this subsection.

(a-1) For purposes of Subsection (a):

(1) a parent of a child who receives special education services in one or more self-contained classrooms or other special education settings may request in writing that equipment be provided to the school or campus at which the child receives those services;

(2) a board of trustees or governing body may request in writing that equipment be provided to one or more specified schools or campuses at which one or more children receive special education services in self-contained classrooms or other special education settings;

(3) the principal or assistant principal of a school or campus at which one or more children receive special education services in self-contained classrooms or other special education settings may request in writing that equipment be provided to the principal's or assistant principal's school or campus; and

(4) a staff member assigned to work with one or more children receiving special education services in self-contained classrooms or other special education settings may request in writing that equipment be provided to the school or campus at which the staff member works.

(a-2) Each school district or open-enrollment charter school shall designate an administrator at the primary administrative office of the district or school with responsibility for coordinating the provision of equipment to schools and campuses in compliance with this section.

(a-3) A written request must be submitted and acted on as follows:

(1) a parent, staff member, or assistant principal must submit a request to the principal or the principal's designee of the school or campus addressed in the request, and the principal or designee must provide a copy of the request to the administrator designated under Subsection (a-2);

(2) a principal must submit a request by the principal to the administrator designated under Subsection (a-2); and

(3) a board of trustees or governing body must submit a request to the administrator designated under Subsection (a-2), and the administrator must provide a copy of the request to the principal or the principal's designee of the school or campus addressed in the request.

(b) A school or campus that places a video camera in a classroom or other special education setting in accordance with Subsection (a) shall operate and maintain the video camera in the classroom or setting, as long as the classroom or setting continues to satisfy the requirements under Subsection (a), for the remainder of the school year in which the school or campus received the request, unless the requestor withdraws the request in writing. If for any reason a school or campus will discontinue operation of a video camera during a school year, not later than the fifth school day before the date the operation of the video camera will be discontinued, the school or campus must notify the parents of each student in regular attendance in the classroom or setting that operation of the video camera will not continue unless requested by a person eligible to make a request under Subsection (a-1). Not later than the 10th school day before the end of each school year, the school or campus must notify the parents of each student in regular attendance in the classroom or setting that operation of the video camera will not continue during the following school year unless a person eligible to make a request for the next school year under Subsection (a-1) submits a new request.

(c) Except as provided by Subsection (c-1), video [Video] cameras placed under this section must be capable of:

(1) covering all areas of the classroom or other special education setting, including a room attached to the classroom or setting used for time-out [except that the inside of a bathroom or any area in the classroom or setting in which a student's clothes are changed may not be visually monitored]; and

(2) recording audio from all areas of the classroom or other special education setting, including a room attached to the classroom or setting used for time-out.

(c-1) The inside of a bathroom or any area in the classroom or other special education setting in which a student's clothes are changed may not be visually monitored, except for incidental coverage of a minor portion of a bathroom or changing area because of the layout of the classroom or setting.

(d) Before a school or campus activates [places] a video camera in a classroom or other special education setting under this section, the school or campus shall provide written notice of the placement to all school or campus staff and to the parents of each [a] student attending class or engaging in school activities [receiving special education services] in the classroom or setting.

(e) Except as provided by Subsection (e-1), a [A] school district or open-enrollment charter school shall retain video recorded from a video camera placed under this section for at least three [six] months after the date the video was recorded.

(e-1) If a person described by Subsection (i) requests to view a video recording from a video camera placed under this section, a school district or open-enrollment charter school must retain the recording from the date of receipt of the request until the person has viewed the recording and a determination has been made as to whether the recording documents an alleged incident. If the recording documents an alleged incident, the district or school shall retain the recording until the alleged incident has been resolved, including the exhaustion of all appeals.

(i) A video recording of a student made according to this section is confidential and may not be released or viewed except as provided by this subsection or Subsection (i-1) or (j). A school district or open-enrollment charter school shall release a recording for viewing by:

(1) an [a school district] employee [or a parent or guardian of a student] who is involved in an alleged incident that is documented by the recording and [for which a complaint] has been reported to the district or school, on request of the employee [parent, or guardian, respectively];

(2) a parent of a student who is involved in an alleged incident that is documented by the recording and has been reported to the district or school, on request of the parent;

(3) appropriate Department of Family and Protective Services personnel as part of an investigation under Section 261.406, Family Code;

(4) [(3)] a peace officer, a school nurse, a district or school administrator trained in de-escalation and restraint techniques as provided by commissioner rule, or a human resources staff member designated by the board of trustees of the school district or the governing body of the open-enrollment charter school in response to a report of an alleged incident [complaint] or an investigation of district or school personnel or a report [complaint] of alleged abuse committed by a student; or

(5) [(4)] appropriate agency or State Board for Educator Certification personnel or agents as part of an investigation.

(i-1) A contractor or employee performing job duties relating to the installation, operation, or maintenance of video equipment or the retention of video recordings who incidentally views a video recording is not in violation of Subsection (i).

(j) If a person described by Subsection (i)(4) [(i)(3)] or (5) [(4)] who views the video recording believes that the recording documents a possible violation under Subchapter E, Chapter 261, Family Code, the person shall notify the Department of Family and Protective Services for investigation in accordance with Section 261.406, Family Code. If any person described by Subsection (i)(3) [(i)(2)], [(3), or] (4), or (5) who views the recording believes that the recording documents a possible violation of district or school policy, the person may allow access to the recording to appropriate legal and human resources personnel. A recording believed to document a possible violation of district or school policy relating to the neglect or abuse of a student may be used as part of a disciplinary action against district or school personnel and shall be released at the request of the student's parent [or guardian] in a legal proceeding. This subsection does not limit the access of a student's parent to a record regarding the student under the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Section 1232g) or other law.

(l) A school district or open-enrollment charter school policy relating to the placement, operation, or maintenance of video cameras under this section must:

(1) include information on how a person may appeal an action by the district or school that the person believes to be in violation of this section or a policy adopted in accordance with this section, including the appeals process under Section 7.057;

(2) require that the district or school provide a response to a request made under this section not later than the seventh school business day after receipt of the request by the person to whom it must be submitted under Subsection (a-3) that authorizes the request or states the reason for denying the request;

(3) except as provided by Subdivision (5), require that a school or a campus begin operation of a video camera in compliance with this section not later than the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the request is authorized unless the agency grants an extension of time;

(4) permit the parent of a student whose admission, review, and dismissal committee has determined that the student's placement for the following school year will be in a classroom or other special education setting in which a video camera may be placed under this section to make a request for the video camera by the later of:

(A) the date on which the current school year ends; or

(B) the 10th school business day after the date of the placement determination by the admission, review, and dismissal committee; and

(5) if a request is made by a parent in compliance with Subdivision (4), unless the agency grants an extension of time, require that a school or campus begin operation of a video camera in compliance with this section not later than the later of:

(A) the 10th school day of the fall semester; or

(B) the 45th school business day, or the first school day after the 45th school business day if that day is not a school day, after the date the request is made.

(m) A school district, parent, staff member, or administrator may request an expedited review by the agency of the district's:

(1) denial of a request made under this section;

(2) request for an extension of time to begin operation of a video camera under Subsection (1)(3) or (5); or

(3) determination to not release a video recording to a person described by Subsection (i).

(n) If a school district, parent, staff member, or administrator requests an expedited review under Subsection (m), the agency shall notify all other interested parties of the request.

(o) If an expedited review has been requested under Subsection (m), the agency shall issue a preliminary judgment as to whether the district is likely to prevail on the issue under a full review by the agency. If the agency determines that the district is not likely to prevail, the district must fully comply with this section notwithstanding an appeal of the agency's decision. The agency shall notify the requestor and the district, if the district is not the requestor, of the agency's determination.

(p) The commissioner:

(1) shall adopt rules relating to the expedited review process under Subsections (m), (n), and (o), including standards for making a determination under Subsection (o); and

(2) may adopt rules relating to an expedited review process under Subsections (m), (n), and (o) for an open-enrollment charter school.

(q) The agency shall collect data relating to requests made under this section and actions taken by a school district or open-enrollment charter school in response to a request, including the number of requests made, authorized, and denied.

(r) A video recording under this section is a governmental record only for purposes of Section 37.10, Penal Code.

(s) This section applies to the placement, operation, and maintenance of a video camera in a self-contained classroom or other special education setting during the regular school year and extended school year services.

(t) In this section:

(1) "Parent" includes a guardian or other person standing in parental relation to a student.

(2) "School business day" means a day that campus or school district administrative offices are open.

(3) "Self-contained classroom" does not include a classroom that is a resource room instructional arrangement under Section 42.151.

(4) "Staff member" means a teacher, related service provider, paraprofessional, counselor, or educational aide assigned to work in a self-contained classroom or other special education setting.

(5) "Time-out" has the meaning assigned by Section 37.0021.



SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

**Floor Amendment No. 1**

Amend **CSSB 1398** (house committee report) as follows:

(1) On page 1, line 9, strike "and (t)" and substitute "(t), and (u)".

(2) On page 10, between lines 17 and 18, insert the following:

(t) A video camera placed under this section is not required to be in operation for the time during which students are not present in the classroom or other special education setting.

(3) On page 10, line 18, strike "t" and substitute "u".

The amendments were read.

Senator Lucio moved to concur in the House amendments to **SB 1398**.

The motion prevailed by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**REMARKS ORDERED PRINTED**

On motion of Senator Hall and by unanimous consent, the remarks by Senators Lucio and Hall regarding **SB 1398** were ordered reduced to writing and printed in the *Senate Journal* as follows:

**Senator Hall:** Senator Lucio, this is, as you know, we worked hard last session on this bill and then did the work this session to make sure that it didn't get mis-implemented. Is the final version that we ended up with one that where there'll be cameras requested, it will only be necessary for the school to install them in the classroom where the child is, not throughout the whole school? Is that correct?

**Senator Lucio:** That was the extent of the debate and we debated it at length not only in committee but also on this floor.

**Senator Hall:** Absolutely. Now I want to make sure that is the intent of this bill that it will—

**Senator Lucio:** It, it always had been my intent since last session. Someone, obviously, in another agency said otherwise. So, we made it clear, I think, hopefully, it's crystal clear, especially after our change here right now.

**Senator Hall:** Absolutely, and I thank you very much for having done that.

**Senator Lucio:** Thank you.

**Senator Hall:** Our schools will appreciate that, too.

**Senator Lucio:** Thank you, Senator.

**Senator Hall:** Thank you, Senator.

**SENATE BILL 2276 WITH HOUSE AMENDMENT**

Senator Creighton called **SB 2276** from the President's table for consideration of the House amendment to the bill.

The President laid the bill and the House amendment before the Senate.

**Amendment**

Amend **SB 2276** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED  
AN ACT

relating to the creation of Lakewood Improvement District of Harris County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3951 to read as follows:

CHAPTER 3951. LAKEWOOD IMPROVEMENT DISTRICT OF HARRIS  
COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3951.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Houston.
- (3) "County" means Harris County.
- (4) "Director" means a board member.
- (5) "District" means the Lakewood Improvement District of Harris County.

Sec. 3951.002. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3951.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city, the county, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

Sec. 3951.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

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

- (1) developing and diversifying the economy of the state;
- (2) eliminating unemployment and underemployment; and
- (3) developing or expanding transportation and commerce.

(d) The district will:

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

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

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

(4) provide for road, bridge, and recreational facilities for the district.

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

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

Sec. 3951.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

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

Sec. 3951.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

- (1) a tax increment reinvestment zone created under Chapter 311, Tax Code;
- (2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;
- (3) an enterprise zone created under Chapter 2303, Government Code; or
- (4) an industrial district created under Chapter 42, Local Government Code.

Sec. 3951.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3951.008. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3951.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than nine voting directors.

Sec. 3951.052. APPOINTMENT OF VOTING DIRECTORS. The Texas Commission on Environmental Quality shall appoint voting directors from persons recommended by the board.

Sec. 3951.053. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Sec. 3951.054. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

(1) a board position vacant for any reason, including death, resignation, or disqualification;

(2) a director who is abstaining from participation in a vote because of a conflict of interest; or

(3) a nonvoting director.

Sec. 3951.055. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 3951.056. INITIAL VOTING DIRECTORS. (a) The initial board consists of:

<u>Pos. No.</u>	<u>Name of Director:</u>
1	_____
2	_____
3	_____
4	_____
5	_____

(b) Of the initial directors, the terms of directors appointed for positions one through three expire June 1, 2019, and the terms of directors appointed for positions four and five expire June 1, 2021.

(c) Section 3951.052 does not apply to this section.

(d) This section expires September 1, 2021.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3951.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3951.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3951.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3951.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

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

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

Sec. 3951.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

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

Sec. 3951.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Sec. 3951.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3951.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

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

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

(2) provide district personnel and services.

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

(1) Chapter 380, Local Government Code; and

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

Sec. 3951.109. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

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

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

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

Sec. 3951.110. ANNEXATION AND EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

Sec. 3951.111. NAVIGATION DISTRICT POWERS. (a) The district has the powers provided by the general law of this state applicable to navigation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 60 and 62, Water Code.

(b) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, a canal, waterway, bulkhead, dock, or other improvement or facility necessary or convenient to accomplish the navigation purposes of the district.

Sec. 3951.112. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 257 and 441, Transportation Code.

Sec. 3951.113. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 3951.114. PROPERTY OF CERTAIN UTILITIES EXEMPT FROM ASSESSMENTS AND FEES. The district may not impose an assessment, impact fee, or standby fee on the property, including the equipment, rights-of-way, easements, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility, as defined by Section 101.003 or 121.001, Utilities Code, or a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas;

(3) a person who owns pipelines used for the transportation or sale of carbon dioxide;

(4) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(5) a cable service provider or video service provider as defined by Section 66.002, Utilities Code.

Sec. 3951.115. USE OF ELECTRICAL OR OPTICAL LINES. (a) The district may impose an assessment to pay the cost of:

(1) burying or removing electrical power lines, telephone lines, cable or fiber-optic lines, or any other type of electrical or optical line; and

(2) removing poles and any elevated lines using the poles.

(b) The district may finance, acquire, construct, improve, operate, maintain, or charge fees for the use of the district conduits for another person's:

(1) telecommunications network; or

(2) fiber-optic cable.

(c) Consistent with Title 2, Utilities Code, the district may finance, construct, or maintain conduits for:

(1) electronic transmission and distribution lines and supporting facilities; or

(2) other types of transmission and distribution lines and supporting facilities.

(d) The district may not require a person to use a district conduit.

Sec. 3951.116. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3951.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

Sec. 3951.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Sec. 3951.153. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

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

Sec. 3951.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

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

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

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

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

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

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

Sec. 3951.155. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Sec. 3951.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Sec. 3951.157. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

#### SUBCHAPTER E. TAXES AND BONDS

Sec. 3951.201. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 3951.203.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

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

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

Sec. 3951.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3951.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for any district purpose, including to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

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

(c) Section 49.107(h), Water Code, does not apply to the district.



Sec. 3951.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

Sec. 3951.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

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

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section 49.4645, Water Code, does not apply to the district.

Sec. 3951.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 3951.206. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

#### SUBCHAPTER F. SALES AND USE TAX

Sec. 3951.251. MEANINGS OF WORDS AND PHRASES. A word or phrase used in this subchapter that is defined by Chapter 151 or 321, Tax Code, has the meaning assigned by Chapter 151 or 321, Tax Code.

Sec. 3951.252. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) The provisions of Subchapters C, D, E, and F, Chapter 323, Tax Code, relating to county sales and use taxes apply to the application, collection, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter 323, Tax Code, to a county referred to the district and references to a commissioners court referred to the board.

(b) Sections 323.401-323.404 and 323.505, Tax Code, do not apply to a tax imposed under this subchapter.

Sec. 3951.253. AUTHORIZATION; ELECTION. (a) The district shall adopt, reduce, or repeal the sales and use tax authorized by this subchapter at an election in which a majority of the voters of the district voting in the election approve the adoption, reduction, or repeal of the tax, as applicable.

(b) The board by order shall call an election to adopt, reduce, or repeal a sales and use tax. The election shall be held on the first authorized uniform election date that occurs after the time required by Section 3.005, Election Code.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Chapter 54, Water Code, for bond elections for municipal utility districts.

(d) The ballots shall be printed to provide for voting for or against the following appropriate proposition:

(1) "Adoption of a \_\_\_ percent district sales and use tax in the district";

(2) "Reduction of the district sales and use tax in the district from \_\_\_ percent to \_\_\_ percent"; or

(3) "Repeal of the district sales and use tax in the district."

Sec. 3951.254. EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or the repeal or reduction of a tax under this subchapter takes effect on the first day of the first calendar quarter that occurs after the date the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code.

Sec. 3951.255. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax of two percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location in the district does not exceed two percent, on the receipts from the sale at retail of taxable items in the district, and an excise tax on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer during the period that the tax is in effect.

(b) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item.

Sec. 3951.256. EXAMINATION AND RECEIPT OF INFORMATION. The district may examine and receive information related to the imposition of a sales and use tax to the same extent as if the district were a municipality.

Sec. 3951.257. ALTERNATIVE METHOD OF IMPOSITION. Notwithstanding any other provision of this subchapter, the district may impose the sales and use tax as provided by Subchapter F, Chapter 383, Local Government Code, instead of as provided by the other provisions of this subchapter.

#### SUBCHAPTER G. DEFINED AREAS

Sec. 3951.301. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Sec. 3951.302. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall hold an election in the defined area or in the designated property only.

(b) The board may submit the issues to the voters on the same ballot to be used in another election.

Sec. 3951.303. DECLARING RESULT AND ISSUING ORDER. If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

Sec. 3951.304. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3951.303, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Sec. 3951.305. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3951.303 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

#### SUBCHAPTER H. DISSOLUTION OF DISTRICT

Sec. 3951.351. DISSOLUTION. (a) Except as provided by Subsection (b), the board:

(1) may dissolve the district; and

(2) shall dissolve the district on receipt of a written petition requesting dissolution signed by the owners of 75 percent of the acreage of real property in the district.

(b) The board may not dissolve the district until the district's outstanding indebtedness or contractual obligations have been repaid or discharged.

(c) After the board dissolves the district, the board shall transfer ownership of all district property and assets to the county.

SECTION 2. The Lakewood Improvement District of Harris County initially includes all the territory contained in the following area:

All bearings, distance and acreages are grid and are referenced to the State Plane Coordinate System, Texas South Central Zone, NAD83, U. S. survey feet. Mapping angle is +01°54'04" and the scale factor is 0.999915022.

#### TRACT I

BEGINNING at an iron rod with cap marked 'CENTERPOINT ENERGY' found at the northeast corner of a called 102.152 acre tract recorded in Document No. C683627, Deed Records of Harris County, Texas and in the west line of the T.& N.O. Rail Road right of way (variable width). Said iron rod has a State Plane coordinate value of N: 13895997.02 and E: 3210310.99.

THENCE S 47° 04'28" W with the west line of said Rail Road right of way a distance of 926.77 feet to a point for corner.

THENCE continuing with the west line of said Rail Road right of way with the arc of a curve to the left having a chord direction of S 35° 23' 19 W, and a radius of 2451.30, a distance of 1101.40 feet to a point for corner.

THENCE S 23° 06' 25" W with the west line of said Rail Road right of way a distance of 47.01 feet to a 1/2 inch iron rod with cap marked '5502' set from which a 26" pine marked 'X' bears North 6.5 feet.

THENCE S 88°03'39" W with the north line of a called 304.5696 acre tract recorded in Document No. 20130230098 a distance of 2407.13 feet to an iron rod found with cap marked 'RPLS 4615'.

THENCE S 87°58'14" W with the north line of the said called 304.5696 acre tract and the south line of the herein described tract a distance of 4489.98 feet to a 1/2 inch iron pipe found from which a 28" sweet gum marked 'X' bears N58°W 3 feet.

THENCE S 88°10'16" W with the north line of the said 304.5696 acre tract a distance of 3159.89 feet to the left bank of the San Jacinto River on the line of mean higher high water.

THENCE up the river with its meanders on the line of mean higher high water:

N 31°25'35" W 84.67 feet;

N 15°33'56" W 191.85 feet;

N 04°38'06" W 258.15 feet;

N 14°00'39" W 87.13 feet;

N 20°54'29" W 155.32 feet;

N 26°38'13" W 215.05 feet;

N 39°38'48" W 353.07 feet;

N 50°07'18" W 307.76 feet;

N 54°25'26" W a distance of 278.56 feet to a point for corner at the southwest corner of said called 102.152 acre tract.

THENCE N 88°23'12" E with the south line of the said called 102.152 acre tract and the north line of the herein described tract 9551.32 feet to an iron rod found with blue cap.

THENCE N87°53'38"E with the south line said called 102.152 acre tract a distance of 2593.16 feet to 1/2 inch iron rod set with cap marked '5502'.

THENCE S 85°24'11" E with the south line of the said called 102.152 acre tract and the north line of the herein described tract a distance of 225.32 feet to the PLACE OF BEGINNING, containing 394.12 acres of land.

#### TRACT II

BEGINNING at a 1" iron pipe found at the most easterly corner of a called 56.50 acre tract recorded in Volume 1458, Page 1, Deed Records of Harris County, Texas, in the south line of the San Jacinto River Authority East Canal right of way, recorded in Volume 1294, Page 256, Deed Records of Harris County, Texas, and at the most northerly northwest corner of this tract, and having a Texas State Plane coordinate value of N: 13902035.22 and E: 3197556.06.

THENCE S 58° 23' 02" E with the south line of said San Jacinto River Authority East Canal right of way, and a north line of this tract, a distance of 1,097.21 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing with the south line of said San Jacinto River Authority East Canal right of way, and a north line of this tract, with the arc of a curve to the left having a chord direction of S 84° 10' 00" E, a radius of 317.72, a distance of 298.83 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 68° 53' 20" E continuing with the south line of said San Jacinto River Authority East Canal right of way, and a north line of this tract a distance of 1,833.89 feet to a point.

THENCE N 72° 25' 46" E continuing with the south line of said San Jacinto River Authority East Canal, and a north line of this tract a distance of 567.07 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northwest corner of a called 2.866 acre tract recorded in Harris County Clerk's File E018138.

THENCE S 01° 15' 13" E with the west line of said called 2.866 acre tract a distance of 329.82' to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southwest corner of said called 2.866 acre tract.

THENCE N 88° 44' 57" E with the south line of said called 2.866 acre tract, a distance of 330.05 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southeast corner of said called 2.866 acre tract.

THENCE N 01° 15' 14" W with the east line of said called 2.866 acre tract a distance of 426.18 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northeast corner of said called 2.866 acre tract, in the south line of said San Jacinto River Authority East Canal right of way.

THENCE N 72° 28' 26" E continuing with the south line of said San Jacinto River Authority East Canal right of way, and a north line of this tract a distance of 312.52 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at a northerly corner of this tract and the northwest corner of Newport Subdivision, Section 4, a subdivision recorded in Volume 206, Page 145, Map Records of Harris County, Texas, from which an iron rod found with cap marked "RUSS AND PARK SURVEYING" bears N 72° 29' 29" E a distance of 167.92 feet.

THENCE S 00° 36' 34" E with a west line of said Newport Subdivision, Section 4, and a northerly east line of this tract a distance of 1,261.04 feet to a 1/2 inch iron rod found at the most westerly southwest corner of said Newport Subdivision, Section 4.

THENCE N 89° 29' 03" E with a south line of said Newport Subdivision, Section 4 and a north line of this tract a distance of 71.96 feet to a 1/2 inch iron rod found at the most southerly northwest corner of a called 9.29 acre tract (Called Tract 6), recorded in Harris County Clerk's File Z432808.

THENCE S 18° 57' 14" W with the west line of said called 9.29 acre tract, passing the southwest corner of said called 9.29 acre tract and the northwest corner of a called 4.29 acre tract recorded in File No. T528516, Deed Records of Harris County, Texas, and continuing a total distance of 512.10 feet to 1/2 inch iron rod with cap marked "SHINE 5502" set at the southwest corner of said called 4.29 acre tract.

THENCE S 48° 47' 48" E with the southwest line of said called 4.29 acre tract a distance of 660.77 feet to a 1/2 inch iron rod found at the southeast corner of said called 4.29 acre tract in the west line of Newport Subdivision, Section 2, a subdivision recorded in Volume 195, Page 35, Map Records of Harris County, Texas.

THENCE S 04° 57' 10" W with the west line of said Newport Subdivision, Section 2, a distance of 1,073.79 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set in the south right of way line of Diamondhead Boulevard (100 feet wide right of way) and at an interior corner of this tract.

THENCE with the south right of way line of said Diamondhead Boulevard with the arc of a curve to the left having a chord direction of N 89° 25' 20" E, a radius of 2,049.25, a distance of 560.15 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northwest corner of a called 175.61 acre tract recorded in T528516, Deed Records of Harris County, Texas.

THENCE S 01° 23' 48" E with the west line of said called 175.61 acre tract a distance of 2,298.34 feet to a 60D nail set at the southwest corner of said called 175.61 acre tract and an interior corner of this tract.

THENCE N 88° 30' 12" E with the south line of said called 175.61 acre tract a distance of 2,983.90 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southeast corner of said called 175.61 acre tract.

THENCE with the east line of said called 175.61 acre tract with the arc of a curve to the right having a chord direction of N 15° 16' 49" E, a radius of 2,100.00 feet, a distance of 366.97 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 20° 17' 11" E continuing with the east line of said called 175.61 acre tract a distance of 509.92 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing with the east line of said called 175.61 acre tract with the arc of a curve to the right having a chord direction of N 26° 19' 31" E, a radius of 2,100.00 feet, a distance of 440.98 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 32° 20' 27" E continuing with the east line of said called 175.61 acre tract a distance of 140.56 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing with the east line of said called 175.61 acre tract with the arc of a curve to the left having a chord direction of N 06° 59' 15" E, a radius of 1,200.04 feet, a distance of 949.49 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northeast corner of said called 175.61 acre tract, in the south right of way of said Diamondhead Boulevard.

THENCE N 75° 17' 09" E with the south right of way line of said Diamondhead Boulevard, and a north line of this tract, a distance of 769.43 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing with the south right of way line of said Diamondhead Boulevard with the arc of a curve to the right having a chord direction of N 77° 44' 32" E, a radius of 1,951.36 feet, a distance of 167.12 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northwest corner of Newport Subdivision, Section 8, a subdivision recorded in Volume 288, Page 21, Map Records of Harris County, Texas, and a northeast corner of this tract.

THENCE S 08° 03' 08" W with a west line of said Newport Subdivision, Section 8, a distance of 515.74 feet to a 1/2 inch iron rod found.

THENCE S 62° 25' 36" E continuing with the west line of said Newport Subdivision, Section 8, a distance of 177.89 feet to a 1/2 inch iron rod found.

THENCE S 36° 39' 06" E continuing with the west line of said Newport Subdivision, Section 8, a distance of 59.96 feet to a 1/2 inch iron rod found.

THENCE S 58° 36' 12" E continuing with the west line of said Newport Subdivision, Section 8, a distance of 96.09 feet to a 1/2 inch iron rod found at a northerly southwest corner of said Newport Subdivision, Section 8.

THENCE N 88° 23' 50" E with a northerly south line of said Newport Subdivision, Section 8, a distance of 51.27 feet to a 1/2 inch iron rod found at the northwest corner of a called 14.1645 acre tract recorded in File No. S031457, Deed Records of Harris County, Texas.

THENCE S 02° 21' 10" E with the west line of said called 14.1645 acre tract a distance of 1,333.31 feet to a 1/2 inch iron rod found at the southwest corner of said called 14.1645 acre tract, from which a 42" Sycamore bears N 44° E a distance of 36.60 feet, a 12" corner post with old barbed wire bears N 04° W a distance of 12.50 feet, and the north bank of Gum Gully bears South, 26.70 feet.

THENCE N 87° 37' 51" E with the south line of said called 14.1645 acre tract, passing the

southeast corner of said called 14.1645 acre tract and the southwest corner of a called 15.1515 acre tract recorded in File No. 20070632536, Deed Records of Harris County, Texas, a total distance of 1, 545.45 feet to a 60D Nail found in fence post at the southeast corner of said called 15.1515 acre tract.

THENCE N 02° 49' 23" W with the west line of said called 15.1515 acre tract a distance of 326.36 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at a southwest corner of said Newport Subdivision, Section 8.

THENCE N 88° 16' 59" E with a south line of said Newport Subdivision, Section 8, and a north line of this tract a distance of 125.02 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 75° 51' 35" E continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 83.64 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE with a west line of said Newport Subdivision, Section 8, and an east line of this tract with the arc of a curve to the right having a chord direction of S 10° 15' 26" W, a radius of 250.00 feet, a distance of 162.32 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing with a west line of said Newport Subdivision, Section 8, and an east line of this tract with the arc of a curve to the left having a chord direction of S 13° 34' 14" W, a radius of 150.00 feet, a distance of 80.05 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 01° 43' 01" E continuing with an east line of said Harris County Flood Control District drainage easement, a west line of said Newport Subdivision, Section 8, and an east line of this tract a distance of 120.00 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 09° 20' 38" W continuing with a west line of said Newport Subdivision, Section 8, and an east line of this tract a distance of 57.36 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 20° 21' 57" W continuing a west line of said Newport Subdivision, Section 8, and an east line of this tract a distance of 165.00 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 20° 24' 23" E continuing with a west line of said Newport Subdivision, Section 8, and an east line of this tract a distance of 381.48 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 32° 47' 17" E continuing with a west line of said Newport Subdivision, Section 8, and an east line of this tract a distance of 244.44 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at a southwest corner of said Newport Subdivision, Section 8 and an interior corner of this tract.

THENCE S 81° 16' 59" E with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 195.69 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 04° 41' 04" W continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 30.71 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 85° 27' 13" E continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 27.39 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 04° 01' 49" E continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 30.29 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 08° 43' 00" E continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 207.55 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 81° 16' 59" E continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 100.00 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 08° 13' 08" W continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 282.01 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at a southerly corner of said Newport Subdivision, Section 8.

THENCE continuing with a south line of said Newport Subdivision, Section 8, a north line of this tract, with the arc of a curve to the left having a chord direction of N 60° 58' 25" E, a radius of 400.00 feet, a distance of 195.69 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 46° 57' 29" E continuing with a south line of said Newport Subdivision, Section 8, and a north line of this tract a distance of 202.17 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract, with the arc of a curve to the right having a chord direction of N 53° 03' 29" E, a radius of 450.00 feet, a distance of 95.82 feet to a point.

THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract with the arc of a curve to the left having a chord direction of N 45° 33' 29" E, a radius of 400.00 feet, a distance of 189.89 feet to a point.

THENCE N 31° 57' 29" E continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 228.06 feet to a point.

THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract, with the arc of a curve to the right having a chord direction of N 45° 27' 29" E, a radius of 500.00 feet, a distance of 235.62 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract, with the arc of a curve to the left having a chord direction of N 32° 42' 29" E, a radius of 300.00 feet, a distance of 274.89 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".



THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract with the arc of a curve to the right having a chord direction of N 14° 31' 50" E, a radius of 500.00 feet, a distance of 140.89 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 57° 42' 31" W continuing with a south line of said Newport Subdivision, Section 8, and a north line of this tract a distance of 92.28 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 32° 17' 29" E continuing with a south line of said Newport Subdivision, Section 8, and a north line of this tract a distance of 60.00 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 57° 42' 31" E continuing with a south line of said Newport Subdivision, Section 8, and a north line of this tract a distance of 85.49 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set.

THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract with the arc of a curve to the right having a chord direction of N 36° 29' 38" E, a radius of 500.00 feet, a distance of 118.64 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 43° 17' 29" E continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 374.07 feet to a point.

THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract with the arc of a curve to the right having a chord direction of N 52° 47' 29" E, a radius of 600.00 feet, a distance of 198.97 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 62° 17' 29" E continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract a distance of 68.45 feet to a point.

THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract with the arc of a curve to the left having a chord direction of N 33° 14' 01" E, a radius of 139.25 feet, a distance of 141.24 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing with a south line of said Newport Subdivision, Section 8 and a north line of this tract with the arc of a curve to the left having a chord direction of N 00° 55' 12" E, a radius of 300.00 feet, a distance of 34.09 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southerly southeast corner of said Newport Subdivision, Section 8 and in the west line of The City of Crosby Town Site, recorded in Volume 7, Page 26, Deed Records of Harris County, Texas, also being the west line of a tract of land referenced as "Tract 1" and "Tract 2" recorded in File No. W314743, Deed Records of Harris County, Texas.

THENCE S 02° 45' 41" E with a west line of said City of Crosby Town Site, the west line of said called "Tract 1" and "Tract 2", and an east line of this tract a distance of 229.20 feet to a point in the centerline of Jackson Bayou.

THENCE with a south line of said City of Crosby Town Site, a south line of said called "Tract 1" and "Tract 2", a north line of this tract, along the centerline of said Jackson Bayou the following bearings and distances:

N 65° 32' 07" E	30.32 feet
N 76° 12' 19" E	10.85 feet
N 19° 33' 49" E	41.24 feet

N 40° 05' 08" W      34.88 feet  
 N 09° 21' 28" W      46.05 feet  
 N 26° 11' 16" E      45.20 feet  
 N 60° 33' 12" E      80.04 feet  
 N 48° 22' 25" E      110.85 feet  
 N 50° 01' 28" E      64.58 feet  
 N 78° 38' 48" E      76.53 feet  
 N 62° 45' 53" E      42.10 feet  
 N 26° 13' 09" E      43.70 feet  
 S 17° 27' 48" E      44.35 feet

THENCE S 04° 37' 07" E continuing with a south line of said City of Crosby Town Site, a south line of said called "Tract 1" and "Tract 2", a north line of this tract, along the centerline of said Jackson Bayou, passing the southerly southeast corner of said called "Tract 1" and "Tract 2", and continuing a total distance of 90.52 feet to a point.

THENCE continuing with a south line of said City of Crosby Town Site, a north line of this tract, along the centerline of said Jackson Bayou the following bearings and distances:

S 31° 33' 28"E      19.00 feet  
 S 89° 42' 03" E      32.70 feet  
 S 65° 08' 41" E      86.19 feet

THENCE S 82° 49' 14" E continuing with a south line of said City of Crosby Town Site, a north line of this tract, along the centerline of said Jackson Bayou a distance of 54.91 feet to a point at the most easterly northeast corner of this tract and the northwest corner of a called 7.6429 acre tract recorded in File No. E429933, Deed Records of Harris County, Texas.

THENCE S 16° 01' 51" E with the west line of said called 7.6429 acre tract and the most easterly east line of this tract, at a distance of 56.24 feet pass a 1/2 inch iron rod with cap marked "SHINE 5502" set for reference, from which an iron rod with cap marked "PRECISION SURVEYORS" found at the northeast corner of Lot 1, Block 3, said City of Crosby Town Site bears N 19° 38' 01" E a distance of 409.41 feet, an iron rod with cap marked "PRECISION SURVEYORS" found in the east line of said Lot 1, Block 3, City of Crosby Town Site bears N 85° 43' 47" E a distance of 471.48 feet, and continuing a total distance of 781.81 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southwest corner of said called 7.6429 acre tract, in the north right of way of T. & N. 0. Railroad, a variable width right of way, and at the most easterly southeast corner of this tract.

THENCE S 46° 52' 02" W with the most easterly east line of this tract and the west right of way line of said T. & N. 0. Railroad, a distance of 1,876.95 feet to a 1" iron pipe found in the north line of a called 102.152 acre tract (Tract 2), recorded in File No. C683627, Deed Records of Harris County, Texas, and at the southeast corner of this tract, from which an iron rod found with cap marked "CENTERPOINT ENERGY" found at the northeast corner of herein described Tract I bears S 46° 45' 17" W, a distance of 556.58 feet.

THENCE S 87° 53' 52" W with the north line of said called 102.152 acre tract and the south line of this tract a distance of 2,233.36 feet to a 1/4 inch iron rod found at the southeast corner of a called 21.234 acre tract recorded in File No. G553519, Deed Records of Harris County, Texas, and a southwest corner of this tract from which a found 1" iron pipe bears S 87° 53' 43" W, a distance of 999.06 feet.

THENCE N 01° 06' 07" W with the east line of said called 21.234 acre tract and a west line of this tract, passing the southeast corner of a called 0.116 acre tract recorded in File No. P220412, Deed Records of Harris County, Texas, a total distance of 308.90 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northeast corner of said called 0.116 acre tract recorded in File No. P220412, and an interior corner of this tract.

THENCE N 81° 29' 07" W with the north line of said called 0.116 acre tract recorded in File No. P220412, and a south line of this tract, at a distance of 100.00 feet pass the northwest corner of said called 0.116 acre tract and the northeast corner of a called 0.116 acre tract recorded in File No. R256220, Deed Records of Harris County, Texas, at a distance of 200.00 feet pass the northwest corner of said called 0.116 acre tract recorded in File No. R256220 and the northeast corner of a called 0.1164 acre tract recorded in File No. S300312, Deed Records of Harris County, Texas, at a distance of 300.00 feet pass the northwest corner of said called 0.1164 acre tract recorded in File No. S300312 and the northeast corner of a called 0.116 acre tract recorded in File No. R304758, Deed Records of Harris County, Texas, at a distance of 400.00 feet, pass the northwest corner of said called 0.116 acre tract recorded in File No. R304758 and the northeast corner of a called 0.116 acre tract recorded in File No. P254365, Deed Records of Harris County, Texas, at a distance of 500.00 feet pass the northwest corner of said called 0.116 acre tract recorded in File No. P254365 and a northeast corner of said called 21.234 acre tract, continuing along a north line of said called 21.234 acre tract and a south line of this tract a total distance of 529.21 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 51° 33' 28" W a distance of 799.95 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northwest corner of said called 21.234 acre tract and at an interior corner of this tract.

THENCE S 25° 27' 04" W with the west line of said called 21.234 acre tract and an east line of this tract, a distance of 528.15 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northwest corner of a called 2.1614 acre tract recorded in File No. K076581, Deed Records of Harris County, Texas.

THENCE N 65° 59' 23" W with a north line of said called 2.1614 acre tract and a northerly south line of this tract, a distance of 929.77 feet to a found iron rod with cap marked "RPLS 4615".

THENCE continuing with the north line of said called 2.1614 acre tract and a northerly south line of this tract with the arc of a curve to the left having a chord direction of N 85° 42' 42" W, a radius of 509.50 feet, a distance of 238.49 feet to a found iron rod with cap marked "RPLS 4615".

THENCE S 74° 30' 20" W continuing with the north line of said called 2.1614 acre tract and a northerly south line of this tract a distance of 417.76 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northwest corner of said called 2.1614 acre tract and an interior corner of this tract.

THENCE S 15° 29' 23" E with the west line of said called 2.1614 tract and an east line of this tract a distance of 60.00 feet to an iron rod with cap marked "RPLS 4615" found at the southwest corner of said called 2.1614 acre tract.

THENCE N 74° 30' 26" E with the south line of said called 2.1614 acre tract and a southerly north line of this tract a distance of 418.00 feet to a found iron rod with cap marked "RPLS 4615".

THENCE continuing with the south line of said called 2.1614 acre tract and a southerly north line of this tract with the arc of a curve to the right having a chord direction of S 83° 40' 53" E, a radius of 595.34 feet, a distance of 196.44 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE S 65° 59' 23" E continuing with the south line of said called 2.164 acre tract and a southerly north line of this tract a distance of 927.30 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southeast corner of said called 2.1614 acre tract in the west line of said called 21.234 acre tract.

THENCE S 25° 16' 50" W with the west line of said called 21.234 acre tract and an east line of this tract, a distance of 441.83 feet to an iron rod with cap marked "RPLS 4615" found at the southwest corner of said called 21.234 acre tract, in the north line of said called 102.152 acre tract and at a southeast corner of this tract, from which a found 1" iron pipe bears N 88° 29' 40" E, a distance of 600.63 feet.

THENCE S 88° 21' 40" W with a south line of this tract and the north line of said called 102.152 acre tract, at a distance of 7,048.87 feet, pass a found 3/4" iron rod and continue a total distance of 7,133.88 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southeast corner of a called 1 acre tract recorded in File No. H076771, Deed Records of Harris County, Texas.

THENCE N 01° 38' 26" W with a west line of this tract and the east line of said called 1 acre tract, a distance of 208.71 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northeast corner of said called 1 acre tract.

THENCE S 88° 21' 40" W with a south line of this tract and the north line of said called 1 acre tract, a distance of 208.71 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northwest corner of said called 1 acre tract.

THENCE S 01° 38' 26" E with an east line of this tract and the west line of said called 1 acre tract, a distance of 208.71 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southwest corner of said called 1 acre tract, in the north line of said called 102.152 acre tract.

THENCE S 88° 21' 40" W with a south line of this tract and the north line of said called 102.152 acre tract, a distance of 2,021.97 feet to the line of mean higher high water on the San Jacinto River.

THENCE meandering the line of mean higher high water along the left bank of the San Jacinto River, the following bearings and distances:

N 53° 39' 19" W	446.94 feet
N 59° 28' 06" W	369.78 feet
N 32° 15' 28" W	88.34 feet
N 50° 54' 05" W	129.34 feet
N 43° 04' 40" W	188.13 feet
N 45° 19' 17" W	78.88 feet
N 27° 03' 34" W	250.17 feet

N 13° 49' 11" W 192.54 feet  
N 13° 56' 26" W 103.14 feet  
N 00° 46' 29" E 503.45 feet  
N 03° 28' 48" E 224.28 feet  
N 03° 58' 09" E 246.51 feet  
N 01° 50' 57" E 180.18 feet  
N 04° 57' 15" E 202.55 feet  
N 07° 14' 24" E 177.80 feet  
N 12° 57' 35" E 166.40 feet  
N 07° 38' 19" E 108.67 feet  
N 08° 55' 16" E 130.31 feet  
N 04° 27' 32" E 158.34 feet  
N 20° 09' 17" E 102.98 feet  
N 15° 38' 50" E 168.56 feet  
N 08° 04' 25" W 320.01 feet  
N 24° 35' 18" W 119.21 feet  
N 25° 33' 04" W 239.12 feet

THENCE N 32° 33' 43" W continuing along the line of mean higher high water on the left bank of the San Jacinto River, a distance of 117.10 feet to a point at the southwest corner of said called 56.50 acre tract and a southerly northwest corner of this tract.

THENCE N 59° 33' 11" E with the south line of said called 56.50 acre tract and a north line of this tract, a distance of 834.87 feet to a 1" iron pipe found at the southeast corner of said called 56.50 acre tract and an interior corner of this tract.

THENCE N 22° 44' 35" E with the southerly east line of said called 56.50 acre tract and a northerly west line of this tract, a distance of 1,342.07 feet to the PLACE OF BEGINNING, containing 991.55 acres.

### TRACT III

BEGINNING at a 1" iron pipe found in the south line of the Absalom Reeves Survey, Abstract 60, and the north line of said Abstract 838, in the west line of a called 167.305 acre tract recorded in File No. 2010010605, Deed Records of Harris County, Texas, at the southeast corner of a called 60.0765 acre tract recorded in File No. U922164, Deed Records of Harris County, Texas, and at the northeast corner of this tract. Said 1" iron pipe has a Texas State Plane coordinate value of N: 13910927.97 and E: 3206944.66.

THENCE S 02° 37' 23" E (Called S 02° 37' 21" E) with the west line of said called 167.305 acre tract and the east line of this tract, a distance of 1,434.17 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southwest corner of said 167.305 acre tract.

THENCE S 87° 47' 10" E with the south line of said called 167.305 acre tract and a north line of this tract, a distance of 51.63 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set in the north right of way of Diamondhead Boulevard North, (100 feet wide R.O.W.), at the northwest corner of Newport Subdivision, Section 10, a subdivision recorded in Volume 220, Page 76, Map Records of Harris County, Texas.

THENCE S 02° 12' 50" W with a west line of said Section 10 and an east line of this tract, a distance of 100.00 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set in the south right of way line of said Diamondhead Boulevard North, at a northerly southwest corner of said Section 10.

THENCE S 87° 47' 10" E with the south right of way line of said Diamondhead Boulevard North, a northerly south line of said Section 10, and a north line of this tract, a distance of 37.06 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the intersection of the south right of way line of said Diamondhead Boulevard North, and the west right of way line of Golf Club Drive (100 feet wide R.O.W.) in a west line of said Section 10.

THENCE S 42° 47' 10" E with the west right of way of said Golf Club Drive, the west line of said Section 10 and the east line of this tract, a distance of 14.14 feet to a 1/2 inch iron rod with cap set marked "SHINE 5502".

THENCE S 01° 07' 10" E continuing with the west right of way of said Golf Club Drive, the west line of said Section 10 and the east line of this tract, a distance of 183.64 feet to a 1/2 inch iron rod with cap set marked "SHINE 5502".

THENCE continuing with the west right of way of said Golf Club Drive, the west line of said Section 10 and the east line of this tract, with the arc of a curve to the right having a radius of 1,950.00 feet and a central angle of 20° 00' 00", a distance of 680.68 feet to a 1/2 inch iron rod with cap set marked "SHINE 5502".

THENCE S 22° 12' 50" W continuing with the west right of way of said Golf Club Drive, the west line of said Section 10 and the east line of this tract, a distance of 660.85 feet to a 1/2 inch iron rod with cap set marked "SHINE 5502".

THENCE continuing with the west right of way of said Golf Club Drive, the west line of said Section 10 and the east line of this tract, with the arc of a curve to the left having a radius of 3,050.00 feet and a central angle of 45° 06' 00", a distance of 2,400.79 feet to a 1/2 inch iron rod with cap set marked "SHINE 5502".

THENCE S 22° 57' 10" E continuing with the west right of way of said Golf Club Drive, the west line of said Section 10 and the east line of this tract, a distance of 714.81 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northeast corner of a called 3.3685 acre tract recorded in File No. N409807, Deed Records of Harris County, Texas, and the most easterly southeast corner of this tract.

THENCE S 74° 57' 26" W with the north line of said called 3.3685 acre tract and a south line of this tract, a distance of 170.16 feet to a 1/2 inch iron rod with cap set marked "SHINE 5502".

THENCE S 38° 21' 36" W continuing with the north line of said called 3.3685 acre tract and a south line of this tract, a distance of 375.28 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southerly northeast corner of a called 53.17 acre tract recorded in File No. U652009, Deed Records of Harris County, Texas, and a southeast corner of this tract, from which a 1/2 inch iron rod found at the southeast corner of said called 53.17 acre tract and the southwest corner of said called 3.3685 acre tract bears S 38° 21' 38" W, a distance of 10.86 feet.

THENCE N 75° 29' 31" W with a southerly north line of said called 53.17 acre tract and a south line of this tract, a distance of 577.95 feet to an iron rod with cap marked "TERRA SURVEYING" found at a southerly northeast corner of said called 53.17 acre tract, and an interior corner of this tract.

THENCE N 05° 37' 30" E with the east line of said called 53.17 acre tract and a west line of this tract, a distance of 480.74 feet to an iron rod found with cap marked "TERRA SURVEYING".

THENCE N 08° 08' 01" E continuing with the east line of said called 53.17 acre tract and a west line of this tract, a distance of 825.65 feet to an iron rod found with cap marked "TERRA SURVEYING".

THENCE continuing with the east line of said called 53.17 acre tract and a west line of this tract, with the arc of a curve to the left having a radius of 250.61 feet and a central angle of 98° 17' 48", a distance of 429.95 feet to an iron rod with cap marked "TERRA SURVEYING" found at the northeast corner of said called 53.17 acre tract.

THENCE N 89° 04' 41" W with the north line of said called 53.17 acre tract and a south line of this tract, a distance of 407.72 feet to an iron rod found with cap marked "TERRA SURVEYING".

THENCE S 74° 12' 35" W continuing with the north line of said called 53.17 acre tract and a south line of this tract, a distance of 412.92 feet to an iron rod found with cap marked "TERRA SURVEYING".

THENCE S 71° 17' 47" W continuing with the north line of said called 53.17 acre tract and a south line of this tract, a distance of 313.23 feet to an iron rod found with cap marked "TERRA SURVEYING".

THENCE S 64° 30' 39" W continuing with the north line of said called 53.17 acre tract and a south line of this tract, a distance of 250.16 feet to an iron rod with cap marked "TERRA SURVEYING" found at the northwest corner of said called 53.17 acre tract and an interior corner of this tract.

THENCE S 30° 45' 58" W with the west line of said called 53.17 acre tract and an east line of this tract, a distance of 938.35 feet to an iron rod found with cap marked "TERRA SURVEYING" from which a 1 1/4 inch iron pipe found in the south line of said called 53.17 acre tract and the north line of The San Jacinto River Authority East Canal tract, recorded in Volume 1294, Page 256, Deed Records of Harris County, Texas bears S 76° 55' 49" E a distance of 700.71 feet.

THENCE S 38° 36' 07" E continuing with the west line of said called 53.17 acre tract and an east line of this tract, a distance of 330.48 feet to an iron rod found with cap marked "TERRA SURVEYING".

THENCE S 50° 28' 00" W continuing with the west line of said called 53.17 acre tract and an east line of this tract, a distance of 392.70 feet to an iron rod found with cap marked "TERRA SURVEYING".

THENCE S 34° 53' 53" E continuing with the west line of said called 53.17 acre tract and an east line of this tract, a distance of 54.47 feet to an iron rod with cap marked "TERRA SURVEYING" found at the southwest corner of said called 53.17 acre tract, in a north line of Horizon Drive, a dedicated public road in Newport Subdivision, Section 4, a subdivision recorded in Volume 198, Page 53, Map Records of Harris County, Texas, and at a southeast corner of this tract, from which a 1 1/4 inch iron pipe found in the south line of said called 53.17 acre tract and the north line of said East Canal tract bears N 51° 21' 56" E a distance of 512.15'.

THENCE S 51° 21' 08" W along a north line of said Section 4, a north line of said San Jacinto River Authority East Canal Tract, and a south line of this tract, at a distance of 51.71 feet pass a northwest corner of said Horizon Drive and Section 4 and continuing a total distance of 605.52 feet to a 1" iron pipe found.

THENCE continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, with the arc of a curve to the left having a radius of 415.36 feet and a central angle of 17° 54' 23", a distance of 129.81 feet to a 1 1/2 inch iron pipe found.

THENCE S 32° 37' 00" W continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract a distance of 1,291.52 feet to a 1 1/4 inch iron pipe found.

THENCE continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, with the arc of a curve to the right having a radius of 174.95 feet and a central angle of 39° 20' 42", a distance of 174.95 feet to a 1 inch iron pipe found.

THENCE S 72° 28' 08" W continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, a distance of 2,448.06 feet to a 1 1/4 inch iron pipe found.

THENCE continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, with the arc of a curve to the left having a radius of 333.37 feet and a central angle of 04° 24' 34", a distance of 25.66 feet to a 1 1/4 inch iron pipe found.

THENCE S 68° 53' 17" W continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, a distance of 1,832.09 feet to a 1 1/4 inch iron pipe found.

THENCE continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, with the arc of a curve to the right having a radius of 144.47 feet and a central angle of 53° 20' 45", a distance of 134.51 feet to a 1 1/4" iron pipe found.

THENCE N 57° 13' 44" W continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, a distance of 1,587.58 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, with the arc of a curve to the left having a radius of 402.67 feet and a central angle of 30° 10' 09", a distance of 212.03 feet to a 1/2 inch iron rod set with cap marked "SHINE 5502".

THENCE N 87° 29' 31" W continuing along a north line of said San Jacinto River Authority East Canal and a south line of this tract, a distance of 224.45 feet to a 1/2 inch iron rod found at an interior corner of said San Jacinto River Authority East Canal and an interior corner of this tract.

THENCE along an east line of said San Jacinto River Authority East Canal and a west line of this tract, with the arc of a curve to the right having a radius of 133.99 feet and a central angle of 63° 17' 53", a distance of 148.03 feet to a 1/2 inch iron rod found in the north line of said Humphrey Jackson Survey, Abstract 37 and the south line of said William Wilson Survey, Abstract 838.



THENCE N 24° 23' 35" W along an east line of said San Jacinto River Authority East Canal and a west line of this tract, a distance of 375.95 feet to a 1" iron pipe found.

THENCE continuing along an east line of said San Jacinto River Authority East Canal and a west line of this tract, with the arc of a curve to the right having a radius of 174.87 feet and a central angle of 37° 53' 54", a distance of 115.67 feet to a 1 1/4" iron pipe found.

THENCE N 14° 24' 42" E continuing along an east line of said San Jacinto River Authority East Canal and a west line of this tract, a distance of 74.82 feet to a 1 1/4" iron pipe found.

THENCE continuing along an east line of said San Jacinto River Authority East Canal and a west line of this tract, with the arc of a curve to the right having a radius of 661.43 feet and a central angle of 07° 01' 58", a distance of 81.19 feet to a 1 1/4" iron pipe found.

THENCE N 12° 17' 19" E continuing along the east line of said San Jacinto River Authority East Canal and a west line of this tract, a distance of 436.82 feet to a 5/8" iron rod found at a northeast corner of said San Jacinto River Authority East Canal, in the south line of a called 39.88 acre tract recorded in File No. T525349, Deed Records of Harris County, Texas and at an interior corner of this tract, from which a 1 1/4" iron pipe found in a north line of said San Jacinto River Authority East Canal tract and the south line of said called 39.88 acre tract bears N 77° 36' 49" W, a distance of 621.39 feet.

THENCE S 77° 42' 29" E with the south line of said called 39.88 acre tract and a north line of this tract, a distance of 294.05 feet to a 5/8" iron rod found at the southeast corner of said called 39.88 acre tract.

THENCE N 09° 46' 40" E with the east line of said called 39.88 acre tract and a west line of this tract, a distance of 950.00 feet to a 1/2" iron rod found.

THENCE N 10° 53' 20" W continuing with the east line of said called 39.88 acre tract, and the west line of this tract, a distance of 394.97 feet to a 1/2" iron rod found at the northeast corner of said called 39.88 acre tract.

THENCE N 80° 21' 03" W with the north line of said called 39.88 acre tract and a south line of this tract, a distance of 1,359.57 feet to a point in an east line of called 589.27 acre tract (Lake Houston) recorded in Volume 1458, Page 1, and a west line of this tract. Volume 1458, Page 1 describes this point as being the waterline of the proposed reservoir when at normal pool level at elevation 44.5 feet above mean sea level.

THENCE with the west line of this tract and an east line of said called 589.27 acre tract (Lake Houston), the following bearings and distances:

N 30° 53' 29" E      376.74 feet

N 21° 32' 39" E      300.00 feet

N 06° 45' 39" E      864.00 feet

N 19° 56' 19" W      882.88 feet

N 07° 44' 21" W      184.00 feet

THENCE N 52° 28' 21" W continuing with the west line of this tract and the east line of said called 589.27 acre tract (Lake Houston), a distance of 508.00 feet to a point from which a 12"x12" concrete monument found with Aluminum Disc marked "Corp

of Engineers U.S. Boundary Mark SL-1 Y1977" bears N 25° 14' 05" W a distance of 59.32 feet. Said concrete monument has a State Plane coordinate value of N: 13907978.68 and E: 3195354.41

THENCE continuing with the west line of this tract and an east line of said called 589.27 acre tract (Lake Houston), the following bearings and distances:

N 65° 40' 21" W	422.00 feet
N 80° 22' 21" W	300.00 feet
N 62° 47' 53" W	641.05 feet
N 60° 37' 21" W	600.00 feet
N 88° 15' 21" W	540.00 feet
S 84° 47' 39" W	568.00 feet
S 69° 42' 54" W	633.02 feet
S 83° 28' 39" W	332.00 feet
N 77° 42' 21" W	270.00 feet
N 13° 14' 21" W	739.00 feet
N 28° 22' 21" W	402.00 feet

THENCE N 21° 29' 39" E continuing with the west line of this tract and an east line of said called 589.27 acre tract (Lake Houston), a distance of 394.76 feet to a point in the south line of Lake Shadows Section Four, a subdivision recorded in File No. D620201, Map Records of Harris County, Texas, and at the northwest corner of this tract.

THENCE N 86° 32' 15" E with the south line of said Lake Shadows Section Four and the north line of this tract, at a distance of 204.97 feet pass a 1/2" iron rod found, and continuing a total distance of 689.12 feet to a point in a concrete slab at the southeast corner of said Lake Shadows Section Four, the southwest corner of a called 447.0498 acre tract recorded in File No. D759681, Deed Records of Harris County, Texas, and an interior corner of this tract from which a 1/2" iron rod with cap marked "SHINE 5502" set for reference bears S 04° 44' 22" W a distance of 1.88 feet, a 1" iron pipe found bears N 79° 27' 48" E a distance of 101.22 feet, and a 1/2" iron rod found in the east line of said Lake Shadows Section Four bears N 33° 33' 38" E a distance of 254.84 feet.

THENCE N 86° 43' 31" E with the south line of said called 447.0498 acre tract and a north line of this tract, a distance of 10,942.13 feet to a 1/2 inch iron rod next to a 4"x6" fence post found at the southeast corner of said called 447.0498 acre tract and an interior corner of this tract.

THENCE N 02° 07' 50" W with the east line of said called 447.0498 acre tract and a northerly west line of this tract a distance of 26.79 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southwest corner of a called 0.1148 acre tract recorded in File No. T653706, Deed Records of Harris County, Texas and a northwest corner of this tract.

THENCE N 87° 22' 21" E with the south line of said called 0.1148 acre tract and a north line of this tract, at a distance of 50.02 feet pass the southeast corner of said called 0.1148 acre tract recorded in File No. T653706 and the southwest corner of a called 0.1148 acre tract recorded in File No. T702499, Deed Records of Harris County, Texas, at a distance of 100.02 feet, pass the southeast corner of said called 0.1148 acre tract recorded in File No. T702499 and the southwest corner of a called

0.1148 acre tract recorded in File No. T643967, at a distance of 150.02 feet pass the southeast corner of said called 0.1148 acre tract recorded in File No. T643967 and the southwest corner of a called 0.1148 acre tract recorded in File No. T491404, Deed Records of Harris County, Texas, at a distance of 200.02 feet pass the southeast corner of said called 0.1148 acre tract recorded in File No. T491404 and the southwest corner of a called 0.1148 acre tract recorded in File No. T526225, Deed Records of Harris County, Texas, and continuing a total distance of 250.02 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the southeast corner of said called 0.1148 acre tract recorded in File No. T526225 and an interior corner of this tract.

THENCE N 02° 37' 39" W with the east line of said called 0.1148 acre tract recorded in File No. T526225 and a west line of this tract, a distance of 100.00 feet to a 1/2 inch iron rod with cap marked "SHINE 5502" set at the northeast corner of said called 0.1148 acre tract recorded in File No. T526225, in the south line of a called 5.00 acre tract recorded in File No. T684273, Deed Records of Harris County, Texas, in the South line of the Hannah Nash Survey, Abstract 599, in the north line of said Abstract 838, and at a northwest corner of this tract.

THENCE N 87° 02' 53" E with the south line of said Abstract 599, the north line of said Abstract 838, the south line of said called 5.00 acre tract and the north line of this tract a distance of 316.67 feet to a 1/2 inch iron rod found at the southeast corner of said Abstract 599, the southwest corner of said Abstract 60, the southeast corner of said called 5.00 acre tract and the southwest corner of a called 45 acre tract recorded in File No. 20080119197, Deed Records of Harris County, Texas.

THENCE N 87° 24' 37" E with the south line of said called 45 acre tract, the south line of said Abstract 60, the north line of said Abstract 838 and the north line of this tract, a distance of 986.97 feet to a 1/2 inch iron rod found at the southeast corner of said called 45 acre tract, the southwest corner of a called 8.39 acre tract recorded in File No. 20070675831, Deed Records of Harris County, Texas, and a northerly corner of this tract.

THENCE N 87° 48' 26" E with the south line of said 8.339 acre tract, the south line of said Abstract 60, the north line of said Abstract 838 and the north line of this tract, at a distance of 150.00 feet pass the southeast corner of said called 8.39 acre tract and the southwest corner of a called 11.675 acre tract recorded in File No. 20070675831, Deed Records of Harris County, Texas, and continuing a total distance of 359.69 feet to a 1/2 inch iron rod found at the southeast corner of said called 11.675 acre tract and the southwest corner of a called 155.76 acre tract recorded in Volume 438, Page 236, Deed Records of Harris County, Texas.

THENCE N 87° 20' 09" E with the south line of said Abstract 60, the north line of said Abstract 838, the south line of said called 155.76 acre tract and the north line of this tract, a distance of 682.33 feet to a 1/2 inch iron rod found next to a 8"x8" square fence post at the southeast corner of said called 155.76 acre tract and the southwest corner of a called 29.15 acre tract recorded in File No. R106573, Deed Records of Harris County, Texas.

THENCE N 87° 24' 00" E with the south line of said Abstract 60, the north line of said Abstract 838, the south line of said called 29.15 acre tract and the north line of this tract, and at a distance of 525.51 feet pass the southeast corner of said called 29.15 acre tract and the southwest corner of said called 60.0765 acre tract, and

continuing with the south line of said Abstract 60, the north line of said Abstract 838, the south line of said called 60.0765 acre tract and the north line of this tract, a total distance of 1648.87 feet to the PLACE OF BEGINNING, containing 1,942.08 acres of land.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

The amendment was read.

Senator Creighton moved to concur in the House amendment to **SB 2276**.

The motion prevailed by the following vote: Yeas 28, Nays 2.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Hall, Taylor of Collin.

Absent-excused: Menéndez.

#### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 416 ADOPTED**

Senator Watson called from the President's table the Conference Committee Report on **SB 416**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Watson, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 527 ADOPTED**

Senator Birdwell called from the President's table the Conference Committee Report on **SB 527**. The Conference Committee Report was filed with the Senate on Monday, May 22, 2017.

On motion of Senator Birdwell, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Watson.

Absent-excused: Menéndez.

**SENATE RESOLUTION 911**

Senator Nelson offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 533 (state agency contracting and procurement) to consider and take action on the following matter:

Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement by omitting SECTION 13(a)(2) of the senate engrossment of Senate Bill 533 and the corresponding section of the bill as the bill was amended by the house, proposing transition language requiring the comptroller to modify the contract management guide as required by Section 2262.051(i), Government Code, as that section is purportedly added by Senate Bill 533.

Explanation: The omission of text is necessary to remove from transition language in the bill a reference to a duty imposed on the comptroller under Section 2262.051(i), Government Code, that is not included in either the house or senate version of the bill.

**SR 911** was read and was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 533 ADOPTED**

Senator Nelson called from the President's table the Conference Committee Report on **SB 533**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Nelson, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1248 ADOPTED**

Senator Buckingham called from the President's table the Conference Committee Report on **SB 1248**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Buckingham, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

### SENATE RESOLUTION 926

Senator Zaffirini offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 1913 (the administrative, civil, and criminal consequences, including fines, fees, and costs, imposed on persons arrested for, charged with, or convicted of certain criminal offenses) to consider and take action on the following matters:

(1) Senate Rules 12.03(1) and (2) are suspended to permit the committee to amend and omit text not in disagreement in SECTION 5 of the bill, in added Articles 43.05(a-1) and (a-2), Code of Criminal Procedure, to read as follows:

(a-1) A court may not issue a capias pro fine for the defendant's failure to satisfy the judgment according to its terms unless the court holds a hearing on the defendant's ability to satisfy the judgment and:

(1) the defendant fails to appear at the hearing; or

(2) based on evidence presented at the hearing, the court determines that the capias pro fine should be issued.

(a-2) The court shall recall a capias pro fine if, before the capias pro fine is executed:

(1) the defendant voluntarily appears to resolve the amount owed; and

(2) the amount owed is resolved in any manner authorized by this code.

Explanation: This change is necessary to clarify the circumstances in which a court may issue or shall recall a capias pro fine.

(2) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in SECTION 7 of the bill, in amended Article 43.091, Code of Criminal Procedure, to read as follows:

Art. 43.091. WAIVER OF PAYMENT OF FINES AND COSTS FOR CERTAIN ~~[INDIGENT]~~ DEFENDANTS AND FOR CHILDREN. A court may waive payment of all or part of a fine or costs ~~[cost]~~ imposed on a defendant ~~[who defaults in payment]~~ if the court determines that:

(1) the defendant is indigent or does not have sufficient resources or income to pay all or part of the fine or costs or was, at the time the offense was committed, a child as defined by Article 45.058(h); and

(2) each alternative method of discharging the fine or cost under Article 43.09 or 42.15 would impose an undue hardship on the defendant.

Explanation: This change is necessary to remove unnecessary and duplicative language.

(3) Senate Rules 12.03(1) and (2) are suspended to permit the committee to amend and omit text not in disagreement in SECTION 8 of the bill, in added Article 45.014(e), Code of Criminal Procedure, to read as follows:

(e) A justice or judge may not issue an arrest warrant for the defendant's failure to appear at the initial court setting, including failure to appear as required by a citation issued under Article 14.06(b), unless:

(1) the justice or judge provides by telephone or regular mail to the defendant notice that includes:

(A) a date and time, occurring within the 30-day period following the date that notice is provided, when the defendant must appear before the justice or judge;

(B) the name and address of the court with jurisdiction in the case;

(C) information regarding alternatives to the full payment of any fine or costs owed by the defendant, if the defendant is unable to pay that amount; and

(D) an explanation of the consequences if the defendant fails to appear before the justice or judge as required by this article; and

(2) the defendant fails to appear before the justice or judge as required by this article.

Explanation: This change is necessary to clarify and simplify the limitation on a justice or judge's authority to issue an arrest warrant for a defendant's failure to appear.

(4) Senate Rule 12.03(1) is suspended to permit the committee to amend text not in disagreement in SECTION 9 of the bill, in added Article 45.016(b), Code of Criminal Procedure, to read as follows:

(b) The justice or judge may not, either instead of or in addition to the personal bond, require a defendant to give a bail bond unless:

(1) the defendant fails to appear in accordance with this code with respect to the applicable offense; and

(2) the justice or judge determines that:

(A) the defendant has sufficient resources or income to give a bail bond; and

(B) a bail bond is necessary to secure the defendant's appearance in accordance with this code.

Explanation: This change is necessary to clarify the circumstances in which a justice or judge may require a defendant to give a bail bond in a criminal case based on an offense punishable by fine only.

(5) Senate Rules 12.03(1) and (2) are suspended to permit the committee to amend and omit text not in disagreement in SECTION 12 of the bill, in added Articles 45.045(a-2) and (a-3), Code of Criminal Procedure, to read as follows:

(a-2) The court may not issue a capias pro fine for the defendant's failure to satisfy the judgment according to its terms unless the court holds a hearing on the defendant's ability to satisfy the judgment and:

(1) the defendant fails to appear at the hearing; or

(2) based on evidence presented at the hearing, the court determines that the capias pro fine should be issued.

(a-3) The court shall recall a capias pro fine if, before the capias pro fine is executed:

(1) the defendant voluntarily appears to resolve the amount owed; and

(2) the amount owed is resolved in any manner authorized by this chapter.

Explanation: This change is necessary to clarify the circumstances in which a court may issue or shall recall a *capias pro fine*.

(6) Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in SECTION 16 of the bill, in amended Article 45.0491(a), Code of Criminal Procedure, to read as follows:

(a) A municipal court, regardless of whether the court is a court of record, or a justice court may waive payment of all or part of a fine or costs imposed on a defendant ~~[who defaults in payment]~~ if the court determines that:

(1) the defendant is indigent or does not have sufficient resources or income to pay all or part of the fine or costs or was, at the time the offense was committed, a child as defined by Article 45.058(h); and

(2) discharging the fine or ~~[and]~~ costs under Article 45.049 or as otherwise authorized by this chapter would impose an undue hardship on the defendant.

Explanation: This change is necessary to remove unnecessary and duplicative language.

(7) Senate Rule 12.03(3) is suspended to permit the committee to add text on a matter which is not in disagreement by adding SECTIONS 20 and 21 to the bill, amending Articles 45.051(a) and 45.0511(t), Code of Criminal Procedure, to read as follows:

SECTION 20. Article 45.051(a), Code of Criminal Procedure, is amended to read as follows:

(a) On a plea of guilty or *nolo contendere* by a defendant or on a finding of guilt in a misdemeanor case punishable by fine only and payment of all court costs, the judge may defer further proceedings without entering an adjudication of guilt and place the defendant on probation for a period not to exceed 180 days. In issuing the order of deferral, the judge may impose a special expense fee on the defendant in an amount not to exceed the amount of the fine that could be imposed on the defendant as punishment for the offense. The special expense fee may be collected at any time before the date on which the period of probation ends. The judge may elect not to impose the special expense fee for good cause shown by the defendant. If the judge orders the collection of a special expense fee, the judge shall require that the amount of the special expense fee be credited toward the payment of the amount of the fine imposed by the judge. An order of deferral under this subsection terminates any liability under a ~~[bail bond or an appearance]~~ bond given for the charge.

SECTION 21. Article 45.0511(t), Code of Criminal Procedure, is amended to read as follows:

(t) An order of deferral under Subsection (c) terminates any liability under a ~~[bail bond or appearance]~~ bond given for the charge.

Explanation: The addition of text is a technical change necessary to conform to the changes made in SECTION 9 of the bill, in added Article 45.016(b), Code of Criminal Procedure.

(8) Senate Rule 12.03(1) is suspended to permit the committee to amend text not in disagreement in SECTION 31 of the bill, in the transition language, to read as follows:



SECTION 31. The changes in law made by this Act to Articles 45.016, 45.051, and 45.0511, Code of Criminal Procedure, apply only to a bond executed on or after the effective date of this Act. A bond executed before the effective date of this Act is governed by the law in effect when the bond was executed, and the former law is continued in effect for that purpose.

Explanation: This change is necessary to properly implement the addition of SECTIONS 20 and 21 to the bill.

**SR 926** was read.

Senator Zaffirini moved to temporarily postpone further consideration of the resolution.

The motion prevailed.

Question: Shall **SR 926** be adopted?

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1831 ADOPTED**

Senator Buckingham called from the President's table the Conference Committee Report on **SB 1831**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Buckingham, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Burton.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1329 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **SB 1329**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1553 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 1553**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2639 ADOPTED**

Senator Buckingham called from the President's table the Conference Committee Report on **HB 2639**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Buckingham, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2994 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 2994**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3083 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 3083**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 24, Nays 6.

Yeas: Buckingham, Campbell, Creighton, Estes, Garcia, Hancock, Hinojosa, Huffines, Huffman, Hughes, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Birdwell, Burton, Hall, Kolkhorst, Taylor of Collin.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 810 ADOPTED**

Senator Bettencourt called from the President's table the Conference Committee Report on **HB 810**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Bettencourt, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**REMARKS ORDERED PRINTED**

On motion of Senator Taylor of Collin and by unanimous consent, the remarks by Senators Bettencourt and Taylor of Collin regarding **HB 810** were ordered reduced to writing and printed in the *Senate Journal* as follows:

**Senator Taylor of Collin:** Thank you. Senator Bettencourt, I really appreciate your work on this very important piece of legislation which provides hope and, hopefully, treatment for people who are facing some very difficult medical circumstances, and I appreciate your work on the Conference Committee Report which I was proud to sign. One thing that we struck was a reference to 21 CFR Part 1271, and we did that to give the Texas Medical Board authority to move in the latitude they felt was appropriate. But because there is no actual reference now to what an IRB is in statute, I wanted to just establish your intent and my intent that the Texas Medical Board should look at 21 CFR Part 1271 or their own Texas Administrative Code Rule 198.3 to get an idea about where we're expecting an IRB to go underneath this particular piece of legislation.

**Senator Bettencourt:** Right, I think what we are looking at is the formation of what a really Texas institutional review board is at this point. They need to be looking at best practices and models from the federal statute and others. They already have, you know, some rulemaking authority in this area and, more importantly, because of what I think is going to be an effectively an explosion of adult stem cell therapies, they need to be able to report back to the Texas Medical Board on the progress which is also part of this bill, too, as well.

**Senator Taylor of Collin:** Alright, thank you. Thank you, Senator Bettencourt.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 999 ADOPTED**

Senator West called from the President's table the Conference Committee Report on **SB 999**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator West, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**(Senator Huffman in Chair)**

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2101 ADOPTED**

Senator Creighton called from the President's table the Conference Committee Report on **HB 2101**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Creighton, the Conference Committee Report was adopted by the following vote: Yeas 28, Nays 1, Present-not voting 1.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Hughes, Kolkhorst, Lucio, Miles, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Perry.

Present-not voting: Huffman.

Absent-excused: Menéndez.

### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 1172 ADOPTED**

Senator Perry called from the President's table the Conference Committee Report on **SB 1172**. The Conference Committee Report was again filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Perry, the Conference Committee Report was adopted by the following vote: Yeas 27, Nays 3.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, West, Whitmire.

Nays: Uresti, Watson, Zaffirini.

Absent-excused: Menéndez.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1521 ADOPTED**

Senator Whitmire called from the President's table the Conference Committee Report on **HB 1521**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Whitmire, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2937**

Senator Lucio called from the President's table the Conference Committee Report on **HB 2937**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

Senator Lucio moved to temporarily postpone further consideration of the Conference Committee Report.

The motion prevailed.

Question: Shall the Conference Committee Report on **HB 2937** be adopted?

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 2227 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **SB 2227**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 26, Nays 4.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Estes, Garcia, Hall, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Buckingham, Burton, Hancock, Taylor of Collin.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3879 ADOPTED**

Senator Hancock called from the President's table the Conference Committee Report on **HB 3879**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Hancock, the Conference Committee Report was adopted by the following vote: Yeas 28, Nays 2.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, West, Whitmire.

Nays: Watson, Zaffirini.

Absent-excused: Menéndez.

**SENATE RESOLUTION 929**

Senator Hughes offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 555 (an additional fee for issuing a marriage license to applicants who are not residents of this state and the form of a marriage license and application for a marriage license) to consider and take action on the following matter:

Senate Rule 12.03(1) is suspended to permit the committee to amend text not in disagreement in proposed SECTION 6 of the bill to read as follows:

SECTION 6. The change in law made by this Act applies only to a marriage license issued on or after January 1, 2019. A marriage license issued before January 1, 2019, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

Explanation: This change is necessary to delay implementation of the bill until January 1, 2019.

**SR 929** was read and was adopted by the following vote: Yeas 24, Nays 6.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Estes, Hall, Hinojosa, Huffman, Hughes, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Burton, Garcia, Hancock, Huffines, Kolkhorst, Taylor of Collin.

Absent-excused: Menéndez.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 555 ADOPTED**

Senator Hughes called from the President's table the Conference Committee Report on **HB 555**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Hughes, the Conference Committee Report was adopted by the following vote: Yeas 24, Nays 6.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Estes, Hall, Hinojosa, Huffman, Hughes, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Burton, Garcia, Hancock, Huffines, Kolkhorst, Taylor of Collin.

Absent-excused: Menéndez.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 501 ADOPTED**

Senator Taylor of Collin called from the President's table the Conference Committee Report on **HB 501**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Taylor of Collin, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

### **REMARKS ORDERED PRINTED**

On motion of Senator Watson and by unanimous consent, the remarks by Senators Taylor of Collin and Watson regarding **HB 501** were ordered reduced to writing and printed in the *Senate Journal* as follows:

**Senator Watson:** I'd like to establish legislative intent regarding Section 2, which allows officials to file corrected financial statements even after a complaint has been filed. When a public official files an amended financial statement under Section 2 of the bill, one of the things they have to declare is that the original statement was made in good faith and without intent to mislead or to misrepresent the information contained in the statement, correct?

**Senator Taylor of Collin:** Yes.

**Senator Watson:** But, to be clear, filing this declaration doesn't prevent the Ethics Commission from investigating whether or not an original statement was filed in good faith, does it? In other words, simply filing the declaration doesn't bind the Ethics Commission to that conclusion, does it?

**Senator Taylor of Collin:** No.

**Senator Watson:** So, the Ethics Commission can still look behind the declaration to fully investigate a complaint?

**Senator Taylor of Collin:** Yes.

**Senator Watson:** So, nothing in this section limits the Ethics Commission's existing authority to investigate complaints related to public officials' filing statements?

**Senator Taylor of Collin:** Correct.

*(Note: Prepared text)*

### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 277 ADOPTED**

Senator Campbell called from the President's table the Conference Committee Report on **SB 277**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

On motion of Senator Campbell, the Conference Committee Report was adopted by the following vote: Yeas 19, Nays 11.

Yeas: Bettencourt, Buckingham, Burton, Campbell, Estes, Hall, Hancock, Hinojosa, Huffman, Hughes, Kolkhorst, Lucio, Nelson, Nichols, Schwertner, Taylor of Galveston, Taylor of Collin, West, Whitmire.

Nays: Birdwell, Creighton, Garcia, Huffines, Miles, Perry, Rodríguez, Seliger, Uresti, Watson, Zaffirini.

Absent-excused: Menéndez.

### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 1633 ADOPTED**

Senator Perry called from the President's table the Conference Committee Report on **SB 1633**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Perry, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Burton.

Absent-excused: Menéndez.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 3292 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 3292**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 634 ADOPTED**

Senator Estes called from the President's table the Conference Committee Report on **SB 634**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Estes, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3270 ADOPTED**

Senator Taylor of Galveston called from the President's table the Conference Committee Report on **HB 3270**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Taylor of Galveston, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1987 ADOPTED**

Senator Lucio called from the President's table the Conference Committee Report on **SB 1987**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Lucio, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**SENATE RESOLUTION 935**

Senator Hinojosa offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 1462 (the creation and operation of certain local health care provider participation programs) to consider and take action on the following matter:

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

SECTION 28. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 298B to read as follows:



CHAPTER 298B. TARRANT COUNTY HOSPITAL DISTRICT HEALTH CARE  
PROVIDER PARTICIPATION PROGRAM  
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 298B.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of hospital managers of the district.

(2) "District" means the Tarrant County Hospital District.

(3) "Institutional health care provider" means a nonpublic hospital located in the district that provides inpatient hospital services.

(4) "Paying provider" means an institutional health care provider required to make a mandatory payment under this chapter.

(5) "Program" means the health care provider participation program authorized by this chapter.

Sec. 298B.002. APPLICABILITY. This chapter applies only to the Tarrant County Hospital District.

Sec. 298B.003. HEALTH CARE PROVIDER PARTICIPATION PROGRAM; PARTICIPATION IN PROGRAM. The board may authorize the district to participate in a health care provider participation program on the affirmative vote of a majority of the board, subject to the provisions of this chapter.

Sec. 298B.004. EXPIRATION OF AUTHORITY. (a) Subject to Sections 298B.153(d) and 298B.154, the authority of the district to administer and operate a program under this chapter expires December 31, 2019.

(b) Subsection (a) does not affect the authority of the district to require and collect a mandatory payment under Section 298B.154 after December 31, 2019, if necessary.

SUBCHAPTER B. POWERS AND DUTIES OF BOARD

Sec. 298B.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY PAYMENT. The board may require a mandatory payment authorized under this chapter by an institutional health care provider in the district only in the manner provided by this chapter.

Sec. 298B.052. RULES AND PROCEDURES. The board may adopt rules relating to the administration of the program, including collection of the mandatory payments, expenditures, audits, and any other administrative aspects of the program.

Sec. 298B.053. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING. If the board authorizes the district to participate in a program under this chapter, the board shall require each institutional health care provider to submit to the district a copy of any financial and utilization data required by and reported to the Department of State Health Services under Sections 311.032 and 311.033 and any rules adopted by the executive commissioner of the Health and Human Services Commission to implement those sections.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 298B.101. HEARING. (a) In each year that the board authorizes a program under this chapter, the board shall hold a public hearing on the amounts of any mandatory payments that the board intends to require during the year and how the revenue derived from those payments is to be spent.

(b) Not later than the fifth day before the date of the hearing required under Subsection (a), the board shall publish notice of the hearing in a newspaper of general circulation in the district and provide written notice of the hearing to each institutional health care provider in the district.

Sec. 298B.102. DEPOSITORY. (a) If the board requires a mandatory payment authorized under this chapter, the board shall designate one or more banks as a depository for the district's local provider participation fund.

(b) All funds collected under this chapter shall be secured in the manner provided for securing other district funds.

Sec. 298B.103. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) If the district requires a mandatory payment authorized under this chapter, the district shall create a local provider participation fund.

(b) The local provider participation fund consists of:

(1) all revenue received by the district attributable to mandatory payments authorized under this chapter;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer under the program, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to the local provider participation fund of the district may be used only to:

(1) fund intergovernmental transfers from the district to the state to provide the nonfederal share of Medicaid payments for:

(A) uncompensated care payments to nonpublic hospitals affiliated with the district, if those payments are authorized under the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315);

(B) uniform rate enhancements for nonpublic hospitals in the Medicaid managed care service area in which the district is located;

(C) payments available under another waiver program authorizing payments that are substantially similar to Medicaid payments to nonpublic hospitals described by Paragraph (A) or (B); or

(D) any reimbursement to nonpublic hospitals for which federal matching funds are available;

(2) subject to Section 298B.151(d), pay the administrative expenses of the district in administering the program, including collateralization of deposits;

(3) refund a mandatory payment collected in error from a paying provider;

(4) refund to paying providers a proportionate share of the money that the district:

(A) receives from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments; or

(B) determines cannot be used to fund the nonfederal share of Medicaid supplemental payment program payments;

(5) transfer funds to the Health and Human Services Commission if the district is legally required to transfer the funds to address a disallowance of federal matching funds with respect to programs for which the district made intergovernmental transfers described by Subdivision (1); and

(6) reimburse the district if the district is required by the rules governing the uniform rate enhancement program described by Subdivision (1)(B) to incur an expense or forego Medicaid reimbursements from the state because the balance of the local provider participation fund is not sufficient to fund that rate enhancement program.

(d) Money in the local provider participation fund may not be commingled with other district funds.

(e) Notwithstanding any other provision of this chapter, with respect to an intergovernmental transfer of funds described by Subsection (c)(1) made by the district, any funds received by the state, district, or other entity as a result of that transfer may not be used by the state, district, or any other entity to:

(1) expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152); or

(2) fund the nonfederal share of payments to nonpublic hospitals available through the Medicaid disproportionate share hospital program or the delivery system reform incentive payment program.

#### SUBCHAPTER D. MANDATORY PAYMENTS

Sec. 298B.151. MANDATORY PAYMENTS BASED ON PAYING PROVIDER NET PATIENT REVENUE. (a) Except as provided by Subsection (e), if the board authorizes a health care provider participation program under this chapter, the board may require an annual mandatory payment to be assessed on the net patient revenue of each institutional health care provider located in the district. The board may provide for the mandatory payment to be assessed quarterly. In the first year in which the mandatory payment is required, the mandatory payment is assessed on the net patient revenue of an institutional health care provider as determined by the data reported to the Department of State Health Services under Sections 311.032 and 311.033 in the most recent fiscal year for which that data was reported. If the institutional health care provider did not report any data under those sections, the provider's net patient revenue is the amount of that revenue as contained in the provider's Medicare cost report submitted for the previous fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report. If the mandatory payment is required, the district shall update the amount of the mandatory payment on an annual basis.

(b) The amount of a mandatory payment authorized under this chapter must be uniformly proportionate with the amount of net patient revenue generated by each paying provider in the district as permitted under federal law. A health care provider participation program authorized under this chapter may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

(c) If the board requires a mandatory payment authorized under this chapter, the board shall set the amount of the mandatory payment, subject to the limitations of this chapter. The aggregate amount of the mandatory payments required of all paying providers in the district may not exceed six percent of the aggregate net patient revenue from hospital services provided by all paying providers in the district.

(d) Subject to Subsection (c), if the board requires a mandatory payment authorized under this chapter, the board shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the district for activities under this chapter and to fund an intergovernmental transfer described by Section 298B.103(c)(1). The annual amount of revenue from mandatory payments that shall be paid for administrative expenses by the district is \$150,000, plus the cost of collateralization of deposits, regardless of actual expenses.

(e) A paying provider may not add a mandatory payment required under this section as a surcharge to a patient.

(f) A mandatory payment assessed under this chapter is not a tax for hospital purposes for purposes of Section 4, Article IX, Texas Constitution, or Section 281.045.

Sec. 298B.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. (a) The district may designate an official of the district or contract with another person to assess and collect the mandatory payments authorized under this chapter.

(b) The person charged by the district with the assessment and collection of mandatory payments shall charge and deduct from the mandatory payments collected for the district a collection fee in an amount not to exceed the person's usual and customary charges for like services.

(c) If the person charged with the assessment and collection of mandatory payments is an official of the district, any revenue from a collection fee charged under Subsection (b) shall be deposited in the district general fund and, if appropriate, shall be reported as fees of the district.

Sec. 298B.153. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE; LIMITATION OF AUTHORITY. (a) The purpose of this chapter is to authorize the district to establish a program to enable the district to collect mandatory payments from institutional health care providers to fund the nonfederal share of a Medicaid supplemental payment program or the Medicaid managed care rate enhancements for nonpublic hospitals to support the provision of health care by institutional health care providers to district residents in need of health care.

(b) This chapter does not authorize the district to collect mandatory payments for the purpose of raising general revenue or any amount in excess of the amount reasonably necessary to fund the nonfederal share of a Medicaid supplemental payment program or Medicaid managed care rate enhancements for nonpublic hospitals and to cover the administrative expenses of the district associated with activities under this chapter.

(c) To the extent any provision or procedure under this chapter causes a mandatory payment authorized under this chapter to be ineligible for federal matching funds, the board may provide by rule for an alternative provision or procedure that

conforms to the requirements of the federal Centers for Medicare and Medicaid Services. A rule adopted under this section may not create, impose, or materially expand the legal or financial liability or responsibility of the district or an institutional health care provider in the district beyond the provisions of this chapter. This section does not require the board to adopt a rule.

(d) The district may only assess and collect a mandatory payment authorized under this chapter if a waiver program, uniform rate enhancement, or reimbursement described by Section 298B.103(c)(1) is available to the district.

Sec. 298B.154. FEDERAL DISALLOWANCE. Notwithstanding any other provision of this chapter, if the Centers for Medicare and Medicaid Services issues a disallowance of federal matching funds for a purpose for which intergovernmental transfers described by Section 298B.103(c)(1) were made and the Health and Human Services Commission demands repayment from the district of federal funds paid to the district for that purpose, the district may require and collect mandatory payments from each paying provider that received those federal funds in an amount sufficient to satisfy the repayment demand made by the commission. The percentage limitation prescribed by Section 298B.151(c) does not apply to a mandatory payment required under this section.

SECTION 29. As soon as practicable after the expiration of the authority of the Tarrant County Hospital District to administer and operate a health care provider participation program under Chapter 298B, Health and Safety Code, as added by this Act, the board of hospital managers of the Tarrant County Hospital District shall transfer to each institutional health care provider in the district that provider's proportionate share of any remaining funds in any local provider participation fund created by the district under Section 298B.103, Health and Safety Code, as added by this Act.

SECTION 30. If before implementing any provision of Chapter 298B, Health and Safety Code, as added by this Act, a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

Explanation: The added language is necessary to allow the Tarrant County Hospital District to create and operate a health care provider participation program in Tarrant County.

**SR 935** was read and was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 1462 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **SB 1462**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Hinojosa, the Conference Committee Report was adopted by the following vote: Yeas 26, Nays 4.

Yeas: Birdwell, Buckingham, Campbell, Estes, Garcia, Hall, Hancock, Hinojosa, Huffman, Hughes, Kolkhorst, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Burton, Creighton, Huffines.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1823 ADOPTED**

Senator Zaffirini called from the President's table the Conference Committee Report on **HB 1823**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Zaffirini, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Bettencourt.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1001 ADOPTED**

Senator Taylor of Galveston called from the President's table the Conference Committee Report on **SB 1001**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Taylor of Galveston, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 801 ADOPTED**

Senator Seliger called from the President's table the Conference Committee Report on **SB 801**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Seliger, the Conference Committee Report was adopted by the following vote: Yeas 26, Nays 4.

Yeas: Birdwell, Buckingham, Campbell, Creighton, Estes, Garcia, Hancock, Hinojosa, Huffines, Huffman, Hughes, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Burton, Hall, Kolkhorst.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2912 ADOPTED**

Senator Estes called from the President's table the Conference Committee Report on **HB 2912**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Estes, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Hall.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 894 ADOPTED**

Senator Buckingham called from the President's table the Conference Committee Report on **SB 894**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Buckingham, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Burton.

Absent-excused: Menéndez.

**(Senator Birdwell in Chair)**

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

Senator Huffman called from the President's table the Conference Committee Report on **HB 29**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1886 ADOPTED**

Senator Huffman called from the President's table the Conference Committee Report on **HB 1886**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Huffman, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1839 ADOPTED**

Senator Hughes called from the President's table the Conference Committee Report on **SB 1839**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Hughes, the Conference Committee Report was adopted by the following vote: Yeas 29, Nays 1.

Nays: Burton.

Absent-excused: Menéndez.

**STATEMENT REGARDING SENATE BILL 1839**

Senator Taylor of Galveston submitted the following statement regarding **SB 1839**:

In SB 1839, "long-term substitute" is intended to mean "a substitute that has served for at least 5 days in that role."

TAYLOR OF GALVESTON

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2377 ADOPTED**

Senator Perry called from the President's table the Conference Committee Report on **HB 2377**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Perry, the Conference Committee Report was adopted by the following vote: Yeas 30, Nays 0.

Absent-excused: Menéndez.

**SENATOR ANNOUNCED PRESENT**

Senator Menéndez, who had previously been recorded as "Absent-excused," was announced "Present."

**(Senator Huffman in Chair)**

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 150 ADOPTED**

Senator Creighton called from the President's table the Conference Committee Report on **HB 150**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**SENATE RESOLUTION 910**

Senator West offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the



differences on Senate Bill 2244 (the creation of the University Hills Municipal Management District; providing authority to issue bonds; providing authority to impose assessments or fees) to consider and take action on the following matter:

Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement in SECTION 1 of the bill by omitting added Section 3947.255, Special District Local Laws Code. The omitted text would exempt the University Hills Municipal Management District from the application of Section 375.262, Local Government Code, which provides for the dissolution of a district on petition of certain owners of property in the district.

Explanation: The omission of the text is necessary to require the board of the University Hills Municipal Management District to dissolve the district on petition of certain owners of property in the district.

**SR 910** was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 2244 ADOPTED**

Senator West called from the President's table the Conference Committee Report on **SB 2244**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1424 ADOPTED**

Senator Birdwell called from the President's table the Conference Committee Report on **HB 1424**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1290 ADOPTED**

Senator Kolkhorst called from the President's table the Conference Committee Report on **HB 1290**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

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

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 4345 ADOPTED**

Senator Watson called from the President's table the Conference Committee Report on **HB 4345**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Hall, Hancock, Taylor of Collin.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 463 ADOPTED**

Senator Seliger called from the President's table the Conference Committee Report on **SB 463**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Yeas: Bettencourt, Birdwell, Buckingham, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Burton, Campbell.

**RECESS**

On motion of Senator Whitmire, the Senate at 3:43 p.m. recessed until 4:30 p.m. today.

**AFTER RECESS**

The Senate met at 4:49 p.m. and was called to order by the President.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 301 ADOPTED**

Senator Watson called from the President's table the Conference Committee Report on **SB 301**. The Conference Committee Report was filed with the Senate on Friday, May 19, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 302 ADOPTED**

Senator Watson called from the President's table the Conference Committee Report on **SB 302**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

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

Nays: Garcia.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 303 ADOPTED**

Senator Watson called from the President's table the Conference Committee Report on **SB 303**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

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

Nays: Garcia.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 319 ADOPTED**

Senator Watson called from the President's table the Conference Committee Report on **SB 319**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1625 ADOPTED**

Senator Uresti called from the President's table the Conference Committee Report on **SB 1625**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 557 ADOPTED**

Senator Burton called from the President's table the Conference Committee Report on **HB 557**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1036 ADOPTED**

Senator Whitmire called from the President's table the Conference Committee Report on **HB 1036**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Whitmire, the Conference Committee Report was adopted by the following vote: Yeas 25, Nays 6.

Yeas: Beckenbush, Birdwell, Buckingham, Campbell, Estes, Garcia, Hinojosa, Huffman, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Burton, Creighton, Hall, Hancock, Huffines, Hughes.

**SENATE RESOLUTION 936**

Senator Creighton offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 2014 (the administration of certain water districts) to consider and take action on the following matter:

(1) Senate Rule 12.03(1) is suspended to permit the committee to amend text not in disagreement in proposed SECTION 5 of the bill, in amended Section 54.016(a), Water Code, to read as follows:

(a) No land within the corporate limits of a city or within the extraterritorial jurisdiction of a city, shall be included in a district unless the city grants its written consent, by resolution or ordinance, to the inclusion of the land within the district in accordance with Section 42.042, Local Government Code, and this section. The request to a city for its written consent to the creation of a district, shall be signed by a majority in value of the holders of title of the land within the proposed district as indicated by the county tax rolls [~~or, if there are more than 50 persons holding title to the land in the proposed district as indicated by the county tax rolls, the request to the city will be sufficient if it is signed by 50 holders of title to the land in the district~~]. A petition for the written consent of a city to the inclusion of land within a district shall describe the boundaries of the land to be included in the district by metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the area, and state the general nature of the work proposed to be done, the necessity for the work, and the cost of the project as then estimated by those filing the petition. If, at the time a petition is filed with a city for creation of a district, the district proposes to connect to a city's water or sewer system or proposes to contract with a regional water and wastewater provider which has been designated as such by the commission as of the date such petition is filed, to which the city has made a capital contribution for the water and wastewater facilities serving the area, the proposed district shall be designated as a "city service district." If such proposed district does not meet the criteria for a city service district at the time the petition seeking creation is filed, such district shall be designated as a "noncity service district." The city's consent shall not

place any restrictions or conditions on the creation of a noncity service district as defined by this chapter [~~Chapter 54 of the Texas Water Code~~] other than those expressly provided in Subsection (e) of this section and shall specifically not limit the amounts of the district's bonds. A city may not require annexation as a consent to creation of any district. A city shall not refuse to approve a district bond issue for any reason except that the district is not in compliance with valid consent requirements applicable to the district. If a city grants its written consent without the concurrence of the applicant to the creation of a noncity service district containing conditions or restrictions that the petitioning land owner or owners reasonably believe exceed the city's powers, such land owner or owners may petition the commission to create the district and to modify the conditions and restrictions of the city's consent. The commission may declare any provision of the consent to be null and void. The commission may approve the creation of a district that includes any portion of the land covered by the city's consent to creation of the district. The legislature may create and may validate the creation of a district that includes any portion of the land covered by the city's consent to the creation of the district.

Explanation: The change is necessary to clarify that a request to a city for its written consent to the inclusion of land within a district in accordance with Section 42.042, Local Government Code, shall be signed by a majority in value of the holders of title of the land within the proposed district as indicated by the county tax rolls.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding proposed SECTIONS 3 and 4 to the bill to read as follows:

SECTION 3. Section 49.302(b), Water Code, is amended to read as follows:

(b) A petition requesting the annexation of a defined area signed by a majority in value of the owners of land in the defined area, as shown by the tax rolls of the central appraisal district of the county or counties in which such area is located, [~~or signed by 50 landowners if the number of landowners is more than 50,~~] shall describe the land by metes and bounds or by lot and block number if there is a recorded plat of the area and shall be filed with the secretary of the board.

SECTION 4. Section 54.014, Water Code, is amended to read as follows:

Sec. 54.014. PETITION. When it is proposed to create a district, a petition requesting creation shall be filed with the commission. The petition shall be signed by a majority in value of the holders of title of the land within the proposed district, as indicated by the tax rolls of the central appraisal district. [~~If there are more than 50 persons holding title to the land in the proposed district, as indicated by the tax rolls of the central appraisal district, the petition is sufficient if it is signed by 50 holders of title to the land.~~]

Explanation: The change is necessary to change the petition requirements for creation of or annexation of land to certain special purpose districts.

**SR 936** was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 2014 ADOPTED**

Senator Creighton called from the President's table the Conference Committee Report on **SB 2014**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER  
Austin, Texas  
Sunday, May 28, 2017 - 1

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

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

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

**SB 578** (non-record vote)

House Conferees: Gutierrez - Chair/Blanco/Burkett/Elkins/Rodriguez, Justin

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**HB 501** (148 Yeas, 1 Nays, 1 Present, not voting)

**HB 2994** (146 Yeas, 1 Nays, 1 Present, not voting)

**SB 5** (92 Yeas, 56 Nays, 1 Present, not voting)

**SB 30** (129 Yeas, 19 Nays, 1 Present, not voting)

**SB 277** (97 Yeas, 47 Nays, 1 Present, not voting)

**SB 533** (144 Yeas, 2 Nays, 1 Present, not voting)

**SB 1172** (145 Yeas, 0 Nays, 1 Present, not voting)

**SB 1462** (134 Yeas, 12 Nays, 1 Present, not voting)

**SB 1831** (146 Yeas, 0 Nays, 1 Present, not voting)

**SB 1913** (77 Yeas, 70 Nays, 1 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk  
House of Representatives

**SENATE RESOLUTION 948**

Senator Buckingham offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 1148 (maintenance of certification by a physician or an applicant for a license to practice medicine in this state) to consider and take action on the following matter:

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

SECTION 3. Subchapter B, Chapter 151, Occupations Code, is amended by adding Section 151.0515 to read as follows:

Sec. 151.0515. DISCRIMINATION BASED ON MAINTENANCE OF CERTIFICATION. (a) Except as otherwise provided by this section, the following entities may not differentiate between physicians based on a physician's maintenance of certification:

(1) a health facility that is licensed under Subtitle B, Title 4, Health and Safety Code, or a mental hospital that is licensed under Chapter 577, Health and Safety Code, if the facility or hospital has an organized medical staff or a process for credentialing physicians;

(2) a hospital that is owned or operated by this state;

(3) an institution or program that is owned, operated, or licensed by this state, including an institution or program that directly or indirectly receives state financial assistance, if the institution or program:

(A) has an organized medical staff or a process for credentialing physicians on its staff; and

(B) is not a medical school, as defined by Section 61.501, Education Code, or a comprehensive cancer center, as designated by the National Cancer Institute; or

(4) an institution or program that is owned, operated, or licensed by a political subdivision of this state, if the institution or program has an organized medical staff or a process for credentialing physicians on its staff.

(b) An entity described by Subsection (a) may differentiate between physicians based on a physician's maintenance of certification if:

(1) the entity's designation under law or certification or accreditation by a national certifying or accrediting organization is contingent on the entity requiring a specific maintenance of certification by physicians seeking staff privileges or credentialing at the entity; and

(2) the differentiation is limited to those physicians whose maintenance of certification is required for the entity's designation, certification, or accreditation as described by Subdivision (1).

(c) An entity described by Subsection (a) may differentiate between physicians based on a physician's maintenance of certification if the voting physician members of the entity's organized medical staff vote to authorize the differentiation.

(d) An authorization described by Subsection (c) may:

(1) be made only by the voting physician members of the entity's organized medical staff and not by the entity's governing body, administration, or any other person;

(2) subject to Subsection (e), establish terms applicable to the entity's differentiation, including:

(A) appropriate grandfathering provisions; and

(B) limiting the differentiation to certain medical specialties; and

(3) be rescinded at any time by a vote of the voting physician members of the entity's organized medical staff.

(e) Terms established under Subsection (d)(2) may not conflict with a maintenance of certification requirement applicable to the entity's designation under law or certification or accreditation by a national certifying or accrediting organization.

Explanation: The change is necessary to provide that certain entities may not differentiate between physicians based on a physician's maintenance of certification except in certain circumstances.

**SR 948** was read and was adopted by the following vote: Yeas 30, Nays 1.

Nays: Burton.

#### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 1148 ADOPTED**

Senator Buckingham called from the President's table the Conference Committee Report on **SB 1148**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Nays: Burton.

#### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 2118 ADOPTED**

Senator Seliger called from the President's table the Conference Committee Report on **SB 2118**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffman, Hughes, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Buckingham, Burton, Huffines, Kolkhorst, Schwertner.



**(Senator Hughes in Chair)**

**SENATE RESOLUTION 926**

The Presiding Officer laid before the Senate **SR 926** by Senator Zaffirini. The resolution had been read and further consideration postponed:

**SR 926**, Suspending limitations on conference committee jurisdiction on SB 1913.

Question: Shall **SR 926** be adopted?

The resolution was again read and was adopted by the following vote: Yeas 26, Nays 5.

Yeas: Birdwell, Burton, Campbell, Creighton, Estes, Garcia, Hancock, Hinojosa, Huffines, Huffman, Hughes, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Buckingham, Hall, Kolkhorst, Taylor of Collin.

**(President in Chair)**

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1913 ADOPTED**

Senator Zaffirini called from the President's table the Conference Committee Report on **SB 1913**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Yeas: Birdwell, Burton, Campbell, Creighton, Estes, Garcia, Hancock, Hinojosa, Huffines, Huffman, Hughes, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Buckingham, Hall, Kolkhorst, Taylor of Collin.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 11 ADOPTED**

Senator Schwertner called from the President's table the Conference Committee Report on **SB 11**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1450 ADOPTED**

Senator Taylor of Galveston called from the President's table the Conference Committee Report on **SB 1450**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Nays: Burton.

### CONFERENCE COMMITTEE REPORT ON SENATE BILL 762 ADOPTED

Senator Menéndez called from the President's table the Conference Committee Report on **SB 762**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Yeas: Birdwell, Buckingham, Campbell, Estes, Garcia, Hall, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Burton, Creighton, Hancock.

### REMARKS ORDERED PRINTED

On motion of Senator Hall and by unanimous consent, the remarks by Senators Menéndez and Hall regarding **SB 762** were ordered reduced to writing and printed in the *Senate Journal* as follows:

**Senator Hall:** I want to thank you for your leadership on this issue. I don't believe there is anyone in either Chamber of this Legislature who disagrees that the activity you are trying to curtail is disgusting, repulsive, and reprehensible.

**Senator Menéndez:** Yes, Sir.

**Senator Hall:** The dismemberment of animals is something that's just hard for anybody to imagine.

**Senator Menéndez:** Yes, Sir.

**Senator Hall:** However, I do have to agree with my colleagues in the House that creating a penalty for cruelty to animals that exceeds the penalty for killing an unborn human child is problematic.

**Senator Menéndez:** I don't disagree with you.

**Senator Hall:** And that the penalty in this bill is a second degree penalty for dismembering—

**Senator Menéndez:** Yes, Sir.

**Senator Hall:** —an animal. The penalty for dismembering an unborn baby is simply a state jail felony, slightly more than a misdemeanor. You remember the discussions we had when we were working on the bill to prohibit dismemberment abortion, the procedures adopted for tearing a tiny baby apart to remove them from their mother's womb is every bit as horrific as the actions you're describing here to animals. Both practices demonstrate just how vile some portions of our society have become. Now, I'm going to vote for this bill, I support it, but I would hope that you and the rest of

this body would work together in the next session so that we can raise the level of penalties for the same actions on a human as we have for an animal. Again, I thank you for this.

**Senator Menéndez:** I appreciate, Senator Bob Hall, I appreciate your heartfelt comments on this, and I know they come from your heart, and I do appreciate them, and I do look forward to come back next session to work with you on this and many other issues that make a difference in Texans' lives.

**Senator Hall:** Thank you, Senator.

**Senator Menéndez:** Thank you, Sir.

*(Note: Prepared text)*

### SENATE RESOLUTION 931

Senator Watson offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 968 (a sexual assault policy at certain public and private institutions of higher education and to requiring those institutions to provide students and employees an option to electronically report certain offenses to the institution) to consider and take action on the following matter:

Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter which is not included in either the house or senate version of the bill in SECTION 1 of the bill, in amended Section 51.9363, Education Code, to read as follows:

Sec. 51.9363. ~~[CAMPUS]~~ SEXUAL ASSAULT POLICY. (a) In this section, "postsecondary educational institution" means an <sup>["]</sup>institution of higher education or a private or independent institution of higher education, as those terms are defined<sup>["</sup> ~~has the meaning assigned]~~ by Section 61.003.

(b) Each postsecondary educational institution ~~[of higher education]~~ shall adopt a policy on [campus] sexual assault applicable to each student enrolled at and each employee of the institution. The policy must:

(1) include:

(A) definitions of prohibited behavior;

(B) sanctions for violations; and

(C) the protocol for reporting and responding to reports of ~~[campus]~~ sexual assault; and

(2) be approved by the institution's governing board before final adoption by the institution.

(c) Each postsecondary educational institution ~~[of higher education]~~ shall make the institution's [campus] sexual assault policy available to students, faculty, and staff members by:

(1) including the policy in the institution's student handbook and personnel handbook; and

(2) creating and maintaining a web page on the institution's Internet website dedicated solely to the policy.

(d) Each postsecondary educational institution [~~of higher education~~] shall require each entering freshman or undergraduate transfer student to attend an orientation on the institution's [~~campus~~] sexual assault policy before or during the first semester or term in which the student is enrolled at the institution. The institution shall establish the format and content of the orientation.

Explanation: This addition is necessary to expand to private or independent institutions of higher education the requirements regarding a sexual assault policy and to require the policy to encompass all incidents of sexual assault, regardless of whether those incidents occur on or off campus.

**SR 931** was read and was adopted by the following vote: Yeas 31, Nays 0.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 968 ADOPTED**

Senator Watson called from the President's table the Conference Committee Report on **SB 968**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2937 ADOPTED**

The President laid before the Senate the Conference Committee Report on **HB 2937** by Senator Lucio. The Conference Committee Report had been called from the President's table and further consideration postponed:

**HB 2937**, Relating to the establishment of a pilot program under which a licensed hospital may offer dual credit courses to public high school students.

Question: Shall the Conference Committee Report on **HB 2937** be adopted?

On motion of Senator Lucio, the Conference Committee Report was adopted by the following vote: Yeas 24, Nays 7.

Yeas: Birdwell, Buckingham, Creighton, Estes, Garcia, Hall, Hinojosa, Huffines, Huffman, Hughes, Lucio, Menéndez, Miles, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Bettencourt, Burton, Campbell, Hancock, Kolkhorst, Perry, Taylor of Collin.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2442 ADOPTED**

Senator Taylor of Galveston called from the President's table the Conference Committee Report on **HB 2442**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Nays: Burton.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1784 ADOPTED**

Senator Taylor of Galveston called from the President's table the Conference Committee Report on **SB 1784**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Nays: Hall.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1511 ADOPTED**

Senator Perry called from the President's table the Conference Committee Report on **SB 1511**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 1553 ADOPTED**

Senator Menéndez called from the President's table the Conference Committee Report on **SB 1553**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Yeas: Bettencourt, Birdwell, Burton, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Lucio, Menéndez, Miles, Nelson, Nichols, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Buckingham, Kolkhorst, Perry, Taylor of Collin.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 3526 ADOPTED**

Senator Taylor of Galveston called from the President's table the Conference Committee Report on **HB 3526**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**BILLS AND RESOLUTION SIGNED**

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

**SB 1** (Signed subject to Sec. 49-a, Art. III, Texas Constitution), **SB 21**, **SB 179**, **SB 248**, **SB 468**, **SB 490**, **SB 526**, **SB 719**, **SB 736**, **SB 805**, **SB 807**, **SB 810**, **SB 813**, **SB 814**, **SB 848**, **SB 1014**, **SB 1024**, **SB 1091**, **SB 1099**, **SB 1198**, **SB 1215**, **SB 1289**, **SB 1298**, **SB 1326**, **SB 1330**, **SB 1444**, **SB 1525**, **SB 1781**, **SB 1992**, **SCR 33**.

### SENATE RESOLUTION 943

Senator Estes offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 2445 (the use of municipal hotel occupancy tax revenue in certain municipalities) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 8 of the bill, by adding the following text to amended Section 351.102, Tax Code:

(c-1) A municipality to which this subsection applies is entitled to receive all funds from a hotel and convention center project that the owner of a project could receive under Section 151.429(h) of this code or Section 2303.5055, Government Code, if a project for purposes of those provisions included a hotel and convention center project. The municipality may pledge the funds for payment of obligations issued under this section for the hotel and convention center project. For purposes of this subsection, "hotel and convention center project" means a project that is an existing hotel owned by the municipality or another person and a convention center facility to be acquired, constructed, equipped, or leased, that will be located within 1,000 feet of the hotel, and that will be owned by or located on land owned by the municipality. This subsection applies only to a municipality that:

(1) is the county seat of a county that:

(A) borders the United Mexican States;

(B) has a population of less than 300,000; and

(C) contains one or more municipalities with a population of 200,000 or

more; and

(2) holds an annual jalapeño festival.

Explanation: The change is necessary to permit a municipality to which Section 351.102(c-1), Tax Code, as added by the bill, applies to receive and pledge the described funds for the specified purposes.

(2) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 8 of the bill, by adding the following text to added Section 351.102(e), Tax Code:

(e) In addition to the municipalities described by Subsection (b), that subsection also applies to:

(9) a municipality with a population of less than 2,000 that:

(A) is located adjacent to a bay connected to the Gulf of Mexico;

(B) is located in a county with a population of 290,000 or more that is adjacent to a county with a population of four million or more; and

(C) has a boardwalk on the bay;

(10) a municipality with a population of 75,000 or more that:

(A) is located wholly in one county with a population of 575,000 or more that is adjacent to a county with a population of four million or more; and

(B) has adopted a capital improvement plan for the construction or expansion of a convention center facility;

(11) a municipality with a population of less than 75,000 that is located in three counties, at least one of which has a population of at least four million; and

(12) an eligible coastal municipality with a population of more than 3,000 but less than 5,000.

Explanation: This change is necessary to add municipalities to the list of municipalities to which Section 351.102(b), Tax Code, applies.

(3) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill in proposed SECTION 8 of the bill, by adding the following text to amended Section 351.102, Tax Code:

(g) A municipality to which this section applies may not receive or pledge revenue or funds under Subsection (b) or (c) for a hotel project unless the municipality enters into an agreement with a person for the development of the hotel project before September 1, 2019.

Explanation: This change is necessary to restrict the application of Sections 351.102(b) and (c), Tax Code, to eligible municipalities that enter into the specified agreements before September 1, 2019.

**SR 943** was read and was adopted by the following vote: Yeas 25, Nays 5, Present-not voting 1.

Yeas: Bettencourt, Buckingham, Campbell, Creighton, Estes, Garcia, Hinojosa, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Burton, Hall, Hancock, Taylor of Collin.

Present-not voting: Huffines.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 2445 ADOPTED**

Senator Estes called from the President's table the Conference Committee Report on **HB 2445**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

On motion of Senator Estes, the Conference Committee Report was adopted by the following vote: Yeas 25, Nays 5, Present-not voting 1.

Yeas: Bettencourt, Buckingham, Campbell, Creighton, Estes, Garcia, Hinojosa, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Birdwell, Burton, Hall, Hancock, Taylor of Collin.

Present-not voting: Huffines.

### SENATE RESOLUTION 949

Senator Taylor of Galveston offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on House Bill 22 (public school accountability) to consider and take action on the following matter:

(1) Senate Rule 12.03(3), is suspended to permit the committee to add text on a matter that is not in disagreement in proposed SECTION 8 of the bill, in added Section 39.053(c-3), Education Code, to read as follows:

(c-3) Any standard for improvement determined by the commissioner as described by Subsection (c)(2)(A) must allow for appropriately crediting a student for growth if the student performs at the highest achievement standard in the previous and current school year.

Explanation: The addition is necessary to provide an appropriate standard for measuring student growth in performance on assessment instruments.

(2) Senate Rule 12.03(3), is suspended to permit the committee to add text on a matter that is not in disagreement in proposed SECTION 10 of the bill, in amended Section 39.054(a), Education Code, by adding a sentence referencing added Section 39.0544, Education Code, to read as follows:

(a) The commissioner shall adopt rules to evaluate school district and campus performance and assign each district and campus an overall performance rating of A, B, C, D, or F. In addition to the overall performance rating, the commissioner shall assign each district and campus a separate domain performance rating of A, B, C, D, or F for each domain under Section 39.053(c) [~~Sections 39.053(e)(1) (4)~~]. An overall or domain performance rating of A reflects exemplary performance. An overall or domain performance rating of B reflects recognized performance. An overall or domain performance rating of C reflects acceptable performance. An overall or domain performance rating of D reflect performance that needs improvement. An overall or domain performance rating of [or] F reflects unacceptable performance. A district may not receive an overall or domain performance rating of A if the district includes any campus with a corresponding overall or domain performance rating of D or F. If a school district has been approved under Section 39.0544 to assign campus performance ratings and the commissioner has not assigned a campus an overall performance rating of D or F, the commissioner shall assign the campus an overall performance rating based on the school district assigned performance rating under Section 39.0544. A reference in law to an acceptable rating or acceptable performance



includes an overall or domain performance rating of A, B, ~~[or]~~ C, or D or performance that is exemplary, recognized, or acceptable performance or performance that needs improvement.

Explanation: The addition is necessary to incorporate the local accountability system as a component in assigning performance ratings.

(3) Senate Rule 12.03(3), is suspended to permit the committee to add text on a matter that is not in disagreement in proposed SECTION 10 of the bill, in amended Section 39.054(a-2), Education Code, by adding a reference to added Section 39.0544, Education Code, to read as follows:

(a-2) The commissioner by rule may ~~[shall]~~ adopt procedures to ensure that a repeated performance rating of D or F or unacceptable in one domain, particularly performance that is not significantly improving, is reflected in the overall performance rating of a district or campus under Section 39.0544 and is not compensated for by a performance rating of A, B, or C in another domain.

Explanation: The addition is necessary to provide a reference to the local accountability system.

(4) Senate Rules 12.03(2) and (4), are suspended to permit the committee to omit text that amended Section 39.0546, Education Code, relating to performance in community and student engagement as a component of district and campus rating, on a matter that is not in disagreement, and add text on a matter that is not included in either the house or senate version of the bill by repealing in SECTION 19 of the bill Section 39.0546, Education Code.

Explanation: The change is necessary to repeal Section 39.0546, Education Code, which is no longer necessary with the addition of the local accountability system.

(5) Senate Rule 12.03(3), is suspended to permit the committee to add text on a matter that is not in disagreement in proposed SECTION 14 of the bill, in added Section 39.0544, Education Code, to read as follows:

Sec. 39.0544. LOCAL ACCOUNTABILITY SYSTEM. (a) The commissioner shall adopt rules regarding the assignment of campus performance ratings by school districts and open-enrollment charter schools. The rules:

(1) must require a district or school, in assigning an overall performance rating for a campus, to incorporate:

(A) domain performance ratings assigned by the commissioner under Section 39.054; and

(B) performance ratings based on locally developed domains or sets of accountability measures;

(2) may permit a district or school to assign weights to each domain or set of accountability measures described in Subdivision (1), as determined by the district or school, provided that the domains specified in Subdivision (1)(A) must in the aggregate account for at least 50 percent of the overall performance rating;

(3) must require that each locally developed domain or set of accountability measures:

(A) contain levels of performance that allow for differentiation, with assigned standards for achieving the differentiated levels;

(B) provide for the assignment of a letter grade of A, B, C, D, or F; and

(C) meet standards for reliability and validity;

(4) must require that calculations for overall performance ratings and each locally developed domain or set of accountability measures be capable of being audited by a third party;

(5) must require that a district or school produce a campus score card that may be displayed on the agency's web site; and

(6) must require that a district or school develop and make available to the public an explanation of the methodology used to assign performance ratings under this section.

(b) The commissioner shall develop a process to approve a request by a school district or open-enrollment charter school to assign campus performance ratings in accordance with this section. Under that process, a district or school must obtain approval of a local accountability plan submitted by the district or school to the agency. A plan may be approved only if:

(1) after review, the agency determines the plan meets the minimum requirements under this section and agency rule;

(2) at the commissioner's discretion, an audit conducted by the agency verifies the calculations included in the plan; and

(3) subject to Subsection (d), a review panel appointed under Subsection (c) approves the plan.

(c) The commissioner shall appoint a review panel for purposes of Subsection (b)(3) that includes a majority of members who are superintendents or members of the board of trustees or governing body of school districts or open-enrollment charter schools with approved local accountability plans.

(d) The requirement under Subsection (b)(3) applies only after performance ratings are issued in August 2019 and only if at least 10 school districts or open-enrollment charter schools have obtained approval of locally developed accountability plans.

(e) A school district or open-enrollment charter school authorized under this section to assign campus performance ratings shall evaluate the performance of each campus as provided by this section and assign each campus a performance rating of A, B, C, D, or F for overall performance and for each locally developed domain or set of accountability measures. Not later than a date established by the commissioner, the district or school shall:

(1) report the performance ratings to the agency; and

(2) make the performance ratings available to the public as provided by commissioner rule.

Explanation: The addition is necessary to provide a method to locally assess performance of campuses by school districts and open-enrollment charter schools.

(6) Senate Rule 12.03(4), is suspended to permit the committee to add text on a matter that is not included in either the house or senate version of the bill in proposed SECTION 19 of the bill by repealing Section 39.054(c), Education Code, as effective September 1, 2017.

Explanation: The addition is necessary to repeal Section 39.054(c), Education Code, which is no longer necessary under the modified performance evaluation system.

(7) Senate Rule 12.03(4), is suspended to permit the committee to add text on a matter that is not included in either the house or senate version of the bill in proposed SECTION 19 of the bill by repealing Section 39.0545, Education Code.

Explanation: The addition is necessary to repeal Section 39.0545, Education Code, which is no longer necessary with the addition of the local accountability system.

(8) Senate Rule 12.03(4), is suspended to permit the committee to add text on a matter that is not included in either the house or senate version of the bill in proposed SECTION 20 of the bill to read as follows:

SECTION 20. If H.B. 1500, 85th Legislature, Regular Session, 2017, becomes law, that law has no effect.

Explanation: The addition is necessary to avoid a conflict in law.

**SR 949** was read and was adopted by the following vote: Yeas 28, Nays 3.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, West, Whitmire.

Nays: Menéndez, Watson, Zaffirini.

**(Senator Hughes in Chair)**

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 22 ADOPTED**

Senator Taylor of Galveston called from the President's table the Conference Committee Report on **HB 22**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

### **SENATE RESOLUTION 938**

Senator Hancock offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 2065 (the licensing and regulation of certain occupations and activities) to consider and take action on the following matter:

Senate Rule 12.03(2) is suspended to permit the committee to omit text not in disagreement by omitting SECTION 6.002 of the senate engrossment of Senate Bill 2065 and the corresponding section of the bill as the bill was amended by the house, which reads as follows:

SECTION 6.002. This Act takes effect only if a specific appropriation for the implementation of the Act is provided in a general appropriations act of the 85th Legislature.

Explanation: The omission is necessary to ensure the implementation of the Act as intended by the 85th Legislature, Regular Session, 2017.

**SR 938** was read and was adopted by the following vote: Yeas 30, Nays 1.

Nays: Garcia.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 2065 ADOPTED**

Senator Hancock called from the President's table the Conference Committee Report on **SB 2065**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Nays: Garcia.

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 5 ADOPTED**

Senator Schwertner called from the President's table the Conference Committee Report on **HB 5**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1643 ADOPTED**

Senator Seliger called from the President's table the Conference Committee Report on **HB 1643**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

Yeas: Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, Whitmire, Zaffirini.

Nays: Bettencourt, Huffines, Huffman, Taylor of Collin, West.

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 578 ADOPTED**

Senator Lucio called from the President's table the Conference Committee Report on **SB 578**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 1003 ADOPTED**

Senator West called from the President's table the Conference Committee Report on **HB 1003**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**SENATE BILL 491 WITH HOUSE AMENDMENT**

Senator Watson called **SB 491** from the President's table for consideration of the House amendment to the bill.

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

**Floor Amendment No. 1**

Amend **SB 491** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 58.006, Education Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) An organization eligible to receive funds under this subsection must:

(1) qualify for exemption from federal income tax under Section 501, Internal Revenue Code of 1986 (26 U.S.C. Section 501); or

(2) be operated by a state accredited medical school [~~as defined in Section 61.501(1)~~].

(d) For purposes of this section, "medical school" has the meaning assigned by Section 61.501(1), except that the term also includes the school of osteopathic medicine at the University of the Incarnate Word.

The amendment was read.

Senator Watson moved to concur in the House amendment to **SB 491**.

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

Nays: Buckingham.

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2017 - 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:

**SCR 11**

Kolkhorst

Sponsor: Geren

Authorizing the lieutenant governor and the speaker to appoint interim joint committees.

**SCR 56**

Watson

Sponsor: Lucio III

Requesting the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to examine all state open-government laws.

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**HB 5** (145 Yeas, 1 Nays, 2 Present, not voting)

**HB 29** (144 Yeas, 0 Nays, 2 Present, not voting)

**HB 150** (147 Yeas, 0 Nays, 2 Present, not voting)

**HB 555** (123 Yeas, 22 Nays, 2 Present, not voting)

**HB 557** (139 Yeas, 8 Nays, 2 Present, not voting)

**HB 810** (145 Yeas, 0 Nays, 1 Present, not voting)

**HB 1003** (145 Yeas, 2 Nays, 2 Present, not voting)

**HB 1036** (127 Yeas, 8 Nays, 3 Present, not voting)

**HB 1290** (119 Yeas, 22 Nays, 2 Present, not voting)

**HB 1424** (141 Yeas, 0 Nays, 2 Present, not voting)

**HB 1521** (146 Yeas, 0 Nays, 2 Present, not voting)

**HB 1549** (142 Yeas, 1 Nays, 2 Present, not voting)

**HB 1643** (143 Yeas, 2 Nays, 1 Present, not voting)

**HB 1823** (130 Yeas, 14 Nays, 2 Present, not voting)

**HB 1886** (141 Yeas, 6 Nays, 2 Present, not voting)

**HB 2101** (147 Yeas, 0 Nays, 2 Present, not voting)

**HB 2377** (144 Yeas, 3 Nays, 2 Present, not voting)

**HB 2442** (146 Yeas, 0 Nays, 2 Present, not voting)

**HB 2445** (128 Yeas, 19 Nays, 1 Present, not voting)

**HB 2912** (133 Yeas, 14 Nays, 2 Present, not voting)

**HB 2937** (142 Yeas, 2 Nays, 2 Present, not voting)

**HB 3083** (128 Yeas, 18 Nays, 2 Present, not voting)

**HB 3270** (146 Yeas, 1 Nays, 2 Present, not voting)

**HB 3292** (147 Yeas, 0 Nays, 2 Present, not voting)

**HB 3526** (147 Yeas, 0 Nays, 2 Present, not voting)

**HB 3767** (143 Yeas, 5 Nays, 2 Present, not voting)

**HB 3879** (144 Yeas, 0 Nays, 4 Present, not voting)

**HB 4345** (133 Yeas, 13 Nays, 1 Present, not voting)

**SB 11** (107 Yeas, 41 Nays, 1 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk  
House of Representatives

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2017 - 3

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

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

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**SB 27** (147 Yeas, 0 Nays, 2 Present, not voting)

**SB 463** (145 Yeas, 0 Nays, 2 Present, not voting)

**SB 578** (146 Yeas, 0 Nays, 1 Present, not voting)

**SB 634** (144 Yeas, 0 Nays, 2 Present, not voting)

**SB 762** (117 Yeas, 28 Nays, 2 Present, not voting)

**SB 801** (78 Yeas, 62 Nays, 2 Present, not voting)

**SB 894** (141 Yeas, 0 Nays, 1 Present, not voting)

**SB 968** (120 Yeas, 27 Nays, 2 Present, not voting)

**SB 999** (146 Yeas, 0 Nays, 2 Present, not voting)

**SB 1001** (140 Yeas, 4 Nays, 4 Present, not voting)

**SB 1148** (144 Yeas, 2 Nays, 2 Present, not voting)

**SB 1511** (146 Yeas, 0 Nays, 2 Present, not voting)

**SB 1553** (132 Yeas, 13 Nays, 2 Present, not voting)

**SB 1625** (117 Yeas, 29 Nays, 2 Present, not voting)

**SB 1633** (138 Yeas, 6 Nays, 3 Present, not voting)

**SB 1784** (144 Yeas, 0 Nays, 2 Present, not voting)

**SB 1987** (147 Yeas, 0 Nays, 2 Present, not voting)

**SB 2014** (144 Yeas, 2 Nays, 2 Present, not voting)

**SB 2065** (145 Yeas, 0 Nays, 2 Present, not voting)

**SB 2118** (134 Yeas, 8 Nays, 3 Present, not voting)

**SB 2227** (115 Yeas, 24 Nays, 2 Present, not voting)

**SB 2244** (138 Yeas, 5 Nays, 2 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk  
House of Representatives

### MESSAGE FROM THE HOUSE

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2017 - 4

The Honorable President of the Senate

Senate Chamber

Austin, Texas

Mr. President:

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

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

**HCR 157** King, Ken

Instructing the enrolling clerk of the house to make corrections in H.B. No. 2442.

**HCR 158** Wray

Instructing the enrolling clerk of the house to make corrections in H.B. No. 2271.

Respectfully,

/s/Robert Haney, Chief Clerk  
House of Representatives

### SENATE BILL 1663 WITH HOUSE AMENDMENTS

Senator Huffman called **SB 1663** from the President's table for consideration of the House amendments to the bill.

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

#### Amendment

Amend **SB 1663** by substituting in lieu thereof the following:

#### A BILL TO BE ENTITLED AN ACT

relating to contributions to, benefits from, late fees imposed by, and the administration of systems and programs administered by the Teacher Retirement System of Texas.

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

SECTION 1. Sections 42.260(b) and (c), Education Code, are amended to read as follows:



(b) ~~The [For each year, the commissioner shall certify to each school district or participating charter school the] amount of additional funds to which each school district or participating charter school [the district or school] is entitled due to the increases in formula funding [increase] made by H.B. No. 3343, Acts of the 77th Legislature, Regular Session, 2001, and any subsequent legislation amending the provisions amended by that Act that increase formula funding under Chapter 41 and this chapter to school districts and charter schools is available for purposes of Subsection (c) [to:~~

~~[(1) the equalized wealth level under Section 41.002; or~~

~~[(2) the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302].~~

(c) Notwithstanding any other provision of this code, a school district or participating charter school may use the sum of the following amounts [amount] of funds only to pay contributions under a group health coverage plan for district or school employees:

(1) ~~[an amount equal to 75 percent of the amount certified for the district or school under Subsection (b); or~~

~~[(2) if the following amount is less than the amount specified by Subdivision (1), the sum of:~~

~~[(A) the amount determined by multiplying the amount of \$900 or the amount specified in the General Appropriations Act for that year for purposes of the state contribution under Section 1579.251 [9, Article 3.50-7], Insurance Code, by the number of district or school employees who participate in a group health coverage plan provided by or through the district or school; and~~

~~(2) [(B) the difference between the amount necessary for the district or school to comply with Section 1581.052 [3, Article 3.50-9], Insurance Code, for the school year and the amount the district or school is required to use to provide health coverage under Section 1581.051, Insurance Code, [2 of that article] for that year.~~

SECTION 2. Section 822.002, Government Code, is amended to read as follows:

Sec. 822.002. EXCEPTIONS TO MEMBERSHIP REQUIREMENT. (a) An employee of the public school system is not permitted to be a member of the retirement system if the employee:

(1) is eligible and elects to participate in the optional retirement program under Chapter 830; or

~~(2) [is solely employed by a public institution of higher education that as a condition of employment requires the employee to be enrolled as a student in the institution; or~~

~~[(3) has retired under the retirement system and has not been reinstated to membership pursuant to Section 824.005 or 824.307.~~

(b) An employee of a public institution of higher education who is required to be enrolled as a student in the institution as a condition of employment is not permitted to be a member of the retirement system based on that student employment, and compensation paid to the employee for work performed as a student employee is not compensation subject to report and deduction for member contributions or to credit in benefit computations under Section 822.201.

SECTION 3. Section 824.1012, Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) As an exception to Section 824.101(c), a retiree who selected an optional service retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5) or an optional disability retirement annuity under Section 824.308(c)(1), (c)(2), or (c)(5) and who has received at least one payment under the plan selected may change the optional annuity selection made by the retiree to a standard service or disability retirement annuity as provided for in this section. If the beneficiary of the optional annuity was [is] the spouse [or former spouse] of the retiree when the retiree designated the spouse as beneficiary of the optional annuity, to change from the optional annuity to a standard retirement annuity under this subsection, the spouse or former spouse, as applicable, who was designated[~~r~~] the beneficiary of the optional annuity must sign a notarized consent to the change[~~s~~] or a court with jurisdiction over the marriage of [~~in~~ a divorce proceeding involving] the retiree and beneficiary must approve or order the change [in the divorce decree or acceptance of a property settlement]. The change in plan selection takes effect when the retirement system receives the request to change the plan, provided the signed consent form or court order, as applicable, is subsequently received by the retirement system [~~is~~].

(a-1) The executive director or the executive director's designee has exclusive authority to determine whether the language in a court order described by Subsection (a) is sufficient to indicate that the court has approved or ordered the change in plan selection. A determination by the executive director or the executive director's designee under this subsection may be appealed only to the board of trustees, except that the board by rule may waive the requirement that an appeal be to the board. An appeal to the board is a contested case under Chapter 2001. The standard of review of an appeal brought under this subsection is by substantial evidence.

SECTION 4. Section 824.1013, Government Code, is amended by amending Subsections (b) and (c-1) and adding Subsection (c-2) to read as follows:

(b) If the beneficiary designated at the time of the retiree's retirement is the spouse of the retiree at the time of the designation:

- (1) the spouse must give written, notarized consent to the change;
- (2) if the parties divorce after the designation, the former spouse who was designated beneficiary must give written, notarized consent to the change; or
- (3) a court with jurisdiction over the marriage must approve or order [~~have ordered~~] the change.

(c-1) Notwithstanding Subsection (c), a beneficiary designated under this section is entitled on the retiree's death to receive monthly payments of the survivor's portion of the retiree's optional retirement annuity for the remainder of the beneficiary's life if the beneficiary designated at the time of the retiree's retirement is a trust and the beneficiary designated under this section is:

- (1) the sole beneficiary of that trust; or
- (2) an individual who at the time of the retiree's death is the sole beneficiary of that trust.

(c-2) The executive director or the executive director's designee has exclusive authority to determine whether the language in a court order described by Subsection (b) is sufficient to indicate that the court has approved or ordered the change in the

designated beneficiary. A determination by the executive director or the executive director's designee under this subsection may be appealed only to the board of trustees, except that the board by rule may waive the requirement that an appeal be to the board. An appeal to the board is a contested case under Chapter 2001. The standard of review of an appeal brought under this subsection is by substantial evidence.

SECTION 5. Section 824.402, Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) In determining under Subsection (a)(4) whether to reduce the optional retirement annuity amount because of early retirement and in determining the amount of that reduction, if applicable, the retirement system shall make the determination as if the member had retired with an additional five years of service credit on the last day of the month preceding the month in which the member dies. The additional five years of service credit used in making a determination under this subsection may not be used to determine the amount of the benefit under Section 824.203 or whether the benefit under this subsection is authorized under Section 824.401.

SECTION 6. Section 824.503(f), Government Code, is amended to read as follows:

(f) The designated beneficiary of a disability retiree is eligible to receive the benefits described by this section if the retiree:

- (1) retires on or after September 1, 1992; and
- (2) dies while receiving disability retirement benefits under Section 824.304 [~~824.304(b)~~].

SECTION 7. Section 824.601, Government Code, is amended by amending Subsection (b) and adding Subsection (b-2) to read as follows:

(b) Except as provided by Subsection (b-1) or Section 824.602 and subject to Subsection (b-2), a retiree is not entitled to service or disability retirement benefit payments, as applicable, for any month in which the retiree is employed in any position by a Texas public educational institution.

(b-2) A retiree is considered to be employed by a Texas public educational institution for purposes of Subsection (b) if the retiree performs duties or provides services for or on behalf of the institution that an employee of the institution would otherwise perform or provide and:

(1) the retiree waives, defers, or forgoes compensation from the institution for the performance of the duties or provision of the services at any time during the 12 consecutive calendar months after the retiree's effective date of retirement, notwithstanding any other law, including Sections 824.602(a)(1), (a)(2), and (a)(4);

(2) the retiree performs the duties or provides the services for or on behalf of the institution as an independent contractor at any time during the 12 consecutive calendar months after the retiree's effective date of retirement; or

(3) the retiree, as a volunteer without compensation, performs the same duties or provides the same services for an institution that the retiree performed or provided immediately before retiring and the retiree has an agreement to perform those duties or provide those services after the 12 consecutive calendar months after the retiree's effective date of retirement.

SECTION 8. Section 825.208(b), Government Code, is amended to read as follows:

(b) The retirement system is exempt from Section 651.002, Chapter 660, and Subchapter K, Chapter 659, to the extent the board of trustees determines an exemption is necessary for the performance of fiduciary duties.

SECTION 9. Section 825.212, Government Code, is amended by adding Subsection (d) to read as follows:

(d) Notwithstanding any other law, all personal financial disclosures made by employees of the retirement system under this section, including a rule or policy adopted under this section, are confidential and excepted from the requirements of Section 552.021.

SECTION 10. Section 825.3011(b), Government Code, is amended to read as follows:

(b) Chapter 551 does not require the board of trustees to confer with one or more employees, consultants, or legal counsel of the retirement system or with a third party, including representatives of an issuer of restricted securities or a private investment fund, in an open meeting if the only purpose of the conference is to receive information from or question the employees, consultants, or legal counsel of the retirement system or the third party relating to:

(1) ~~an~~ investment transactions or ~~a~~ potential investment transactions if, before conducting the closed meeting, a majority of [by] the board of trustees in an open meeting vote that deliberating or conferring in an open meeting would have a detrimental effect on the position of the retirement system in negotiations with third parties or put the retirement system at a competitive disadvantage in the market [in a private investment fund]; or

(2) the purchase, holding, or disposal of restricted securities or a private investment fund's investment in restricted securities if, under Section 552.143, the information discussed would be confidential and excepted from the requirements of Section 552.021 if the information was included in the records of a governmental body.

SECTION 11. Section 825.306, Government Code, is amended to read as follows:

Sec. 825.306. CREDITING SYSTEM ASSETS. (a) The assets of the retirement system shall be maintained and reported in a manner that reflects the source of the assets or the purpose for which the assets are held, using appropriate ledgers and subledgers, in accordance with generally accepted accounting principles prescribed by the Governmental Accounting Standards Board or its successor. In addition, the maintenance and reporting of the assets must be in compliance with applicable tax law and consistent with any fiduciary duty owed with respect to the trust. In the alternative, the assets may be credited, according to the purpose for which they are held, to one of the following accounts:

- (1) member savings account;
- (2) state contribution account;
- (3) retired reserve account;
- (4) interest account;
- (5) expense account; or

(6) deferred retirement option account.

(b) Notwithstanding any other law, a requirement to deposit in or transfer assets from one of the accounts described under Subsection (a) is satisfied by maintaining and reporting the assets in accordance with that subsection.

SECTION 12. Section 825.408, Government Code, is amended by amending Subsection (a) and adding Subsections (a-1) and (a-2) to read as follows:

(a) Except as provided by Subsection (a-1), an ~~Ann~~ employer that fails to remit, before the seventh day after the last day of a month, all member and employer deposits and documentation of the deposits required by this subchapter to be remitted by the employer for the month shall pay to the retirement system, in addition to the deposits, interest on the unpaid ~~or undocumented~~ amounts at an annual rate compounded monthly and a late fee in an amount determined by the retirement system that is based on the size of the employer and may not exceed \$1,000 for each business day after the deadline imposed by this subsection that the employer fails to submit the documentation of the deposits. The cumulative amount of late fees assessed against an employer under this subsection may not exceed \$25,000 per reporting period. The rate of interest is the rate established under Section 825.313(b)(1), plus two percent. Interest and late fees required under this section are ~~is~~ creditable to the interest account. On request, the retirement system may grant a waiver of the deadline imposed by this subsection based on an employer's financial or technological resources. The retirement system may establish a process for filing an appeal to reduce or waive a late fee imposed under this subsection.

(a-1) This subsection applies only to an employer who reports the employment of a retiree to the retirement system. Subject to Subsection (a-2), an employer that fails to remit, before the 11th day after the last day of a calendar month in which a retiree is employed, the employer deposits required by Section 825.4092(b), documentation of those deposits as required by this section, and the certified statement of employment required by Section 824.6022 shall pay to the retirement system, in addition to the deposits, interest on the unpaid amounts at the annual rate established under Subsection (a), compounded monthly, and a late fee in an amount determined by the retirement system for each business day after the deadline imposed by this subsection that the employer fails to file the documentation of the deposits and the certified statement of employment.

(a-2) If a retiree described by Subsection (a-1) performs work in the month of August, the employer must remit the employer deposits, documentation of those deposits, and the certified statement of employment before the seventh day of September.

SECTION 13. Section 825.410(a), Government Code, is amended to read as follows:

(a) Payments to establish special service credit as authorized under this subtitle, other than service credit that may only be determined and paid for at the time of retirement such as unused leave as authorized by Section 823.403, may be made in a lump sum by a monthly payroll deduction in an amount not less than one-twelfth of the contribution required to establish at least one year of service credit, or in equal monthly installments over a period not to exceed the lesser of the number of years of credit to be purchased or 60 months. Installment and payroll deduction payments are

due on the first day of each calendar month in the payment period. If an installment or payroll deduction payment is not made in full within 60 days after the due date, the retirement system may refund all installment or payroll deduction payments less fees paid on the lump sum due when installment or payroll deduction payments began. Partial payment of an installment or payroll deduction payment may be treated as nonpayment. A check returned for insufficient funds or a closed account shall be treated as nonpayment. When two or more consecutive monthly payments have a returned check, a refund may be made. ~~[If the retirement system refunds payments pursuant to this subsection, the member is not permitted to use the installment method of payment or the payroll deduction method, as applicable, for the same service for three years after the date of the refund. A member who requests and receives a refund of installment or payroll deduction payments also is not permitted to use the same method of payment for the same service for three years after the date of the refund.]~~

SECTION 14. Section 825.519, Government Code, is amended to read as follows:

Sec. 825.519. ELECTRONIC INFORMATION. (a) The retirement system may provide confidential information electronically to members or other participants or employers and receive information electronically from those persons, including by use of an electronic signature or certification in a form acceptable to the retirement system. An unintentional disclosure to, or unauthorized access by, a third party related to the transmission or receipt of information under this section is not a violation by the retirement system of any law, including a rule relating to the protection of confidential information.

(b) The retirement system may provide to a member or retiree any information that is required to be provided, distributed, or furnished under Section 802.106(a), (b), (d), or (e) by:

(1) sending the information to an e-mail address of the member or retiree furnished to the retirement system by an employer covered by the retirement system;  
or

(2) directing the member or retiree through a written notice or e-mail to an Internet website address to access the information.

(c) The retirement system may provide to an active member of the retirement system the information that is required to be provided under Section 802.106(c) by sending the information to an e-mail address specified by the member for the purpose of receiving confidential information.

SECTION 15. Section 1575.402(a), Insurance Code, is amended to read as follows:

(a) The Retirees Advisory Committee is composed of the following seven ~~nine~~ members appointed by the trustee:

- (1) one member who is an active school administrator;
- (2) one member who is a retired school administrator;
- (3) two members who are active teachers; and
- (4) three members who are retired teachers~~;~~

~~[(5) one member who is an active member of the auxiliary personnel of a school district; and~~

~~[(6) one member who is a retired member of the auxiliary personnel of a school district].~~

SECTION 16. Section 1575.403(b), Insurance Code, is amended to read as follows:

(b) ~~The [Five members' terms, including the] terms of the active school administrator, one active teacher, and two retired teachers[, and the retired member of the auxiliary personnel,] expire February 1, 2002, and every fourth year after that date.~~

SECTION 17. Section 824.402, Government Code, as amended by this Act, applies only to benefits payable on the death of a member of the Teacher Retirement System of Texas who dies:

- (1) on or after the effective date of this Act; or
- (2) before the effective date of this Act if the benefits payable on the death of the member have not commenced on the effective date of this Act.

SECTION 18. Section 824.601, Government Code, as amended by this Act, applies to a retiree of the Teacher Retirement System of Texas regardless of whether the person retired from employment before, on, or after the effective date of this Act.

SECTION 19. The changes in law made by this Act to Sections 1575.402 and 1575.403, Insurance Code, regarding the composition and terms of the Retirees Advisory Committee, do not affect the entitlement of a member serving on the committee immediately before the effective date of this Act to continue to serve as a member of the committee for the remainder of the member's term. As the terms of committee members expire or as vacancies occur on the committee, the Teacher Retirement System of Texas shall appoint members to the committee as necessary to comply with Sections 1575.402 and 1575.403, Insurance Code, as amended by this Act.

SECTION 20. This Act takes effect September 1, 2017, except that Section 825.212, Government Code, as amended by this Act, takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Section 825.212, Government Code, as amended by this Act, takes effect September 1, 2017.

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

Amend **CSSB 1663** on third reading by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill as appropriate:

SECTION \_\_\_\_\_. SUNSET PROVISION. Section 825.006, Government Code, is amended to read as follows:

Sec. 825.006. SUNSET PROVISION. The board of trustees of the Teacher Retirement System of Texas is subject to review under Chapter 325 (Texas Sunset Act), but is not abolished under that chapter. The board shall be reviewed during the period in which state agencies abolished in 2025 [2019], and every 12th year after that year, are reviewed.

The amendments were read.

Senator Huffman moved to concur in the House amendments to **SB 1663**.

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

**SENATE BILL 1782 WITH HOUSE AMENDMENTS**

Senator West called **SB 1782** from the President's table for consideration of the House amendments to the bill.

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

**Amendment**

Amend **SB 1782** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED  
AN ACT

relating to the elimination of certain formula funding and dropped course restrictions for returning adult students at public institutions of higher education and to the tuition rate that may be charged to those students for certain excessive undergraduate hours.

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

SECTION 1. Section 51.907, Education Code, is amended by adding Subsection (e-1) to read as follows:

(e-1) The Texas Higher Education Coordinating Board shall adopt rules under which an institution of higher education shall permit a student to drop one additional course under circumstances described by Subsection (b) than the number of courses permitted to be dropped under Subsection (c) or under a policy adopted under Subsection (d) if the student:

(1) has reenrolled at the institution following a break in enrollment covering the 24-month period preceding the first class day of the initial semester or other academic term of the student's reenrollment; and

(2) successfully completed at least 50 semester credit hours of course work at the institution before that break in enrollment.

SECTION 2. Section 54.014, Education Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding Subsection (a), an institution of higher education may not charge tuition to a resident undergraduate student at a higher rate under that subsection for semester credit hours for courses taken by the student that are required to be included by the Texas Higher Education Coordinating Board in the formulas established under Section 61.059 by application of Section 61.0595(f-1).

SECTION 3. Section 61.0595, Education Code, is amended by adding Subsection (f-1) to read as follows:

(f-1) In the formulas established under Section 61.059, the board shall include without consideration of Subsection (a) or (e) funding for the first 15 additional semester credit hours earned by a student who:

(1) has reenrolled at the institution following a break in enrollment covering the 24-month period preceding the first class day of the initial semester or other academic term of the student's reenrollment; and

(2) successfully completed at least 50 semester credit hours of course work at the institution before that break in enrollment.

SECTION 4. Section 51.907, Education Code, as amended by this Act, applies beginning with the 2017 fall semester.



SECTION 5. The changes in law made by this Act to Section 61.0595, Education Code, apply beginning with funding recommendations made under Section 61.059, Education Code, for the state fiscal biennium beginning September 1, 2019.

SECTION 6. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

### **Floor Amendment No. 1**

Amend **CSSB 1782** (house committee report) as follows:

(1) On page 1, line 17, between "enrollment" and "covering", insert "from the institution or another institution of higher education".

(2) On page 1, line 21, strike "the institution" and substitute "an institution of higher education".

(3) Strike SECTION 2 of the bill (page 1, line 23, through page 2, line 7).

(4) Add the following appropriately numbered SECTION to the bill:

SECTION \_\_\_\_\_. Section 61.059, Education Code, is amended by adding Subsection (r) to read as follows:

(r) Notwithstanding any other law, the board may not exclude from the number of semester credit hours reported to the Legislative Budget Board for formula funding under this section semester credit hours for any course taken up to three times by a student who:

(1) has reenrolled at an institution of higher education following a break in enrollment from the institution or another institution of higher education covering the 24-month period preceding the first class day of the initial semester or other academic term of the student's reenrollment; and

(2) successfully completed at least 50 semester credit hours of course work at an institution of higher education before that break in enrollment.

(5) On page 2, line 9, strike "adding Subsection (f-1)" and substitute "amending Subsection (d)".

(6) Strike page 2, lines 10 through 20, and substitute the following:

(d) The following are not counted for purposes of determining whether the student has previously earned the number of semester credit hours specified by Subsection (a):

(1) semester credit hours earned by the student before receiving a baccalaureate degree that has previously been awarded to the student;

(2) semester credit hours earned by the student by examination or under any other procedure by which credit is earned without registering for a course for which tuition is charged;

(3) credit for a remedial education course, a technical course, a workforce education course funded according to contact hours, or another course that does not count toward a degree program at the institution;

(4) semester credit hours earned by the student at a private institution or an out-of-state institution; ~~and~~

(5) semester credit hours earned by the student before graduating from high school and used to satisfy high school graduation requirements; and

(6) the first additional 15 semester credit hours earned toward a degree program by a student who:

(A) has reenrolled at an institution of higher education following a break in enrollment from the institution or another institution of higher education covering the 24-month period preceding the first class day of the initial semester or other academic term of the student's reenrollment; and

(B) successfully completed at least 50 semester credit hours of course work at an institution of higher education before that break in enrollment.

(7) Strike page 2, lines 21 and 22, and substitute the following appropriately numbered SECTION:

SECTION \_\_\_\_\_. (a) The Texas Higher Education Coordinating Board shall adopt the rules required by Section 51.907(e-1), Education Code, as added by this Act, not later than June 1, 2018.

(b) The change in law made by this Act to Section 51.907, Education Code, applies beginning with the 2018 fall semester.

(8) On page 2, lines 23 and 24, strike "Section 61.0595," and substitute "Sections 61.059 and 61.0595,".

(9) Renumber the SECTIONS of the bill accordingly.

The amendments were read.

Senator West moved to concur in the House amendments to **SB 1782**.

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

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Seliger, Taylor of Galveston, Taylor of Collin, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Burton, Creighton, Schwertner.

**(Senator Huffman in Chair)**

### **SENATE BILL 1932 WITH HOUSE AMENDMENT**

Senator West called **SB 1932** from the President's table for consideration of the House amendment to the bill.

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

#### **Floor Amendment No. 1**

Amend **SB 1932** (house committee printing) as follows:

(1) Strike page 1, line 5, through page 2, line 1.

(2) Add the following appropriately numbered SECTIONS to the bill and renumber the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 1053.155(b), Occupations Code, is amended to read as follows:

(b) An application for admission to the registration examination must be accompanied by evidence satisfactory to the board that the applicant has satisfied the educational and professional experience requirements for the examination adopted by the board under Section 1053.154[=

~~[(1) has graduated from an interior design educational program recognized and approved by the board; and~~

~~[(2) has professional experience in the field of interior design].~~

SECTION \_\_\_\_\_. Section 1053.155(c), Occupations Code, is repealed.

The amendment was read.

Senator West moved to concur in the House amendment to **SB 1932**.

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

### **SENATE BILL 1404 WITH HOUSE AMENDMENT**

Senator Hughes called **SB 1404** from the President's table for consideration of the House amendment to the bill.

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

#### **Floor Amendment No. 1**

Amend **SB 1404** (house committee printing) by adding the following appropriately numbered SECTION and renumbering SECTIONS of the bill as appropriate:

SECTION \_\_\_\_\_. (a) The Sunset Advisory Commission, as part of the review of the Expanded Learning Opportunities Council under Chapter 325, Government Code, shall review the information submitted under Section 42.006(a-2), Education Code, as added by this Act, to determine the availability of expanded learning opportunities and the role of regional education service centers in providing those opportunities throughout the state.

(b) Notwithstanding any other provision of law, the Sunset Advisory Commission shall review regional education service centers during the period in which state agencies scheduled to be reviewed or abolished in 2023 are reviewed, and unless continued in existence as provided by Chapter 325, Government Code, the centers are abolished and the law governing the centers and the law administered by the centers expire September 1, 2023.

The amendment was read.

Senator Hughes moved to concur in the House amendment to **SB 1404**.

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

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Estes, Garcia, Hall, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Burton, Taylor of Collin.

### **CONFERENCE COMMITTEE REPORT ON HOUSE BILL 1549 ADOPTED**

Senator Kolkhorst called from the President's table the Conference Committee Report on **HB 1549**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 27 ADOPTED**

Senator Campbell called from the President's table the Conference Committee Report on **SB 27**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

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

**CONFERENCE COMMITTEE REPORT ON  
HOUSE BILL 2950 ADOPTED**

Senator Hinojosa called from the President's table the Conference Committee Report on **HB 2950**. The Conference Committee Report was filed with the Senate on Friday, May 26, 2017.

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

**(Senator Schwertner in Chair)**

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2017 - 5

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

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

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

**HCR 153** Goldman

Instructing the enrolling clerk of the house of representatives to make corrections in H.B. No. 3287.

**HCR 154** Collier

Instructing the enrolling clerk of the house to make corrections in H.B. No. 3574.

Respectfully,

/s/Robert Haney, Chief Clerk  
House of Representatives

**SENATE RULES 8.01 and 8.02 SUSPENDED  
(Procedural Rules)**

Senator Hinojosa moved to suspend Senate Rule 8.01 and Senate Rule 8.02 to take up for consideration **HCR 140** at this time.

The motion prevailed without objection.

### **HOUSE CONCURRENT RESOLUTION 140**

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Residents of this state have made inquiries about the process, rules, handling, and processing of recordings and transcripts of emergency calls made to public safety agencies in this state; and

WHEREAS, The principle of open and transparent government can coexist with respect for the privacy of families grieving from the loss of a loved one; and

WHEREAS, Certain entities have released the recording of an emergency call that includes the voice of an individual who subsequently died as a result of the emergency for which the call was made; and

WHEREAS, The family members of those individuals can be unnecessarily traumatized by hearing or learning of what are often the last words of the individual who made the emergency call; now, therefore, be it

RESOLVED, That the 85th Legislature of the State of Texas hereby request the lieutenant governor and the speaker of the house of representatives to provide for a joint interim legislative committee to study the process, rules, handling, and processing of the disclosure of recordings and transcripts of emergency calls made by a subsequently deceased individual to a public safety agency or a public safety answering point, as those terms are defined by Section 771.001, Health and Safety Code; and, be it further

RESOLVED, That the committee submit a full report, including findings and recommendations, to the 86th Texas Legislature when it convenes in January 2019.

HINOJOSA

**HCR 140** was read.

On motion of Senator Hinojosa, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

### **SENATE RULES 8.01 AND 8.02 SUSPENDED (Procedural Rules)**

Senator Miles moved to suspend Senate Rule 8.01 and Senate Rule 8.02 to take up for consideration **HCR 129** at this time.

The motion prevailed without objection.

### **HOUSE CONCURRENT RESOLUTION 129**

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Presidential libraries serve a vital purpose by advancing knowledge of individuals who helped to shape this nation; and

WHEREAS, Combining the functions of archives, museums, and academic institutions, presidential libraries house artifacts and documents while offering a public place for the study and discussion of a president's policies and place in history; Sam Houston, the first and third president of the Republic of Texas, is an especially apt subject for such a library; and

WHEREAS, A veteran of the War of 1812, Sam Houston served in Tennessee as attorney general of the District of Nashville, as major general of the state militia, as United States representative, and ultimately, as governor; after settling in Texas, he was a signatory to the Texas Declaration of Independence; he led the army of Texas as major general and defeated the Mexican army in the Battle of San Jacinto; this hero of independence was elected as the first president of the Republic of Texas in 1836, and he represented San Augustine in the Congress of the Republic of Texas before serving a second term as president; from 1846 to 1859, he was a United States senator, and he won election as governor of Texas in 1859; and

WHEREAS, The campus of Sam Houston State University in Huntsville is already home to the Sam Houston Memorial Museum, which has many of the attributes of a successful presidential library, including exhibition and conference space, a theater, and a collection of some 12,000 Houston artifacts, such as manuscripts, books, and furnishings related to his life and times, and two of Houston's homes are located on the grounds; the development of a presidential library with dedicated research space would attract further donations of academic papers and other important materials regarding Mr. Houston; and

WHEREAS, Establishing a presidential library for Sam Houston at Sam Houston State University, whose motto is "The Measure of a Life Is Its Service," would greatly enhance scholarly knowledge and heighten public awareness of his enormous contributions to the founding of the Republic of Texas and of the Lone Star State; now, therefore, be it

RESOLVED, That the 85th Legislature of the State of Texas hereby express support for the creation of the Sam Houston Republic of Texas Presidential Library at Sam Houston State University.

MILES

**HCR 129** was read.

On motion of Senator Miles, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

**SENATE RULES 8.01 AND 8.02 SUSPENDED**  
**(Procedural Rules)**

Senator Hinojosa moved to suspend Senate Rule 8.01 and Senate Rule 8.02 to take up for consideration **SCR 57** at this time.

The motion prevailed by a viva voce vote.

All Members are deemed to have voted "Yea" on the suspension of Senate Rules 8.01 and 8.02.

**SENATE CONCURRENT RESOLUTION 57**

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Judicial salaries in Texas are consistently lower than those of other states with similar populations, and the state judiciary has received only two pay raises since 2000; and

WHEREAS, The Judicial Compensation Commission was created in 2007 to recommend appropriate salaries for judges of the Texas Supreme Court, the Texas Court of Criminal Appeals, the courts of appeals, and the district courts; since its inception, the JCC has issued a report during each state legislative session; the only upgrade in compensation came after the commission's 2012 endorsement of a 21.5 percent raise in judicial salaries; the legislature voted to increase wages by 12 percent; and

WHEREAS, The Texas judiciary plays a fundamental role in upholding the rule of law and safeguarding the rights and protections guaranteed to citizens by the state and federal constitutions, and competitive wages help to attract and retain the most qualified and capable judges for courts across the Lone Star State; now, therefore, be it

RESOLVED, That the 85th Legislature of the State of Texas hereby request the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study state judicial salaries; and, be it further

RESOLVED, That the study include the creation of a formula to calculate state judicial salaries, examining the salaries of the highest appellate courts of the nine most populous states other than Texas, the salaries of judges on the United States Courts of Appeals, and the average starting base salaries of first-year associate attorneys at the five largest law firms in Texas; and, be it further

RESOLVED, That the committee's proceedings and operations be governed by such general rules and policies for joint interim committees as the 85th Legislature may adopt.

HINOJOSA

**SCR 57** was read.

On motion of Senator Hinojosa, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

#### **SENATE CONCURRENT RESOLUTION 59**

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 1566 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical and typographical errors that should be corrected; now, therefore, be it

RESOLVED, by the 85th Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to make the following corrections:

(1) In SECTION 8 of the bill, as added by Floor Amendment No. 8 by Gooden, abolishing county boards of education, boards of county school trustees, and the offices of county school superintendent in certain counties, remove the underlining throughout the text of that SECTION.

(2) In SECTION 8 of the bill, as added by Floor Amendment No. 8 by Gooden, in added Subsection (j) of the SECTION, strike "September 1, 2017" and substitute "November 15, 2017".

(3) In SECTION 9 of the bill, as added by Floor Amendment No. 8 by Gooden, repealing Chapter 266 (S.B. 394), Acts of the 40th Legislature, Regular Session, 1927 (Article 2700a, Vernon's Texas Civil Statutes), remove the underlining throughout the text of that SECTION.

KOLKHORST

**SCR 59** was read.

On motion of Senator Kolkhorst, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

### SENATE CONCURRENT RESOLUTION 58

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, Senate Bill No. 312 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 85th Legislature of the State of Texas, That the enrolling clerk of the senate be instructed to correct the enrolled version of Senate Bill No. 312 in SECTION 42 of the bill, in added Section 372.002(d)(2), Transportation Code, by striking "if the toll" and substituting "if a toll".

NICHOLS

**SCR 58** was read.

On motion of Senator Nichols, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

### HOUSE CONCURRENT RESOLUTION 146

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 1691 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 85th Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to make the following corrections to the enrolled version of House Bill No. 1691:

(1) In the caption of the bill, strike "Nelda M. Laney" and substitute "Nelda Laney".

(2) In SECTION 1 of the bill, in the heading to added Section 201.2003, Transportation Code, strike "NELDA M. LANEY" and substitute "NELDA LANEY".

(3) In SECTION 1 of the bill, in added Section 201.2003(a), Transportation Code, strike "Nelda M. Laney" and substitute "Nelda Laney".

(4) In SECTION 1 of the bill, in added Section 201.2003(b), Transportation Code, strike "Nelda M. Laney" and substitute "Nelda Laney".

SELIGER

**HCR 146** was read.



On motion of Senator Seliger, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

### HOUSE CONCURRENT RESOLUTION 158

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 2271 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains a technical error that should be corrected; now, therefore, be it

RESOLVED by the 85th Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to make the following correction to the enrolled version of House Bill No. 2271:

In SECTION 12 of the bill, in amended Section 205.001(3), Estates Code, strike "Subsection (4)" and substitute "Subdivision (4)".

RODRÍGUEZ

**HCR 158** was read.

On motion of Senator Rodríguez, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

### HOUSE CONCURRENT RESOLUTION 153

The Presiding Officer laid before the Senate the following resolution:

WHEREAS, House Bill No. 3287 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 85th Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to make the following corrections to the enrolled version of House Bill No. 3287:

(1) In SECTION 6(a) of the bill, strike "Chapters 12 and 62," and substitute "Chapters 12 and 62, Alcoholic Beverage Code,".

(2) In SECTION 6(a) of the bill, strike "sections 12.052(a) or 62.122(a)by" and substitute "Section 12.052(a) or 62.122(a), Alcoholic Beverage Code, by".

(3) In SECTION 6(b) of the bill, strike "Chapters 12 and 62," and substitute "Chapters 12 and 62, Alcoholic Beverage Code,".

(4) In SECTION 6(b) of the bill, strike "sections 12.052(a) or 62.122(a)" and substitute "Section 12.052(a) or 62.122(a), Alcoholic Beverage Code,".

(5) In SECTION 6(b) of the bill, strike "Sections 12.052 (b) and (e) and 62.122 (b) and (e)" and substitute "Sections 12.052(b) and (e) and 62.122(b) and (e), Alcoholic Beverage Code".

SELIGER

**HCR 153** was read.

On motion of Senator Seliger, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

**(President in Chair)****HOUSE CONCURRENT RESOLUTION 154**

The President laid before the Senate the following resolution:

WHEREAS, House Bill No. 3574 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains technical errors that should be corrected; now, therefore, be it

RESOLVED by the 85th Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to make the following corrections to the enrolled version of House Bill No. 3574:

(1) In SECTION 1 of the bill, in the recital for amended Section 2306.6710(a), Government Code, strike "SECTION 1. SECTION 1." and substitute "SECTION 1. (a)".

(2) In SECTION 1 of the bill, immediately following amended Section 2306.6710(a), Government Code, insert the following:

(b) Effective September 1, 2019, Section 2306.6710(a), Government Code, is amended to read as follows:

(a) In evaluating an application, the department shall determine whether the application satisfies the threshold criteria required by the board in the qualified allocation plan. The department shall reject and return to the applicant any application that fails to satisfy the threshold criteria.

(3) In SECTION 2 of the bill, strike "The change in law made by this Act expires on August 31, 2019, and thereafter reverts to the law in effect prior to the enactment of these changes. This change" and substitute "The change in law made by this Act".

(4) In SECTION 4 of the bill, in the language regarding the effective date, strike "This Act" and substitute "Except as otherwise provided by this Act, this Act".

MENÉNDEZ

**HCR 154** was read.

Senator Menéndez moved to temporarily postpone further consideration of the resolution.

The motion prevailed.

Question: Shall **HCR 154** be adopted?

**HOUSE CONCURRENT RESOLUTION 157**

The President laid before the Senate the following resolution:

WHEREAS, House Bill No. 2442 has been adopted by the house of representatives and the senate and is being prepared for enrollment; and

WHEREAS, The bill contains a technical error that should be corrected; now, therefore, be it

RESOLVED by the 85th Legislature of the State of Texas, That the enrolling clerk of the house of representatives be instructed to make the following correction to the enrolled version of House Bill No. 2442:

In SECTION 8 of the bill, in added Section 42.005(k), Education Code, strike "September 1, 2015" and substitute "January 1, 2015".

TAYLOR OF GALVESTON

**HCR 157** was read.

On motion of Senator Taylor of Galveston, the resolution was considered immediately and was adopted by the following vote: Yeas 31, Nays 0.

**SENATE RESOLUTION 939**

Senator Birdwell offered the following resolution:

BE IT RESOLVED by the Senate of the State of Texas, 85th Legislature, Regular Session, 2017, That Senate Rule 12.03 be suspended in part as provided by Senate Rule 12.08 to enable the conference committee appointed to resolve the differences on Senate Bill 1731 (the repeal of laws governing certain state entities, including the functions of those entities) to consider and take action on the following matters:

(1) Senate Rule 12.03(4) is suspended to permit the committee to add text on a matter not included in either the house or senate version of the bill by adding the following text in proposed SECTION 8 of the bill:

SECTION 8. TEXAS EMISSIONS REDUCTION PLAN ADVISORY BOARD.

...  
 (b) To the extent of a conflict between Subsection (a-2) of this section and any change in law made by another provision of this section, the change in law made by the other provision of this section controls.

(b-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Subchapter B, Chapter 382, Health and Safety Code, is amended by adding Section 382.037 to read as follows:

Sec. 382.037. NOTICE IN TEXAS REGISTER REGARDING NATIONAL AMBIENT AIR QUALITY STANDARDS FOR OZONE. (a) This section applies only if:

(1) with respect to each active or revoked national ambient air quality standard for ozone referenced in 40 C.F.R. Section 81.344, the United States Environmental Protection Agency has, for each designated area referenced in that section:

(A) designated the area as attainment or unclassifiable/attainment; or

(B) approved a redesignation substitute making a finding of attainment

for the area; and

(2) for each designated area described by Subdivision (1), with respect to an action of the United States Environmental Protection Agency described by Subdivision (1)(A) or (B):

(A) the action has been fully and finally upheld following judicial review or the limitations period to seek judicial review of the action has expired; and

(B) the rules under which the action was approved by the agency have been fully and finally upheld following judicial review or the limitations period to seek judicial review of those rules has expired.

(b) Not later than the 30th day after the date the conditions described by Subsection (a) have been met, the commission shall publish notice in the Texas Register that, with respect to each active or revoked national ambient air quality standard for ozone referenced in 40 C.F.R. Section 81.344, the United States Environmental Protection Agency has, for each designated area referenced in that section:

(1) designated the area as attainment or unclassifiable/attainment; or

(2) approved a redesignation substitute making a finding of attainment for the area.

(b-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 386.001(3), Health and Safety Code, is amended to read as follows:

(3) "Commission" means the Texas ~~[Natural Resource Conservation]~~ Commission on Environmental Quality.

(c) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 386.002, Health and Safety Code, is amended to read as follows:

Sec. 386.002. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 [August 31, 2019].

(c-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 386.051(b), Health and Safety Code, is amended to read as follows:

(b) Under the plan, the commission and the comptroller shall provide grants or other funding for:

(1) the diesel emissions reduction incentive program established under Subchapter C, including for infrastructure projects established under that subchapter;

(2) the motor vehicle purchase or lease incentive program established under Subchapter D;

(3) the air quality research support program established under Chapter 387;

(4) the clean school bus program established under Chapter 390;

(5) the new technology implementation grant program established under Chapter 391;

(6) the regional air monitoring program established under Section 386.252(a);

(7) a health effects study as provided by Section 386.252(a);

(8) air quality planning activities as provided by Section 386.252(d) ~~[386.252(a)]~~;

(9) a contract with the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station for computation of creditable statewide emissions reductions as provided by Section 386.252(a) ~~[386.252(a)(14)]~~;

(10) the clean fleet program established under Chapter 392;

(11) the alternative fueling facilities program established under Chapter 393;

(12) the natural gas vehicle grant program ~~[and clean transportation triangle program]~~ established under Chapter 394;

(13) other programs the commission may develop that lead to reduced emissions of nitrogen oxides, particulate matter, or volatile organic compounds in a nonattainment area or affected county;

(14) other programs the commission may develop that support congestion mitigation to reduce mobile source ozone precursor emissions; ~~and~~

(15) the seaport and rail yard areas emissions reduction ~~[drayage truck incentive]~~ program established under Subchapter D-1;

(16) conducting research and other activities associated with making any necessary demonstrations to the United States Environmental Protection Agency to account for the impact of foreign emissions or an exceptional event;

(17) studies of or pilot programs for incentives for port authorities located in nonattainment areas or affected counties as provided by Section 386.252(a); and

(18) the governmental alternative fuel fleet grant program established under Chapter 395.

(c-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Sections 386.0515(a) and (c), Health and Safety Code, are amended to read as follows:

(a) In this section:

(1) "Agricultural~~[-, -agricultural]~~ product transportation" means the transportation of a raw agricultural product from the place of production using a heavy-duty truck to:

(A) ~~[(1)]~~ a nonattainment area;

(B) ~~[(2)]~~ an affected county;

(C) ~~[(3)]~~ a destination inside the clean transportation zone ~~[triangle]~~; or

(D) ~~[(4)]~~ a county adjacent to a county described by Paragraph (B) ~~[Subdivision (2)]~~ or that contains an area described by Paragraph (A) or (C) ~~[Subdivision (1) or (3)]~~.

(2) "Clean transportation zone" has the meaning assigned by Section 393.001.

(c) The determining factor for eligibility for participation in a program established under Chapter 392 or ~~[Chapter] 394~~ ~~[-, as added by Chapter 892 (Senate Bill No. 385), Acts of the 82nd Legislature, Regular Session, 2011,]~~ for a project relating to agricultural product transportation is the overall accumulative net reduction in emissions of oxides of nitrogen in a nonattainment area, an affected county, or the clean transportation zone ~~[triangle]~~.

(d-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 386.103, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

(c) To reduce the administrative burden for the commission and applicants, the commission may streamline the application process by:

(1) reducing data entry and the copying and recopying of applications; and

(2) developing, maintaining, and periodically updating a system to accept applications electronically through the commission's Internet website.

(d-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Sections 386.104(f) and (j), Health and Safety Code, are amended to read as follows:

...  
 (j) The executive director may ~~shall~~ waive any eligibility requirements established under this section on a finding of good cause, which may include a waiver for short lapses in registration or operation attributable to economic conditions, seasonal work, or other circumstances.

...  
 (e-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Sections 386.116(a), (b), and (c), Health and Safety Code, are amended to read as follows:

(a) In this section, "small business" means a business owned by a person who:

- (1) owns and operates not more than five ~~two~~ vehicles, one of which is:
  - (A) an on-road diesel ~~[with a pre-1994 engine model]~~; or
  - (B) a non-road diesel ~~[with an engine with uncontrolled emissions]~~; and
- (2) has owned the vehicle described by Subdivision (1)(A) or (B) for more than two years ~~[one year]~~.

(b) The commission ~~[by rule]~~ shall develop a method of providing fast and simple access to grants under this subchapter for a small business. The method must:

- (1) create a separate small business grant program; or
- (2) require the commission to give special consideration to small businesses when implementing another program established under this subchapter.

(c) The commission shall publicize and promote the availability of grants under this subchapter for small businesses ~~[section]~~ to encourage the use of vehicles that produce fewer emissions.

(e-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Chapter 386, Health and Safety Code, is amended by adding Subchapter D to read as follows:

SUBCHAPTER D. MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE PROGRAM

Sec. 386.151. DEFINITIONS. In this subchapter:

(1) "Light-duty motor vehicle" means a motor vehicle with a gross vehicle weight rating of less than 10,000 pounds.

(2) "Motor vehicle" means a self-propelled device designed for transporting persons or property on a public highway that is required to be registered under Chapter 502, Transportation Code.

Sec. 386.152. APPLICABILITY. The provisions of this subchapter relating to a lessee do not apply to a person who rents or leases a light-duty motor vehicle for a term of 30 days or less.

Sec. 386.153. COMMISSION DUTIES REGARDING LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE PROGRAM. (a) The commission shall develop a purchase or lease incentive program for new light-duty motor vehicles and shall adopt rules necessary to implement the program.

(b) The program shall authorize statewide incentives for the purchase or lease of new light-duty motor vehicles powered by compressed natural gas, liquefied petroleum gas, or hydrogen fuel cell or other electric drives for a purchaser or lessee who agrees to register and operate the vehicle in this state for a minimum period of time to be established by the commission.

(c) Only one incentive will be provided for each new light-duty motor vehicle. The incentive shall be provided to the lessee and not to the purchaser if the motor vehicle is purchased for the purpose of leasing the vehicle to another person.

(d) The commission by rule may revise the standards for the maximum unloaded vehicle weight rating and gross vehicle weight rating of an eligible vehicle to ensure that all of the vehicle weight configurations available under one general vehicle model may be eligible for an incentive.

Sec. 386.154. LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE REQUIREMENTS. (a) A new light-duty motor vehicle powered by compressed natural gas or liquefied petroleum gas is eligible for a \$5,000 incentive if the vehicle:

(1) has four wheels;

(2) was originally manufactured to comply with and has been certified by an original equipment manufacturer or intermediate or final state vehicle manufacturer as complying with, or has been altered to comply with, federal motor vehicle safety standards, state emissions regulations, and any additional federal or state regulations applicable to vehicles powered by compressed natural gas or liquefied petroleum gas;

(3) was manufactured for use primarily on public streets, roads, and highways;

(4) has a dedicated or bi-fuel compressed natural gas or liquefied petroleum gas fuel system:

(A) installed prior to first sale or within 500 miles of operation of the vehicle following first sale; and

(B) with a range of at least 125 miles as estimated, published, and updated by the United States Environmental Protection Agency;

(5) has, as applicable, a:

(A) compressed natural gas fuel system that complies with the:

(i) 2013 NFPA 52 Vehicular Gaseous Fuel Systems Code; and

(ii) American National Standard for Basic Requirements for Compressed Natural Gas Vehicle (NGV) Fuel Containers, commonly cited as "ANSI/CSA NGV2"; or

(B) liquefied petroleum gas fuel system that complies with:

(i) the 2011 NFPA 58 Liquefied Petroleum Gas Code; and

(ii) Section VII of the 2013 ASME Boiler and Pressure Vessel Code; and

(6) was acquired on or after September 1, 2013, or a later date established by the commission, by the person applying for the incentive under this subsection and for use or lease by that person and not for resale.

(b) If the commission determines that an updated version of a code or standard described by Subsection (a)(5) is more stringent than the version of the code or standard described by Subsection (a)(5), the commission by rule may provide that a

vehicle for which a person applies for an incentive under Subsection (a) is eligible for the incentive only if the vehicle complies with the updated version of the code or standard.

(c) The incentive under Subsection (a) is limited to 1,000 vehicles for each state fiscal biennium.

(d) A new light-duty motor vehicle powered by an electric drive is eligible for a \$2,500 incentive if the vehicle:

(1) has four wheels;

(2) was manufactured for use primarily on public streets, roads, and highways;

(3) has not been modified from the original manufacturer's specifications;

(4) has a maximum speed capability of at least 55 miles per hour;

(5) is propelled to a significant extent by an electric motor that draws electricity from a hydrogen fuel cell or from a battery that:

(A) has a capacity of not less than four kilowatt hours; and

(B) is capable of being recharged from an external source of electricity;

and

(6) was acquired on or after September 1, 2013, or a later date as established by the commission, by the person applying for the incentive under this subsection and for use or lease by that person and not for resale.

(e) The incentive under Subsection (d) is limited to 2,000 vehicles for each state fiscal biennium.

Sec. 386.155. MANUFACTURER'S REPORT. (a) At the beginning of but not later than July 1 of each year preceding the vehicle model year, a manufacturer of motor vehicles, an intermediate or final state vehicle manufacturer, or a manufacturer of compressed natural gas or liquefied petroleum gas systems shall provide to the commission a list of the new vehicle or natural gas or liquefied petroleum gas systems models that the manufacturer intends to sell in this state during that model year that meet the incentive requirements established under Section 386.154. The manufacturer or installer may supplement the list provided to the commission under this section as necessary to include additional new vehicle models the manufacturer intends to sell in this state during the model year.

(b) The commission may supplement the information provided under Subsection (a) with additional information on available vehicle models, including information provided by manufacturers or installers of systems to convert new motor vehicles to operate on natural gas or liquefied petroleum gas before sale as a new vehicle or within 500 miles of operation of the vehicle following first sale.

Sec. 386.156. LIST OF ELIGIBLE MOTOR VEHICLES. (a) On August 1 of each year the commission shall publish a list of new motor vehicle models eligible for inclusion in an incentive under this subchapter. The commission shall publish supplements to that list as necessary to include additional new vehicle models.

(b) The commission shall publish the list of eligible motor vehicle models on the commission's Internet website.



Sec. 386.157. LIGHT-DUTY MOTOR VEHICLE PURCHASE OR LEASE INCENTIVE. (a) A person who purchases or leases a new light-duty motor vehicle described by Section 386.154 and listed under Section 386.156(a) is eligible to apply for an incentive under this subchapter.

(b) A lease incentive for a new light-duty motor vehicle shall be prorated based on a three-year lease term.

(c) To receive money under an incentive program provided by this subchapter, the purchaser or lessee of a new light-duty motor vehicle who is eligible to apply for an incentive under this subchapter shall apply for the incentive in the manner provided by law or by rule of the commission.

Sec. 386.158. COMMISSION TO ACCOUNT FOR MOTOR VEHICLE PURCHASE OR LEASE INCENTIVES. (a) The commission by rule shall develop a method to administer and account for the motor vehicle purchase or lease incentives authorized by this subchapter and to pay incentive money to the purchaser or lessee of a new motor vehicle, on application of the purchaser or lessee as provided by this subchapter.

(b) The commission shall develop and publish forms and instructions for the purchaser or lessee of a new motor vehicle to use in applying to the commission for an incentive payment under this subchapter. The commission shall make the forms available to new motor vehicle dealers and leasing agents. Dealers and leasing agents shall make the forms available to their prospective purchasers or lessees.

(c) The commission may require the submission of forms and documentation as needed to verify eligibility for an incentive under this subchapter.

Sec. 386.159. PURCHASE OR LEASE INCENTIVES INFORMATION.

(a) The commission shall establish a toll-free telephone number available to motor vehicle dealers and leasing agents for the dealers and agents to call to verify that incentives are available. The commission may provide for issuing verification numbers over the telephone line.

(b) Reliance by a dealer or leasing agent on information provided by the commission is a complete defense to an action involving or based on eligibility of a vehicle for an incentive or availability of vehicles eligible for an incentive.

Sec. 386.160. RESERVATION OF INCENTIVES. The commission may provide for dealers and leasing agents to reserve for a limited time period incentives for vehicles that are not readily available and must be ordered, if the dealer or leasing agent has a purchase or lease order signed by an identified customer.

(f) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, the heading to Subchapter D-1, Chapter 386, Health and Safety Code, is amended to read as follows:

SUBCHAPTER D-1. SEAPORT AND RAIL YARD AREAS EMISSIONS REDUCTION [~~DRAYAGE TRUCK INCENTIVE~~] PROGRAM

(f-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, the heading to Section 386.181, Health and Safety Code, is amended to read as follows:

Sec. 386.181. DEFINITIONS [~~DEFINITION~~]; RULES.

(f-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 386.181(a), Health and Safety Code, is amended to read as follows:

(a) In this subchapter:

(1) "Cargo handling equipment" means any heavy-duty non-road, self-propelled vehicle or land-based equipment used at a seaport or rail yard to lift or move cargo, such as containerized, bulk, or break-bulk goods.

(2) "Drayage [~~,"drayage]~~ truck" means a heavy-duty on-road or non-road vehicle that is used for drayage activities and that operates in or transgresses through [~~truck that transports a load to or from]~~ a seaport or rail yard for the purpose of loading, unloading, or transporting cargo, including transporting empty containers and chassis.

(3) "Repower" means to replace an old engine powering a vehicle with a new engine, a used engine, a remanufactured engine, or electric motors, drives, or fuel cells.

(g) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 386.182, Health and Safety Code, is amended to read as follows:

Sec. 386.182. COMMISSION DUTIES. (a) The commission shall:

(1) develop a purchase incentive program to encourage owners to:

(A) replace older drayage trucks and cargo handling equipment [~~with pre 2007 model year engines]~~ with newer drayage trucks and cargo handling equipment; or

(B) repower drayage trucks and cargo handling equipment; and

(2) [~~shall~~] adopt guidelines necessary to implement the program described by Subdivision (1).

(b) The commission by rule and guideline shall establish criteria for the engines and the models of drayage trucks and cargo handling equipment that are eligible for inclusion in an incentive program under this subchapter. [~~The guidelines must provide that a drayage truck owner is not eligible for an incentive payment under this subchapter unless the truck being replaced contains a pre 2007 model year engine and the replacement truck's engine is from model year 2010 or later as determined by the commission and that the truck operates at a seaport or rail yard.~~]

(g-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, the heading to Section 386.183, Health and Safety Code, is amended to read as follows:

Sec. 386.183. DRAYAGE TRUCK AND CARGO HANDLING EQUIPMENT PURCHASE INCENTIVE.

(g-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 386.183, Health and Safety Code, is amended by amending Subsections (a), (b), (c), (d), and (e) and adding Subsection (a-1) to read as follows:

(a) To be eligible for an incentive under this subchapter, a person must:

(1) purchase a replacement drayage truck, piece of cargo handling equipment, or engine that under Subsection (a-1)(1)(A) or (2)(A), as applicable, and the guidelines adopted by the commission under Section 386.182 is eligible for inclusion in the program for an incentive under this subchapter; and

(2) agree to:

(A) register the drayage truck in this state, if the replacement or repowered vehicle is an on-road drayage truck;

(B) operate the replacement or repowered drayage truck or cargo handling equipment in and within a maximum distance established by the commission of a seaport or rail yard in a nonattainment area of this state for not less than 50 percent of the truck's or equipment's [vehicle's] annual mileage or hours of operation, as determined by the commission; and

(C) permanently remove the [a pre 2007] drayage truck, cargo handling equipment, or engine replaced under the program [containing a pre 2007 engine owned by the person] from operation in a nonattainment area of this state by destroying the engine in accordance with guidelines established by the commission and, if the incentive is for a replacement drayage truck or cargo handling equipment, scrapping the truck or equipment after the purchase of the replacement [new] truck or equipment in accordance with guidelines established by the commission.

(a-1) To be eligible for purchase under this program:

(1) a drayage truck or cargo handling equipment must:

(A) be powered by an electric motor or contain an engine certified to the current federal emissions standards applicable to that type of engine, as determined by the commission; and

(B) emit oxides of nitrogen at a rate that is at least 25 percent less than the rate at which the truck or equipment being replaced under the program emits such pollutants; and

(2) an engine repowering a drayage truck or cargo handling equipment must:

(A) be an electric motor or an engine certified to the current federal emissions standards applicable to that type of engine, as determined by the commission; and

(B) emit oxides of nitrogen at a rate that is at least 25 percent less than the rate at which the former engine in the truck or equipment being repowered under the program emits such pollutants.

(b) To receive money under an incentive program provided by this subchapter, the purchaser of a drayage truck, piece of cargo handling equipment, or engine eligible for inclusion in the program must apply for the incentive in the manner provided by law, rule, or guideline of the commission.

(c) Not more than one incentive may be provided for each drayage truck or piece of cargo handling equipment purchased or repowered.

(d) An incentive provided under this subchapter may be used to fund not more than 80 percent of, as applicable, the purchase price of:

(1) the drayage truck or cargo handling equipment; or

(2) the engine and any other eligible costs associated with repowering the drayage truck or cargo handling equipment, as determined by the commission.

(e) The commission shall establish procedures to verify that a person who receives an incentive:

(1) has operated in a seaport or rail yard and owned or leased the drayage truck or cargo handling equipment to be replaced or repowered for at least two years prior to receiving the grant; and

(2) as applicable:

(A) after purchase of the replacement drayage truck or cargo handling equipment, permanently destroys the engine and scraps the [drayage] truck or equipment replaced under the program [that contained the pre 2007 engine owned or leased by the person,] in accordance with guidelines established by the commission; or

(B) after repowering the drayage truck or cargo handling equipment, permanently destroys the engine that was contained in the truck or equipment in accordance with guidelines established by the commission [after the purchase of the new truck].

(h) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 386.252, Health and Safety Code, is amended to read as follows:

Sec. 386.252. USE OF FUND. (a) Money in the fund may be used only to implement and administer programs established under the plan. Subject to the reallocation of funds by the commission under Subsection (h), money [Money] appropriated to the commission to be used for the programs under Section 386.051(b) shall initially be allocated as follows:

(1) ~~[not more than]~~ four percent may be used for the clean school bus program under Chapter 390;

(2) ~~[not more than]~~ three percent may be used for the new technology implementation grant program under Chapter 391, from which at least \$1 million will be set aside for electricity storage projects related to renewable energy;

(3) five percent may ~~[shall]~~ be used for the clean fleet program under Chapter 392;

(4) not more than \$3 million may be used by the commission to fund a regional air monitoring program in commission Regions 3 and 4 to be implemented under the commission's oversight, including direction regarding the type, number, location, and operation of, and data validation practices for, monitors funded by the program through a regional nonprofit entity located in North Texas having representation from counties, municipalities, higher education institutions, and private sector interests across the area;

(5) 10 ~~[not less than 16]~~ percent may ~~[shall]~~ be used for the Texas natural gas vehicle grant program under Chapter 394;

(6) not more than \$6 million ~~[five percent]~~ may be used ~~[to provide grants for natural gas fueling stations under the clean transportation triangle program under Section 394.010;~~

~~[(7) not more than five percent may be used]~~ for the Texas alternative fueling facilities program under Chapter 393, of which a specified amount may be used for fueling stations to provide natural gas fuel, except that money may not be allocated for the Texas alternative fueling facilities program for the state fiscal year ending August 31, 2019;

~~(7) [(8)]~~ not more than \$750,000 ~~[a specified amount]~~ may be used each year to support research related to air quality as provided by Chapter 387;

~~(8) [(9)]~~ not more than \$200,000 may be used for a health effects study[;

~~[(10) \$500,000 is to be deposited in the state treasury to the credit of the clean air account created under Section 382.0622 to supplement funding for air quality planning activities in affected counties];~~

~~(9) [(11)]~~ at least \$6 ~~[\$4]~~ million but not more than \$8 ~~[and up to four percent to a maximum of \$7]~~ million~~[, whichever is greater.];~~ is allocated to the commission for administrative costs, including all direct and indirect costs for administering the plan, costs for conducting outreach and education activities, and costs attributable to the review or approval of applications for marketable emissions reduction credits;

~~(10) six [(12) at least two]~~ percent may ~~[and up to five percent of the fund is to]~~ be used by the commission for the seaport and rail yard areas emissions reduction ~~[drayage truck incentive]~~ program established under Subchapter D-1;

~~(11) [(13) not more than]~~ five percent may be used for the light-duty motor vehicle purchase or lease incentive program established under Subchapter D;

~~(12) [(14)]~~ not more than \$216,000 is allocated to the commission to contract with the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station annually for the development and annual computation of creditable statewide emissions reductions obtained through wind and other renewable energy resources for the state implementation plan;

~~(13) not more than \$500,000 may be used for studies of or pilot programs for incentives for port authorities located in nonattainment areas or affected counties to encourage cargo movement that reduces emissions of nitrogen oxides and particulate matter [(15) 1.5 percent of the money in the fund is allocated for administrative costs incurred by the laboratory]; and~~

~~(14) [(16)]~~ the balance is to be used by the commission for the diesel emissions reduction incentive program under Subchapter C as determined by the commission.

~~(b) [The commission may allocate unexpended money designated for the clean fleet program under Chapter 392 to other programs described under Subsection (a) after the commission allocates money to recipients under the clean fleet program.~~

~~[(c) The commission may allocate unexpended money designated for the Texas alternative fueling facilities program under Chapter 393 to other programs described under Subsection (a) after the commission allocates money to recipients under the alternative fueling facilities program.~~

~~[(d) The commission may reallocate money designated for the Texas natural gas vehicle grant program under Chapter 394 to other programs described under Subsection (a) if:~~

~~[(1) the commission, in consultation with the governor and the advisory board, determines that the use of the money in the fund for that program will cause the state to be in noncompliance with the state implementation plan to the extent that federal action is likely; and~~

~~[(2) the commission finds that the reallocation of some or all of the funding for the program would resolve the noncompliance.~~

~~[(e) Under Subsection (d), the commission may not reallocate more than the minimum amount of money necessary to resolve the noncompliance.~~

~~[(e-1) Money allocated under Subsection (a) to a particular program may be used for another program under the plan as determined by the commission.~~

~~[(f)] Money in the fund may be used by the commission for programs under Sections 386.051(b)(13), (b)(14), and (b-1) as may be appropriated for those programs.~~

~~(c) [(g)]~~ If the legislature does not specify amounts or percentages from the total appropriation to the commission to be allocated under Subsection (a) or ~~(b) [(f)]~~, the commission shall determine the amounts of the total appropriation to be allocated under each of those subsections, such that the total appropriation is expended while maximizing emissions reductions.

~~(d) To supplement funding for air quality planning activities in affected counties, \$500,000 from the fund is to be deposited annually in the state treasury to the credit of the clean air account created under Section 382.0622.~~

~~(e) Money in the fund may be allocated for administrative costs incurred by the Energy Systems Laboratory at the Texas A&M Engineering Experiment Station as may be appropriated by the legislature.~~

~~(f) To the extent that money is appropriated from the fund for that purpose, not more than \$2.5 million may be used by the commission to conduct research and other activities associated with making any necessary demonstrations to the United States Environmental Protection Agency to account for the impact of foreign emissions or an exceptional event.~~

~~(g) To the extent that money is appropriated from the fund for that purpose, the commission may use that money to award grants under the governmental alternative fuel fleet grant program established under Chapter 395, except that the commission may not use for that purpose more than three percent of the balance of the fund as of September 1 of each state fiscal year of the biennium for the governmental alternative fuel fleet grant program in that fiscal year.~~

~~(h) Subject to the limitations outlined in this section and any additional limitations placed on the use of the appropriated funds, money allocated under this section to a particular program may be used for another program under the plan as determined by the commission, based on demand for grants for eligible projects under particular programs after the commission solicits projects to which to award grants according to the initial allocation provisions of this section.~~

~~(h-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 390.001, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:~~

~~(1) "Commission" means the Texas Commission on Environmental Quality.~~

(1-a) "Diesel exhaust" means one or more of the air pollutants emitted from an engine by the combustion of diesel fuel, including particulate matter, nitrogen oxides, volatile organic compounds, air toxics, and carbon monoxide.

(h-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 390.002(b), Health and Safety Code, is amended to read as follows:

(b) Projects that may be considered for a grant under the program include:

(1) diesel oxidation catalysts for school buses built before 1994;

(2) diesel particulate filters for school buses built from 1994 to 1998;

(3) the purchase and use of emission-reducing add-on equipment for school buses, including devices that reduce crankcase emissions;

(4) the use of qualifying fuel; ~~and~~

(5) other technologies that the commission finds will bring about significant emissions reductions; and

(6) replacement of a pre-2007 model year school bus.

(i) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 390.004, Health and Safety Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) A school bus proposed for replacement must:

(1) be of model year 2006 or earlier;

(2) have been owned and operated by the applicant for at least the two years before submission of the grant application;

(3) be in good operational condition; and

(4) be currently used on a regular, daily route to and from a school.

(d) A school bus proposed for purchase to replace a pre-2007 model year school bus must be of the current model year or the year before the current model year at the time of submission of the grant application.

(i-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 390.005, Health and Safety Code, is amended to read as follows:

Sec. 390.005. RESTRICTION ON USE OF GRANT. (a) A recipient of a grant under this chapter shall use the grant to pay the incremental costs of the project for which the grant is made, which may include the reasonable and necessary expenses incurred for the labor needed to install emissions-reducing equipment. The recipient may not use the grant to pay the recipient's administrative expenses.

(b) A school bus acquired to replace an existing school bus must be purchased and the grant recipient must agree to own and operate the school bus on a regular, daily route to and from a school for at least five years after a start date established by the commission, based on the date the commission accepts documentation of the permanent destruction or permanent removal of the school bus being replaced.

(c) A school bus replaced under this program must be rendered permanently inoperable by crushing the bus, by making a hole in the engine block and permanently destroying the frame of the bus, or by another method approved by the commission, or be permanently removed from operation in this state. The commission shall

establish criteria for ensuring the permanent destruction or permanent removal of the engine or bus. The commission shall enforce the destruction and removal requirements.

(d) In this section, "permanent removal" means the permanent export of a school bus or the engine of a school bus to a destination outside of the United States, Canada, or the United Mexican States.

(i-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 390.006, Health and Safety Code, is amended to read as follows:

Sec. 390.006. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 ~~[August 31, 2019]~~.

(j) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 391.002(b), Health and Safety Code, is amended to read as follows:

(b) Projects that may be considered for a grant under the program include:

(1) advanced clean energy projects, as defined by Section 382.003;

(2) new technology projects that reduce emissions of regulated pollutants from stationary [point] sources;

(3) new technology projects that reduce emissions from upstream and midstream oil and gas production, completions, gathering, storage, processing, and transmission activities through:

(A) the replacement, repower, or retrofit of stationary compressor engines;

(B) the installation of systems to reduce or eliminate the loss of gas, flaring of gas, or burning of gas using other combustion control devices; or

(C) the installation of systems that reduce flaring emissions and other site emissions by capturing waste heat to generate electricity solely for on-site service;  
and

(4) [~~3~~] electricity storage projects related to renewable energy, including projects to store electricity produced from wind and solar generation that provide efficient means of making the stored energy available during periods of peak energy use.

(j-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 391.102(f), Health and Safety Code, is amended to read as follows:

(f) In reviewing a grant application under this chapter ~~[coordinating interagency application review procedures]~~, the commission may ~~[shall]~~:

(1) solicit review and comments from:

(A) the comptroller to assess:

(i) the financial stability of the applicant;

(ii) the economic benefits and job creation potential associated with the project; and

(iii) any other information related to the duties of that office;

(B) the Public Utility Commission of Texas to assess:

(i) the reliability of the proposed technology;



(ii) the feasibility and cost-effectiveness of electric transmission associated with the project; and

(iii) any other information related to the duties of that agency; and

(C) the Railroad Commission of Texas to assess:

(i) the availability and cost of the fuel involved with the project;

and

(ii) any other information related to the duties of that agency; and

(2) consider the comments received under Subdivision (1) in the commission's grant award decision process~~[-and~~

~~(3) as part of the report required by Section 391.104, justify awards made to projects that have been negatively reviewed by agencies under Subdivision (1)].~~

(j-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 391.104, Health and Safety Code, is amended to read as follows:

Sec. 391.104. REPORTING REQUIREMENTS. The commission [~~annually~~] shall include in the biennial plan report required by Section 386.057(b) information [~~prepare a report~~] that summarizes the applications received and grants awarded in the preceding biennium [~~year~~]. Preparation of the information for the report may [~~must~~] include the participation of any [~~the~~] state agency [~~agencies~~] involved in the review of applications under Section 391.102, if the commission determines participation of the agency is needed.

(k) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 391.205(a), Health and Safety Code, is amended to read as follows:

(a) Except as provided by Subsection (c), in awarding grants under this chapter the commission shall give preference to projects that:

(1) involve the transport, use, recovery for use, or prevention of the loss of natural resources originating or produced in this state;

(2) contain an energy efficiency component; ~~[or]~~

(3) include the use of solar, wind, or other renewable energy sources; or

(4) recover waste heat from the combustion of natural resources and use the heat to generate electricity.

(k-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 391.304, Health and Safety Code, is amended to read as follows:

Sec. 391.304. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 [August 31, 2019].

(k-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 392.001(1), Health and Safety Code, is amended to read as follows:

(1) "Alternative fuel" means a fuel other than gasoline or diesel fuel, including electricity, compressed natural gas, liquefied [~~liquified~~] natural gas, hydrogen, propane, or a mixture of fuels containing at least 85 percent methanol by volume.

(l) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Sections 392.002(b) and (c), Health and Safety Code, are amended to read as follows:

(b) An entity that places 10 [20] or more qualifying vehicles in service for use entirely in this state during a calendar year is eligible to participate in the program.

(c) Notwithstanding Subsection (b), an entity that submits a grant application for 10 [20] or more qualifying vehicles is eligible to participate in the program even if the commission denies approval for one or more of the vehicles during the application process.

(l-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 392.003(a), Health and Safety Code, is amended to read as follows:

(a) A vehicle is a qualifying vehicle that may be considered for a grant under the program if during the eligibility period established by the commission [calendar year] the entity purchases a new on-road vehicle that:

(1) is certified to the appropriate current federal emissions standards as determined by the commission;

(2) replaces a diesel-powered on-road vehicle of the same weight classification and use; and

(3) is a hybrid vehicle or fueled by an alternative fuel.

(l-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 392.004(d), Health and Safety Code, is amended to read as follows:

(d) The commission shall minimize, to the maximum extent possible, the amount of paperwork required for an application. [~~An applicant may be required to submit a photograph or other documentation of a vehicle identification number, registration information, inspection information, tire condition, or engine block identification only if the photograph or documentation is requested by the commission after the commission has decided to award a grant to the applicant under this chapter.~~]

(m) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 392.005, Health and Safety Code, is amended by amending Subsections (c) and (i) and adding Subsection (c-1) to read as follows:

(c) As a condition of receiving a grant, the qualifying vehicle must be continuously owned, registered, and operated in the state by the grant recipient until the earlier of the fifth anniversary of the activity start date established by the commission [the date of reimbursement of the grant funded expenses] or [until] the date the vehicle has been in operation for 400,000 miles after the activity start date established by the commission [of reimbursement]. Not less than 75 percent of the annual use of the qualifying vehicle, either mileage or fuel use as determined by the commission, must occur in the state.

(c-1) For purposes of Subsection (c), the commission shall establish the activity start date based on the date the commission accepts verification of the disposition of the vehicle being replaced.

(i) The executive director may ~~shall~~ waive the requirements of Subsection (b)(2)(A) on a finding of good cause, which may include a waiver for short lapses in registration or operation attributable to economic conditions, seasonal work, or other circumstances.

(m-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 392.008, Health and Safety Code, is amended to read as follows:

Sec. 392.008. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 ~~[August 31, 2017]~~.

(m-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 393.001, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivision (1-a) to read as follows:

(1) "Alternative fuel" means a fuel other than gasoline or diesel fuel, other than biodiesel fuel, including electricity, compressed natural gas, liquefied ~~[liquefied]~~ natural gas, hydrogen, propane, or a mixture of fuels containing at least 85 percent methanol by volume.

(1-a) "Clean transportation zone" means:

(A) counties containing or intersected by a portion of an interstate highway connecting the cities of Houston, San Antonio, Dallas, and Fort Worth;

(B) counties located within the area bounded by the interstate highways described by Paragraph (A);

(C) counties containing or intersected by a portion of:

(i) an interstate highway connecting San Antonio to Corpus Christi or Laredo;

(ii) the most direct route using highways in the state highway system connecting Corpus Christi and Laredo; or

(iii) a highway corridor connecting Corpus Christi and Houston;

(D) counties located within the area bounded by the highways described by Paragraph (C);

(E) counties in this state all or part of which are included in a nonattainment area designated under Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407); and

(F) counties designated as affected counties under Section 386.001.

(n) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 393.002, Health and Safety Code, is amended to read as follows:

Sec. 393.002. PROGRAM. (a) The commission shall establish and administer the Texas alternative fueling facilities program to provide fueling facilities for alternative fuel in the clean transportation zone ~~[nonattainment areas]~~. Under the program, the commission shall provide a grant for each eligible facility to offset the cost of those facilities.

(b) An entity that constructs or ~~reconstructs~~ ~~[reconstructs]~~ ~~[or acquires]~~ an alternative fueling facility is eligible to participate in the program.

(c) To ensure that alternative fuel vehicles have access to fuel and to build the foundation for a self-sustaining market for alternative fuels in Texas, the commission shall provide for strategically placed fueling facilities in the clean transportation zone to enable an alternative fuel vehicle to travel in those areas relying solely on the alternative fuel.

(d) The commission shall maintain a listing to be made available to the public online of all vehicle fueling facilities that have received grant funding, including location and hours of operation.

(n-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 393.003, Health and Safety Code, is amended by amending Subsections (a) and (b) and adding Subsections (d) and (e) to read as follows:

(a) An entity operating in this state that constructs or~~[s]~~ reconstructs~~[s]~~~~or acquires~~ a facility to ~~[store, compress, or]~~ dispense alternative fuels may apply for and receive a grant under the program.

(b) The commission may ~~[adopt guidelines to]~~ allow a regional planning commission, council of governments, or similar regional planning agency created under Chapter 391, Local Government Code, or a private nonprofit organization to apply for and receive a grant to improve the ability of the program to achieve its goals.

(d) An application for a grant under the program must include a certification that the applicant complies with laws, rules, guidelines, and requirements applicable to taxation of fuel provided by the applicant at each fueling facility owned or operated by the applicant. The commission may terminate a grant awarded under this section without further obligation to the grant recipient if the commission determines that the recipient did not comply with a law, rule, guideline, or requirement described by this subsection. This subsection does not create a cause of action to contest an application or award of a grant.

(e) The commission shall disburse grants under the program through a competitive application selection process to offset a portion of the eligible costs.

(n-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 393.004, Health and Safety Code, is amended to read as follows:

Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS. (a) In addition to the requirements of this chapter, the commission shall establish additional eligibility and prioritization criteria as needed to implement the program ~~[The commission by rule shall establish criteria for prioritizing facilities eligible to receive grants under this chapter. The commission shall review and revise the criteria as appropriate].~~

(b) The prioritization criteria established under Subsection (a) must provide that, for each grant round, the commission may not award a grant to an entity that does not ~~[To be eligible for a grant under the program, the entity receiving the grant must agree to make the alternative fueling facility accessible and available to the public~~ ~~[persons not associated with the entity]~~ at times designated by the grant contract until each eligible entity that does agree to those terms has been awarded a grant ~~[agreement].~~

(c) The commission may not award more than one grant for each facility.

(d) The commission may give preference to or otherwise limit grant selections to:

- (1) fueling facilities providing specific types of alternative fuels;
- (2) fueling facilities in a specified area or location; and
- (3) fueling facilities meeting other specified prioritization criteria established by the commission.

(e) For fueling facilities to provide natural gas, the commission shall give preference to:

- (1) facilities providing both liquefied natural gas and compressed natural gas at a single location;
- (2) facilities located not more than one mile from an interstate highway system;
- (3) facilities located in the area in and between the Houston, San Antonio, and Dallas-Fort Worth areas; and
- (4) facilities located in the area in and between the Corpus Christi, Laredo, and San Antonio areas [A recipient of a grant under this chapter is not eligible to receive a second grant under this chapter for the same facility].

(o) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 393.005, Health and Safety Code, is amended to read as follows:

Sec. 393.005. RESTRICTION ON USE OF GRANT. (a) A recipient of a grant under this chapter shall use the grant only to pay the costs of the facility for which the grant is made. The recipient may not use the grant to pay the recipient's:

- (1) administrative expenses;
- (2) expenses for the purchase of land or an interest in land; or
- (3) expenses for equipment or facility improvements that are not directly related to the delivery, storage, compression, or dispensing of the alternative fuel at the facility.

(b) Each grant must be awarded using a contract that requires the recipient to meet operational, maintenance, and reporting requirements as specified by the commission.

(o-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 393.006, Health and Safety Code, is amended to read as follows:

Sec. 393.006. AMOUNT OF GRANT. (a) Grants awarded under this chapter for a facility to provide alternative fuels other than natural gas may not exceed [For each eligible facility for which a recipient is awarded a grant under the program, the commission shall award the grant in an amount equal to] the lesser of:

- (1) 50 percent of the sum of the actual eligible costs incurred by the grant recipient within deadlines established by the commission [to construct, reconstruct, or acquire the facility]; or
- (2) \$600,000.

(b) Grants awarded under this chapter for a facility to provide natural gas may not exceed:

- (1) \$400,000 for a compressed natural gas facility;
- (2) \$400,000 for a liquefied natural gas facility; or

(3) \$600,000 for a facility providing both liquefied and compressed natural gas.

(o-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 393.007, Health and Safety Code, is amended to read as follows:

Sec. 393.007. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 ~~[August 31, 2018]~~.

(p) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 394.001, Health and Safety Code, is amended by amending Subdivisions (1), (4), (5), and (8) and adding Subdivisions (1-a) and (7-a) to read as follows:

(1) "Certified" includes:

(A) new vehicle or new engine certification by the United States Environmental Protection Agency; or

(B) certification or approval by the United States Environmental Protection Agency of a system to convert a vehicle or engine to operate on an alternative fuel and a demonstration by the emissions data used to certify or approve the vehicle or engine, if the commission determines the testing used to obtain the emissions data is consistent with the testing required for approval of an alternative fuel conversion system for new and relatively new vehicles or engines under 40 C.F.R. Part 85 ~~["Advisory board" means the Texas Emissions Reduction Plan Advisory Board]~~.

(1-a) "Clean transportation zone" has the meaning assigned by Section 393.001.

(4) "Heavy-duty motor vehicle" means a motor vehicle that ~~[with]:~~

(A) has a gross vehicle weight rating of more than 8,500 pounds; and

(B) is certified to or has an engine certified to the United States Environmental Protection Agency's emissions standards for heavy-duty vehicles or engines.

(5) "Incremental cost" has the meaning assigned by Section 386.001 ~~[means the difference between the manufacturer's suggested retail price of a baseline vehicle, the documented dealer price of a baseline vehicle, cost to lease or otherwise commercially finance a baseline vehicle, cost to repower with a baseline engine, or other appropriate baseline cost established by the commission, and the actual cost of the natural gas vehicle purchase, lease, or other commercial financing, or repower]~~.

(7-a) "Natural gas engine" means an engine that operates:

(A) solely on natural gas, including compressed natural gas, liquefied natural gas, or liquefied petroleum gas; or

(B) on a combination of diesel fuel and natural gas, including compressed natural gas, liquefied natural gas, or liquefied petroleum gas, and is capable of achieving at least 60 percent displacement of diesel fuel with natural gas.

(8) "Natural gas vehicle" means a motor vehicle that is powered by a natural gas engine ~~[receives not less than 75 percent of its power from compressed or liquefied natural gas]~~.

(p-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 394.003(a), Health and Safety Code, is amended to read as follows:

(a) A vehicle is a qualifying vehicle that may be considered for a grant under the program if during the eligibility period established by the commission ~~[calendar year]~~ the entity:

(1) purchased, leased, or otherwise commercially financed the vehicle as a new on-road heavy-duty or medium-duty motor vehicle that:

(A) is a natural gas vehicle;

(B) is certified to the appropriate current federal emissions standards as determined by the commission; and

(C) replaces an on-road heavy-duty or medium-duty motor vehicle of the same weight classification and use; ~~[and~~

~~[(D) is powered by an engine certified to:~~

~~[(i) emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; or~~

~~[(ii) meet or exceed the United States Environmental Protection Agency's Bin 5 standard for light duty engines when powering the vehicle;] or~~

(2) repowered the on-road motor vehicle to a natural gas vehicle powered by a natural gas engine that[~~:-~~

~~[(A) is certified to the appropriate~~ current federal emissions standards as determined by the commission]; ~~and~~

~~[(B) is:~~

~~[(i) a heavy duty engine that is certified to emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; or~~

~~[(ii) certified to meet or exceed the United States Environmental Protection Agency's Bin 5 standard for light-duty engines when powering the vehicle].~~

(p-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 394.005, Health and Safety Code, is amended by amending Subsections (a), (b), (c), (f), (g), and (i) and adding Subsection (c-1) to read as follows:

(a) The commission ~~[by rule]~~ shall establish criteria for prioritizing qualifying vehicles eligible to receive grants under this chapter. The commission shall review and revise the criteria as appropriate ~~[after consultation with the advisory board]~~.

(b) To be eligible for a grant under the program:

(1) the use of the qualifying vehicle must be projected to result in a reduction in emissions of nitrogen oxides of at least 25 percent as compared to the motor vehicle or engine being replaced, based on:

(A) the baseline emission level set by the commission under Subsection (g); and

(B) the certified emission rate of the new vehicle; and

(2) the qualifying vehicle must:

(A) replace a heavy-duty or medium-duty motor vehicle that:

(i) is an on-road vehicle that has been owned, leased, or otherwise commercially financed and registered and operated by the applicant in Texas for at least the two years immediately preceding the submission of a grant application;

(ii) satisfies any minimum average annual mileage or fuel usage requirements established by the commission;

(iii) satisfies any minimum percentage of annual usage requirements established by the commission; and

(iv) is in operating condition and has at least two years of remaining useful life, as determined in accordance with criteria established by the commission; ~~or~~

(B) replace a heavy-duty or medium-duty motor vehicle that:

(i) is owned by the applicant;

(ii) is an on-road vehicle that has been:

(a) owned, leased, or otherwise commercially financed and operated in Texas as a fleet vehicle for at least the two years immediately preceding the submission of a grant application; and

(b) registered in a county located in the clean transportation zone for at least the two years immediately preceding the submission of a grant application; and

(iii) otherwise satisfies the mileage, usage, and useful life requirements established under Paragraph (A) as determined by documentation associated with the vehicle; or

(C) be a heavy-duty or medium-duty motor vehicle repowered with a natural gas engine that:

(i) is installed in an on-road vehicle that has been owned, leased, or otherwise commercially financed and registered and operated by the applicant in Texas for at least the two years immediately preceding the submission of a grant application;

(ii) satisfies any minimum average annual mileage or fuel usage requirements established by the commission;

(iii) satisfies any minimum percentage of annual usage requirements established by the commission; and

(iv) is installed in an on-road vehicle that, at the time of the vehicle's repowering, was in operating condition and had at least two years of remaining useful life, as determined in accordance with criteria established by the commission.

(c) As a condition of receiving a grant, the qualifying vehicle must be continuously owned, leased, or otherwise commercially financed and registered and operated in the state by the grant recipient until the earlier of the fourth anniversary of the activity start date established by the commission ~~[the date of reimbursement of the grant-funded expenses]~~ or ~~[until]~~ the date the vehicle has been in operation for 400,000 miles after the activity start date established by the commission ~~[of reimbursement]~~. Not less than 75 percent of the annual use of the qualifying vehicle, either mileage or fuel use as determined by the commission, must occur in the clean transportation zone~~[-~~



~~[(1) the counties any part of which are included in the area described by Section 394.010(a); or~~

~~[(2) counties designated as nonattainment areas within the meaning of Section 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407)].~~

(c-1) For purposes of Subsection (c), the commission shall establish the activity start date based on the date the commission accepts verification of the disposition of the vehicle or engine.

(f) A heavy-duty or medium-duty motor vehicle replaced under this program must be rendered permanently inoperable by crushing the vehicle, by making a hole in the engine block and permanently destroying the frame of the vehicle, or by another method approved by the commission, or be ~~[that]~~ permanently removed ~~[removes the vehicle]~~ from operation in this state. The commission shall establish criteria for ensuring the permanent destruction or permanent removal of the engine or vehicle. The commission shall enforce the destruction and removal requirements. For purposes of this subsection, "permanent removal" means the permanent export of the vehicle or engine to a destination outside of the United States, Canada, or the United Mexican States.

(g) The commission shall establish baseline emission levels for emissions of nitrogen oxides for on-road heavy-duty or medium-duty motor vehicles being replaced or repowered by using the emission certification for the engine or vehicle being replaced. The commission may consider deterioration of the emission performance of the engine of the vehicle being replaced in establishing the baseline emission level. The commission may consider and establish baseline emission rates for additional pollutants of concern ~~[as determined by the commission . . . .~~

(i) The executive director may ~~[shall]~~ waive the requirements of Subsection (b)(2)(A)(i) or (B)(ii) on a finding of good cause, which may include short lapses in registration or operation due to economic conditions, seasonal work, or other circumstances.

(q) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 394.006, Health and Safety Code, is amended to read as follows:

Sec. 394.006. RESTRICTION ON USE OF GRANT. A recipient of a grant under this chapter shall use the grant to pay the incremental costs of the replacement or vehicle repower for which the grant is made, which may include a portion of the initial cost of the natural gas vehicle or natural gas engine, including the cost of the natural gas fuel system and installation ~~[and the reasonable and necessary expenses incurred for the labor needed to install emissions-reducing equipment]~~. The recipient may not use the grant to pay the recipient's administrative expenses.

(q-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 394.007(c), Health and Safety Code, is amended to read as follows:

(c) A person may not receive a grant under this chapter that, when combined with any other grant, tax credit, or other governmental incentive, exceeds the incremental cost of the vehicle or vehicle repower for which the grant is awarded. A person shall return to the commission the amount of a grant awarded under this

chapter that, when combined with any other grant, tax credit, or other governmental incentive, exceeds the incremental cost of the vehicle or vehicle repower for which the grant is awarded.

(q-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Sections 394.008(a) and (b), Health and Safety Code, are amended to read as follows:

(a) The commission shall establish ~~[adopt]~~ procedures for:

(1) awarding grants under this chapter to reimburse eligible costs; ~~[in the form of rebates; and]~~

(2) streamlining the grant application, contracting, reimbursement, and reporting process for qualifying natural gas vehicle purchases or repowers; and

(3) preapproving the award of grants to applicants who propose to purchase and replace motor vehicles described by Section 394.005(b)(2)(B).

(b) Procedures established ~~[adopted]~~ under this section must:

(1) provide for the commission to compile and regularly update a listing of potentially eligible ~~[preapproved]~~ natural gas vehicles and natural gas engines that are certified to the appropriate current federal emissions standards as determined by the commission ~~;~~

~~[(A) powered by natural gas engines certified to emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; or~~

~~[(B) certified to the United States Environmental Protection Agency's light duty Bin 5 standard or better];~~

(2) ~~[if a federal standard for the calculation of emissions reductions exists,]~~ provide a method to calculate the reduction in emissions of nitrogen oxides, volatile organic compounds, carbon monoxide, particulate matter, and sulfur compounds for each replacement or repowering;

(3) assign a standardized grant ~~[rebate]~~ amount for each qualifying vehicle or engine repower under Section 394.007;

(4) allow for processing applications ~~[rebates]~~ on an ongoing first-come, first-served basis;

(5) ~~[provide for contracts between the commission and participating dealers under Section 394.009;~~

~~[(6) allow grant recipients to assign their grant funds to participating dealers to offset the purchase or lease price;~~

~~[(7)]~~ require grant applicants to identify natural gas fueling stations that are available to fuel the qualifying vehicle in the area of its use;

(6) ~~[(8)]~~ provide for payment not later than the 30th day after the date the request for reimbursement for an approved grant is received;

(7) ~~[(9)]~~ provide for application submission and application status checks using procedures established by the commission, which may include application submission and status checks to be made over the Internet; and

(8) ~~[(10)]~~ consolidate, simplify, and reduce the administrative work for applicants and the commission associated with grant application, contracting, reimbursement, and reporting requirements.

(r) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Section 394.012, Health and Safety Code, is amended to read as follows:

Sec. 394.012. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037 [August 31, 2017].

(r-1) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, Subtitle C, Title 5, Health and Safety Code, is amended by adding Chapter 395 to read as follows:

CHAPTER 395. GOVERNMENTAL ALTERNATIVE FUEL FLEET GRANT PROGRAM

Sec. 395.001. DEFINITIONS. In this chapter:

(1) "Alternative fuel" means compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen fuel cells, or electricity, including electricity to power fully electric motor vehicles and plug-in hybrid motor vehicles.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Incremental cost" has the meaning assigned by Section 386.001.

(4) "Motor vehicle" means a self-propelled device designed for transporting persons or property on a public highway that is required to be registered under Chapter 502, Transportation Code.

(5) "Plug-in hybrid motor vehicle" has the meaning assigned by Section 2158.001, Government Code.

(6) "Political subdivision" means a county, municipality, school district, junior college district, river authority, water district or other special district, or other political subdivision created under the constitution or a statute of this state.

(7) "Program" means the governmental alternative fuel fleet grant program established under this chapter.

(8) "State agency" has the meaning assigned by Section 2151.002, Government Code, and includes the commission.

Sec. 395.002. PROGRAM. (a) The commission shall establish and administer a governmental alternative fuel fleet grant program to assist an eligible applicant described by Section 395.003 in purchasing or leasing new motor vehicles that operate primarily on an alternative fuel.

(b) The program may provide a grant to an applicant described by Section 395.003 to:

(1) purchase or lease a new motor vehicle described by Section 395.004; or

(2) purchase, lease, or install refueling infrastructure or equipment or procure refueling services as described by Section 395.005 to store and dispense alternative fuel needed for a motor vehicle described by Subdivision (1) of this subsection.

Sec. 395.003. ELIGIBLE APPLICANTS. (a) A state agency or political subdivision is eligible to apply for a grant under the program if the entity operates a fleet of more than 15 motor vehicles, excluding motor vehicles that are owned and operated by a private company or other third party under a contract with the entity.

(b) A mass transit or school transportation provider or other public entity established to provide public or school transportation services is eligible for a grant under the program.

Sec. 395.004. MOTOR VEHICLE REQUIREMENTS. (a) A grant recipient may purchase or lease with money from a grant under the program a new motor vehicle that is originally manufactured to operate using one or more alternative fuels or is converted to operate using one or more alternative fuels before the first retail sale of the vehicle, and that:

(1) has a dedicated system, dual-fuel system, or bi-fuel system; and

(2) if the motor vehicle is a fully electric motor vehicle or plug-in hybrid motor vehicle, has a United States Environmental Protection Agency rating of at least 75 miles per gallon equivalent or a 75-mile combined city and highway range.

(b) A grant recipient may not use money from a grant under the program to replace a motor vehicle, transit bus, or school bus that operates on an alternative fuel unless the replacement vehicle produces fewer emissions and has greater fuel efficiency than the vehicle being replaced.

Sec. 395.005. REFUELING INFRASTRUCTURE, EQUIPMENT, AND SERVICES. A grant recipient may purchase, lease, or install refueling infrastructure or equipment or procure refueling services with money from a grant under the program if:

(1) the purchase, lease, installation, or procurement is made in conjunction with the purchase or lease of a motor vehicle as described by Section 395.004 or the conversion of a motor vehicle to operate primarily on an alternative fuel;

(2) the grant recipient demonstrates that a refueling station that meets the needs of the recipient is not available within five miles of the location at which the recipient's vehicles are stored or primarily used; and

(3) for the purchase or installation of refueling infrastructure or equipment, the infrastructure or equipment will be owned and operated by the grant recipient, and for the lease of refueling infrastructure or equipment or the procurement of refueling services, a third-party service provider engaged by the grant recipient will provide the infrastructure, equipment, or services.

Sec. 395.006. ELIGIBLE COSTS. (a) A motor vehicle lease agreement paid for with money from a grant under the program must have a term of at least three years.

(b) Refueling infrastructure or equipment purchased or installed with money from a grant under the program must be used specifically to store or dispense alternative fuel, as determined by the commission.

(c) A lease of or service agreement for refueling infrastructure, equipment, or services paid for with money from a grant under the program must have a term of at least three years.

Sec. 395.007. GRANT AMOUNTS. (a) The commission may establish standardized grant amounts based on the incremental costs associated with the purchase or lease of different categories of motor vehicles, including the type of fuel used, vehicle class, and other categories the commission considers appropriate.

(b) In determining the incremental costs and setting the standardized grant amounts, the commission may consider the difference in cost between a new motor vehicle operated using conventional gasoline or diesel fuel and a new motor vehicle operated using alternative fuel.

(c) The amount of a grant for the purchase or lease of a motor vehicle may not exceed the amount of the incremental cost of the purchase or lease.

(d) The commission may establish grant amounts to reimburse the full cost of the purchase, lease, installation, or procurement of refueling infrastructure, equipment, or services or may establish criteria for reimbursing a percentage of the cost.

(e) A grant under the program may be combined with funding from other sources, including other grant programs, except that a grant may not be combined with other funding or grants from the Texas emissions reduction plan. When combined with other funding sources, a grant may not exceed the total cost to the grant recipient.

(f) In providing a grant for the lease of a motor vehicle under this chapter, the commission shall establish criteria:

(1) to offset incremental costs through an up-front payment to lower the cost basis of the lease; or

(2) if determined appropriate by the commission, to provide for reimbursement of lease payments over no more than the period of availability of the contracted funds under applicable state law and regulation, which may be less than the required three-year lease term.

(g) In providing a grant for the lease of refueling infrastructure, equipment, or services, the commission shall establish criteria:

(1) to offset incremental costs through an up-front payment to lower the cost basis of the lease; or

(2) if determined appropriate by the commission, to provide for reimbursement of lease payments over no more than the period of availability of the contracted funds under applicable state law and regulation, which may be less than the required three-year lease term.

(h) Notwithstanding Subsection (d), the commission is not obligated to fund the full cost of the purchase, lease, installation, or procurement of refueling infrastructure, equipment, or services if those costs cannot be incurred and reimbursed over the period of availability of the funds under applicable state law and regulation.

#### Sec. 395.008. AVAILABILITY OF EMISSIONS REDUCTION CREDITS.

(a) A project that is funded from a grant under the program and that would generate marketable emissions reduction credits under a state or federal emissions reduction credit averaging, banking, or trading program is not eligible for funding under the program unless:

(1) the project includes the transfer of the credits, or the reductions that would otherwise be marketable credits, to the commission and, if applicable, the state implementation plan; and

(2) the credits or reductions, as applicable, are permanently retired.

(b) An emissions reduction generated by a purchase or lease under this chapter may be used to demonstrate conformity with the state implementation plan.

Sec. 395.009. USE OF GRANT MONEY. A grant recipient when using money from a grant under the program shall prioritize:

(1) the purchase or lease of new motor vehicles, including new motor vehicles that are converted to operate on an alternative fuel, when replacing vehicles or adding vehicles to the fleet;

(2) the purchase of new motor vehicles, including new motor vehicles that are converted to operate on an alternative fuel, to replace vehicles that have the highest total mileage and do not use an alternative fuel; and

(3) to the extent feasible, obtaining, whether by purchase, purchase and conversion, or lease, motor vehicles that use compressed natural gas, liquefied natural gas, or liquefied petroleum gas.

Sec. 395.010. GRANT PROCEDURES AND CRITERIA. (a) The commission shall establish specific criteria and procedures in order to implement and administer the program, including the creation and provision of application forms and guidance on the application process.

(b) The commission shall award a grant through a contract between the commission and the grant recipient.

(c) The commission shall provide an online application process for the submission of all required application documents.

(d) The commission may limit funding for a particular period according to priorities established by the commission, including limiting the availability of grants to specific entities, for certain types of vehicles and infrastructure, or to certain geographic areas to ensure equitable distribution of grant funds across the state.

(e) In awarding grants under the program, the commission shall prioritize projects in the following order:

(1) projects that are proposed by a state agency;

(2) projects that are in or near a nonattainment area;

(3) projects that are in an affected county, as that term is defined by Section 386.001; and

(4) projects that will produce the greatest emissions reductions.

(f) In addition to the requirements under Subsection (e), in awarding grants under the program, the commission shall consider:

(1) the total amount of the emissions reduction that would be achieved from the project;

(2) the type and number of vehicles purchased or leased;

(3) the location of the fleet and the refueling infrastructure or equipment;

(4) the number of vehicles served and the rate at which vehicles are served by the refueling infrastructure or equipment;

(5) the amount of any matching funds committed by the applicant; and

(6) the schedule for project completion.

(g) The commission may not award more than 10 percent of the total amount awarded under the program in any fiscal year for purchasing, leasing, installing, or procuring refueling infrastructure, equipment, or services.

Sec. 395.011. FUNDING. The legislature may appropriate money to the commission from the Texas emissions reduction plan fund established under Section 386.251 to administer the program.

Sec. 395.012. ADMINISTRATIVE COSTS. In each fiscal year, the commission may use up to 1.5 percent of the total amount of money allocated to the program in that fiscal year, but not more than \$1 million, for the administrative costs of the program.

Sec. 395.013. RULES. The commission may adopt rules as necessary to implement this chapter.

Sec. 395.014. REPORT REQUIRED. On or before November 1 of each even-numbered year, the commission shall submit to the governor, lieutenant governor, and members of the legislature a report that includes the following information regarding awards made under the program during the preceding state fiscal biennium:

- (1) the number of grants awarded under the program;
- (2) the recipient of each grant awarded;
- (3) the number of vehicles replaced;
- (4) the number, type, and location of any refueling infrastructure, equipment, or services funded under the program;
- (5) the total emissions reductions achieved under the program; and
- (6) any other information the commission considers relevant.

Sec. 395.015. EXPIRATION. This chapter expires on the last day of the state fiscal biennium during which the commission publishes in the Texas Register the notice required by Section 382.037.

(r-2) Effective on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section, the following provisions of the Health and Safety Code are repealed:

...

- (4) Section 394.009;
- (5) Section 394.010; and
- (6) Section 394.011.

(s) This subsection takes effect on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section. As soon as practicable after the effective date of this subsection, the Texas Commission on Environmental Quality shall implement the online application process required by Section 395.010(c), Health and Safety Code, as added by this section. Prior to the implementation of the online application process, the commission may accept applications for a grant under Chapter 395, Health and Safety Code, as added by this section, in any manner provided by the commission.

(s-1) This subsection takes effect on the date that the Texas Emissions Reduction Plan Advisory Board is abolished under Subsection (a) of this section. The changes in law made by this section apply only to a Texas emissions reduction plan grant awarded on or after the effective date of this section. A grant awarded before the effective date of this section is governed by the law in effect on the date the award was made, and the former law is continued in effect for that purpose.

(t) This section takes effect August 30, 2017.

Explanation: The addition of text is necessary to ensure that the Texas Commission on Environmental Quality is able to carry out the commission's duties, responsibilities, and functions in the implementation of the Texas Emissions Reduction Plan after the abolishment of the Texas Emissions Reduction Plan Advisory Board.

(2) Senate Rule 12.03(1) is suspended to permit the committee to change, alter, or amend text which is not in disagreement in proposed SECTION 18 of the bill, the effective date provision of the bill, to read as follows:

SECTION 18. Except as otherwise provided by this Act, this Act takes effect September 1, 2017.

Explanation: The change in the effective date provision is necessary to provide an exception for provisions of the bill that take effect on a date other than September 1, 2017.

**SR 939** was read and was adopted by the following vote: Yeas 28, Nays 3.

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Estes, Garcia, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Burton, Hall, Taylor of Collin.

#### **CONFERENCE COMMITTEE REPORT ON SENATE BILL 1731 ADOPTED**

Senator Birdwell called from the President's table the Conference Committee Report on **SB 1731**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

#### **POINT OF ORDER**

Senator Garcia raised a point of order that **SR 939** was not germane to **SB 1731**.

#### **POINT OF ORDER WITHDRAWN**

Senator Garcia withdrew the point of order.

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

Yeas: Bettencourt, Birdwell, Buckingham, Campbell, Creighton, Estes, Garcia, Hancock, Hinojosa, Huffines, Huffman, Hughes, Kolkhorst, Lucio, Menéndez, Miles, Nelson, Nichols, Perry, Rodríguez, Schwertner, Seliger, Taylor of Galveston, Uresti, Watson, West, Whitmire, Zaffirini.

Nays: Burton, Hall, Taylor of Collin.

#### **SENATE RULE 7.25 SUSPENDED (Limitation on Vote)**

Senator Miles moved to suspend Senate Rule 7.25 to permit consideration of **HB 1278** at this time.

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



**VOTES RECONSIDERED ON  
HOUSE BILL 1278**

On motion of Senator Miles and by unanimous consent, the vote by which **HB 1278** was finally passed was reconsidered:

**HB 1278**, Relating to availability of personal information of certain current and former prosecutors.

Question: Shall **HB 1278** be finally passed?

On motion of Senator Miles and by unanimous consent, the vote by which **HB 1278** was passed to third reading was reconsidered.

Question: Shall **HB 1278** be passed to third reading?

On motion of Senator Miles and by unanimous consent, the vote by which Floor Amendment No. 1 was adopted was reconsidered.

Question: Shall Floor Amendment No. 1 to **HB 1278** be adopted?

Senator Zaffirini withdrew Floor Amendment No. 1.

On motion of Senator Miles and by unanimous consent, the vote by which Floor Amendment No. 2 was adopted was reconsidered.

Question: Shall Floor Amendment No. 2 to **HB 1278** be adopted?

Senator Menéndez withdrew Floor Amendment No. 2.

**HB 1278** was again 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 1278 ON THIRD READING**

On motion of Senator Miles and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1278** at this time on its third reading and final passage.

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

**CONFERENCE COMMITTEE REPORT ON  
SENATE BILL 715**

Senator Campbell called from the President's table the Conference Committee Report on **SB 715**. The Conference Committee Report was filed with the Senate on Saturday, May 27, 2017.

**SENATE RULE 12.09 SUSPENDED**

Senator Bettencourt moved to suspend Senate Rule 12.09 to take up for consideration the Conference Committee Report on **SB 715** at this time.

The motion prevailed by the following vote: Yeas 20, Nays 11.

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

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

Senator Campbell again called from the President's table the Conference Committee Report on **SB 715**.

Senator Menéndez at 9:50 p.m. was recognized to speak on the Conference Committee Report on **SB 715**.

Question: Shall the Conference Committee Report on **SB 715** be adopted?

**MESSAGE FROM THE HOUSE**

HOUSE CHAMBER

Austin, Texas

Sunday, May 28, 2017 - 6

The Honorable President of the Senate  
Senate Chamber  
Austin, Texas

Mr. President:

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

THE HOUSE HAS PASSED THE FOLLOWING MEASURES:

**HCR 159** Neave

Instructing the enrolling clerk of the house to make corrections in H.B. No. 4102.

THE HOUSE HAS ADOPTED THE FOLLOWING CONFERENCE COMMITTEE REPORTS:

**HB 22** (140 Yeas, 0 Nays, 1 Present, not voting)

**SB 715** (85 Yeas, 39 Nays, 1 Present, not voting)

**SB 1450** (99 Yeas, 47 Nays, 1 Present, not voting)

**SB 1731** (146 Yeas, 0 Nays, 1 Present, not voting)

**SB 1839** (138 Yeas, 8 Nays, 2 Present, not voting)

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

**HB 931** (83 Yeas, 46 Nays, 1 Present, not voting)

Respectfully,

/s/Robert Haney, Chief Clerk  
House of Representatives

Question: Shall the Conference Committee Report on **SB 715** be adopted?

**POINT OF ORDER**

Senator Watson raised a point of order against further consideration of the Conference Committee Report on **SB 715** under Senate Rule 7.25.

**POINT OF ORDER RULING**

The President ruled that the point of order was well-taken and sustained.

**SENATE RESOLUTION 846**

Senator Lucio offered the following resolution:

**SR 846**, In memory of Laura Lee Milner Traylor.

LUCIO  
NELSON  
SCHWERTNER  
SELIGER  
WATSON  
ZAFFIRINI

The resolution was read.

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

On motion of Senator Lucio, **SR 846** was adopted by a rising vote of the Senate.

In honor of the memory of Laura Lee Milner Traylor, the text of the resolution is printed at the end of today's *Senate Journal*.

**CO-AUTHORS OF SENATE BILL 968**

On motion of Senator Watson, Senators Menéndez and West will be shown as Co-authors of **SB 968**.

**CO-AUTHOR OF SENATE BILL 1913**

On motion of Senator Zaffirini, Senator Menéndez will be shown as Co-author of **SB 1913**.

**CO-AUTHOR OF SENATE BILL 2118**

On motion of Senator Seliger, Senator Hughes will be shown as Co-author of **SB 2118**.

**CO-SPONSOR OF HOUSE BILL 150**

On motion of Senator Creighton, Senator West will be shown as Co-sponsor of **HB 150**.

**CO-SPONSOR OF HOUSE BILL 810**

On motion of Senator Bettencourt, Senator Garcia will be shown as Co-sponsor of **HB 810**.

**CO-SPONSORS OF HOUSE CONCURRENT RESOLUTION 129**

On motion of Senator Miles, Senators Kolkhorst and Schwertner will be shown as Co-sponsors of **HCR 129**.

**RESOLUTIONS OF RECOGNITION**

The following resolutions were adopted by the Senate:

### **Memorial Resolutions**

**SR 927** by Lucio, In memory of Gloria Rodriguez.

**SR 937** by Hall, In memory of James Clayton Young.

**SR 940** by Hinojosa, In memory of Sam Fore Keach Jr.

### **Congratulatory Resolutions**

**SR 898** by Schwertner, Recognizing Robert Hollas for being named the Region 6 Child Protective Services Caseworker of the Year.

**SR 928** by Hughes, Recognizing David Land and Hannah Sbarbaro on the occasion of their wedding.

**SR 930** by Zaffirini, Recognizing the Zapata County Independent School District on the occasion of its 60th anniversary.

**SR 932** by Hughes, Recognizing William and Kathryn Reagan on the occasion of their 50th wedding anniversary.

**SR 934** by West, Commending Aidan Ravnik for achieving the rank of Eagle Scout.

**SR 941** by Hinojosa, Lucio, and Zaffirini, Recognizing Martin Peña on the occasion of his retirement.

**SR 942** by Schwertner, Recognizing the Texas Family Reunion in Senate District 5.

**SR 944** by Buckingham, Creighton, and Whitmire, Recognizing A. R. "Babe" Schwartz for his contributions to the state.

**SR 945** by Taylor of Collin, Recognizing Jake Rogers for his service to the Texas Senate.

**SR 946** by Taylor of Collin, Recognizing Hyman Vego on the occasion of his 95th birthday.

**SR 947** by Lucio, Recognizing Carlos Cisneros Lucio Jr. on the occasion of his graduation.

**SR 950** by Uresti, Recognizing Jeff Hassay and Sarah Lehrer-Graiwer on the occasion of the birth of their daughter, Zooey Maybellene Sophia Lehrer-Hassay.

**HCR 148** (Birdwell), Celebrating Elizabeth J. Nelson on her service as mayor of Marlin.

### **Legislative Policy Resolution**

**SR 887** by Watson, Encouraging the public to learn about meningococcal disease and the role of vaccination in prevention.

### **ADJOURNMENT**

On motion of Senator Whitmire, the Senate at 12:10 a.m. Monday, May 29, 2017, adjourned, in memory of James Young and Laura Lee Milner Traylor, until 11:00 a.m. today.

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**APPENDIX**

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**BILLS AND RESOLUTIONS ENROLLED**May 27, 2017

**SB 179, SB 196, SB 248, SB 468, SB 490, SB 526, SB 719, SB 736, SB 805, SB 807, SB 810, SB 814, SB 848, SB 1014, SB 1024, SB 1070, SB 1091, SB 1099, SB 1153, SB 1198, SB 1215, SB 1298, SB 1326, SB 1330, SB 1381, SB 1401, SB 1444, SB 1525, SB 1781, SB 1882, SB 1992, SB 2076, SCR 33, SR 899, SR 915, SR 916, SR 917, SR 918, SR 919, SR 920, SR 921, SR 922, SR 923, SR 925, SR 933**

**SENT TO GOVERNOR**May 28, 2017

**SB 8, SB 21, SB 36, SB 39, SB 40, SB 43, SB 49, SB 55, SB 73, SB 79, SB 81, SB 82, SB 179, SB 190, SB 195, SB 196, SB 213, SB 239, SB 248, SB 255, SB 262, SB 263, SB 292, SB 315, SB 317, SB 323, SB 341, SB 343, SB 344, SB 364, SB 365, SB 371, SB 402, SB 413, SB 436, SB 468, SB 490, SB 526, SB 532, SB 537, SB 544, SB 591, SB 593, SB 631, SB 674, SB 719, SB 721, SB 725, SB 731, SB 736, SB 738, SB 745, SB 748, SB 751, SB 805, SB 807, SB 810, SB 813, SB 814, SB 848, SB 865, SB 905, SB 914, SB 920, SB 924, SB 942, SB 1014, SB 1015, SB 1024, SB 1066, SB 1070, SB 1076, SB 1091, SB 1095, SB 1098, SB 1099, SB 1118, SB 1129, SB 1153, SB 1198, SB 1214, SB 1215, SB 1232, SB 1233, SB 1249, SB 1261, SB 1286, SB 1289, SB 1298, SB 1304, SB 1314, SB 1326, SB 1330, SB 1345, SB 1381, SB 1383, SB 1400, SB 1401, SB 1440, SB 1444, SB 1489, SB 1503, SB 1525, SB 1526, SB 1538, SB 1571, SB 1649, SB 1693, SB 1764, SB 1781, SB 1799, SB 1813, SB 1842, SB 1843, SB 1882, SB 1893, SB 1910, SB 1911, SB 1936, SB 1968, SB 1969, SB 1992, SB 2056, SB 2075, SB 2076, SB 2186, SB 2212, SB 2242, SB 2252, SB 2253, SB 2262, SB 2263, SB 2273, SB 2274, SB 2277, SB 2284, SB 2285, SB 2287, SB 2290, SB 2292, SB 2295, SB 2296, SB 2297, SB 2298, SB 2299, SCR 33, SCR 37, SCR 41, SCR 51**

**SIGNED BY GOVERNOR**May 28, 2017

**SB 489, SB 1124, SB 1152, SB 1305, SB 1349, SB 1490, SB 1502, SB 2255**

**FILED WITHOUT SIGNATURE OF GOVERNOR**May 28, 2017

**SB 1300**

**In Memory**  
**of**  
**Laura Lee Milner Traylor**  
**Senate Resolution 846**

WHEREAS, The Senate of the State of Texas honors and commemorates the life of Laura Lee Milner Traylor, who died March 29, 2017; and

WHEREAS, An exemplary citizen, Laura Traylor was respected and admired for her many contributions to her community; a source of strength to others, she was known for her wisdom, her compassion, and her boundless generosity; and

WHEREAS, Laura graduated from Amarillo High School, and she earned a degree from The University of Texas College of Business Administration in 1986; she began a career in the political arena, and after working for a time on Capitol Hill, she returned to Amarillo to work as a campaign manager for her father's congressional campaign; she later moved to Lubbock where she became active in the hospitality industry; she eventually established and operated Traylor Convention Planning in Austin; and

WHEREAS, Mrs. Traylor shared 28 years of marriage with her husband, Chris Traylor, and their two children, Will and Betsy, were a source of immense pride and joy; she shared a love of music with her daughter, and she delighted in fishing with her son in Laguna Madre and walking on the beach with her husband on South Padre Island; and

WHEREAS, Laura found great fulfillment as an active community volunteer, and she contributed much of her time to the National Charity League and the Court Appointed Special Advocates organization; she was beloved by many, and she leaves behind memories that will long be cherished by all who were privileged to share in her life; now, therefore, be it

RESOLVED, That the Senate of the State of Texas, 85th Legislature, hereby extend sincere condolences to the bereaved family of Laura Lee Milner Traylor; and, be it further

RESOLVED, That a copy of this Resolution be prepared for her family as an expression of deepest sympathy from the Texas Senate and that when the Senate adjourns this day, it do so in memory of Laura Traylor.

LUCIO  
NELSON  
SCHWERTNER  
SELIGER  
WATSON  
ZAFFIRINI