

BILL ANALYSIS

Senate Research Center
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S.B. 1
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As the sole administrator of the treasury and the state's many financial resources, the Office of the Comptroller of Public Accounts (comptroller) relies on statutory authority and rulemaking power to manage those resources. As the dynamics of financial markets and our economic systems continue to evolve, the tools available to the comptroller often require adjustment to maximize the effectiveness of the agency's resource control. Being the sole administrator of the state's financial resources also places the comptroller in the unique position of working in concert with other state governmental entities that rely on the comptroller's expertise to adequately provide necessary financial support. This bill makes adjustments in various portions of the Texas statutes to facilitate the administration of the state's financial resources.

As proposed, S.B. 1 amends current law relating to certain state fiscal matters and provides penalties.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the comptroller of public accounts is rescinded in SECTION 3.01 (Section 111.303, Tax Code), SECTION 18.05 (Section 379A.102, Local Government Code), and SECTION 19.11 (Sections 225.004 and 226.053, Insurance Code) of this bill.

Rulemaking authority is expressly granted to the Texas Commission on Environmental Quality [TNRCC] in SECTION 8.01 (Section 26.3574, Water Code) of this bill.

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 14.03 (Section 151.463, Tax Code), SECTION 19.04 (Section 225.004, Insurance Code), and SECTION 50.02 (Section 61.0015, Government Code) of this bill.

Rulemaking authority is expressly granted to the Railroad Commission of Texas in SECTION 24.02 (Section 81.070, Natural Resources Code) of this bill.

Rulemaking authority previously granted to the Railroad Commission of Texas is modified in SECTION 24.26 (Section 121.211, Utilities Code) of this bill.

Rulemaking authority is expressly granted to the attorney general in SECTION 27.03 (Section 402.0212, Government Code) and SECTION 27.04 (Section 371.051, Transportation Code) of this bill.

Rulemaking authority previously granted to the Texas Facilities Commission is rescinded in SECTION 38.01 (Section 2175.127, Government Code) of this bill.

Rulemaking authority is expressly granted to the Legislative Budget Board in SECTION 44.02 (Section 322.0081, Government Code) of this bill.

Rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 45.02 (Section 313.003, Labor Code) of this bill.

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 53.03 (Section 2306.2585, Government Code) of this bill.

Rulemaking authority previously granted to the commissioner of education is modified in SECTION 72.11 (Section 42.2516, Education Code) of this bill.

Rulemaking authority previously granted to the commissioner of education is rescinded in SECTION 72.25 (Sections 42.25161 and 42.261, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. FOUNDATION SCHOOL PROGRAM PAYMENTS

SECTION 1.01. Amends Sections 42.259(c), (d) and (f), Education Code, as follows:

(c) Requires payments from the foundation school fund to each category 2 school district to be made, as follows:

(1)-(7) Makes no changes to these subdivisions; and

(8) 15 percent of the yearly entitlement of the district is required to be paid in an installment to be made after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the payment made under Subdivision (1), rather than paid in an installment to be made on or before the 25th day of August.

(d) Requires payments from the foundation school fund to each category 3 school district to be made as follows:

(1)-(2) Makes no changes to these subdivisions; and

(3) 20 percent of the yearly entitlement of the district shall be paid in an installment to be made after the 5th day of September and not later than the 10th day of September of the calendar year following the calendar year of the payment made under Subdivision (1), rather than paid in an installment to be made on or before the 25th day of August.

(f) Requires that any previously unpaid additional funds from prior fiscal years owed to a district, except as provided by Subsection (c)(8) or (d)(3), be paid to the district together with the September payment of the current fiscal year entitlement.

SECTION 1.02. Amends Section 466.355(c), Government Code, to require the comptroller of public accounts (comptroller), each August to estimate the amount to be transferred to the foundation school fund on or before September 15; and notwithstanding Subsection (b)(4), transfer the amount estimated in Subdivision (1) to the foundation school fund before August 25.

SECTION 1.03. Provides that the changes made by this article to Section 42.259 (Foundation School Fund Transfers), Education Code, apply only to a payment from the foundation school fund that is made on or after the effective date of this Act. Provides that a payment to a school district from the foundation school fund that is made before that date is governed by Section 42.259, Education Code, as it existed before amendment by this article, and the former law is continued in effect for that purpose.

ARTICLE 2. FISCAL MATTERS REGARDING REGULATION AND TAXATION OF INSURERS

SECTION 2.01. Amends Section 221.006, Insurance Code, by adding Subsection (c), as follows:

(c) Provides that an insurer is not entitled to a credit under Subsection (a) (relating to credit for fees paid) for an examination or evaluation fee paid in calendar year 2012 or 2013. Provides that this subsection expires January 1, 2014.

SECTION 2.02. Amends Section 222.007, Insurance Code, by adding Subsection (c), as follows:

(c) Provides that an insurer or health maintenance organization is not entitled to a credit under Subsection (a) (relating to credit for fees paid) for an examination or evaluation fee paid in calendar year 2012 or 2013. Provides that this subsection expires January 1, 2014.

SECTION 2.03. Amends Section 223.009, Insurance Code, by adding Subsection (c), as follows:

(c) Provides that a title insurance company is not entitled to a credit under Subsection (a) (relating to credit for fees paid) for an examination or evaluation fee paid in calendar year 2012 or 2013. Provides that this subsection expires January 1, 2014.

SECTION 2.04. Amends Section 401.151, Insurance Code, by adding Subsection (f), as follows:

(f) Provides that an insurer is not entitled to a credit under Subsection (e) (relating to requiring the amount of all examination and evaluation fees paid to the state by an insurer in each taxable year to be allowed as a credit on the amount of premium taxes due) for an examination or evaluation fee paid in calendar year 2012 or 2013. Provides that this subsection expires January 1, 2014.

SECTION 2.05. Amends Section 401.154, Insurance Code, as follows:

Sec. 401.154. TAX CREDIT AUTHORIZED. (a) Creates this subsection from existing text and makes no further changes.

(b) Provides that an insurer is not entitled to a credit under Subsection (a) for an examination fee paid in calendar year 2012 or 2013. Provides that this subsection expires January 1, 2014.

SECTION 2.06. Amends Section 463.160, Insurance Code, as follows:

Sec. 463.160. PREMIUM TAX CREDIT FOR CLASS A ASSESSMENT. Requires that the amount of a Class A assessment paid by a member insurer in each taxable year be allowed as a credit on the amount of premium taxes due. Deletes existing text requiring that the amount of a Class A assessment paid by a member insurer be allowed as a credit on the amount of premium taxes due in the same manner as a credit is allowed under Section 401.151(e).

SECTION 2.07. Provides that the changes in law made by this article apply only to a tax credit for an examination or evaluation fee paid on or after January 1, 2012. Provides that tax credits for examination or evaluation fees paid before January 1, 2012, are governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

ARTICLE 3. STATE SALES AND FRANCHISE TAX REFUNDS FOR CERTAIN AD VALOREM TAXPAYERS

SECTION 3.01. Repealer: Subchapter F (Tax Refund for Economic Development), Chapter 111 (Collection Procedures), Tax Code.

SECTION 3.02. Provides that the repeal of Subchapter F, Chapter 111, Tax Code, by this article does not affect an eligible person's right to claim a refund of state sales and use and state franchise taxes that was established under Section 111.301 (Refund for State Taxes; Application for Refund), Tax Code, in relation to taxes paid before the effective date of this article in a calendar year for which the person paid ad valorem taxes to a school district as provided by Section 111.301, Tax Code, before the effective date of this article. Provides that an eligible person's right to claim a refund of state sales and use and state franchise taxes that was established under Section 111.301, Tax Code, in relation to taxes paid before the effective date of this article in a calendar year for which the person paid ad valorem taxes to a school district as provided by Section 111.301, Tax Code, before the effective date of this article is governed by the law in effect on the date the right to claim the refund was established, and the former law is continued in effect for that purpose.

SECTION 3.03. Effective date, this article: October 1, 2011.

ARTICLE 4. TAX RECORDS

SECTION 4.01. Amends Section 2153.201, Occupations Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Requires that a record required under Subsection (a) (requiring an owner to maintain a complete and itemized record of each coin-operated machine the owner purchases, receives, possesses, handles, exhibits, or displays in this state in accordance with accepted auditing and accounting practices):

(1) be available at all times for inspection by the attorney general, the comptroller, or an authorized representative of the attorney general or comptroller as provided by Subsection (c);

(2) include information relating to the kind of each machine; the date each machine is acquired or received in this state, and placed in operation; the location of each machine, including the county, municipality, if any, and street or rural route number; the name and complete address of each operator of each machine; if the owner is an individual, the full name and address of the owner; and if the owner is not an individual, the name and address of each principal officer or member of the owner; and

(3) be maintained at a permanent address in this state designated on the application for a license under Section 2153.153.

Deletes existing text requiring that a record under Subsection (a) be maintained until the second anniversary of the date the owner ceases ownership of the machine that is the subject of the record. Makes nonsubstantive changes.

(c) Requires that a record required under Subsection (a) be available for inspection under Subsection (b) for at least four years and as required by Section 111.0041 (Records), Tax Code.

SECTION 4.02. Amends Section 111.0041, Tax Code, as follows:

Sec. 111.0041. New heading: RECORDS; BURDEN TO PRODUCE AND SUBSTANTIATE CLAIMS. (a) Requires a taxpayer who is required by this title to keep records, except as provided by Subsection (b), to keep those records open to inspection by the comptroller, the attorney general, or the authorized representatives of either of them for at least four years.

(b) Provides that a taxpayer is required to keep records open for inspection under Subsection (a) for more than four years throughout any period when:

- (1) any tax, penalty, or interest may be assessed, collected, or refunded by the comptroller; or
- (2) an administrative hearing is pending before the comptroller, or a judicial proceeding is pending, to determine the amount of the tax, penalty, or interest that is to be assessed, collected, or refunded.

(c) Requires a taxpayer to produce contemporaneous records and supporting documentation appropriate to the tax or fee for the period in question to substantiate and enable verification of the taxpayer's claim related to the amount of tax, penalty, or interest to be assessed, collected, or refunded in an administrative or judicial proceeding. Provides that contemporaneous records and supporting documentation appropriate to the tax or fee include invoices, vouchers, checks, shipping records, contracts, and other equivalent records, such as electronically stored images of such documents, reflecting legal relationships and taxes collected or paid.

(d) Provides that summary records submitted by the taxpayer, including accounting journals and ledgers, without supporting contemporaneous records and documentation for the period in question are not sufficient to substantiate and enable verification of the taxpayer's claim regarding the amount of tax, penalty, or interest that may be assessed, collected, or refunded.

(e) Creates this subsection from existing Subsection (b) and makes no further changes.

SECTION 4.03. Amends Section 112.052, Tax Code, by adding Subsection (d), to require a taxpayer to produce contemporaneous records and supporting documentation appropriate to the tax or fee for the period in question to substantiate and enable verification of a taxpayer's claim relating to the amount of the tax, penalty, or interest that is to be assessed, collected, or refunded, as required by Section 111.0041.

SECTION 4.04. Amends Section 112.151, Tax Code, by adding Subsection (f), to require a taxpayer to produce a contemporaneous records and supporting documentation appropriate to the tax or fee for the period in question to substantiate and enable verification of a taxpayer's claim relating to the amount of the tax, penalty, or interest that is to be assessed, collected, or refunded, as required by Section 111.0041.

SECTION 4.05. Amends Section 151.025(b), Tax Code, to require that a record required by Subsection (a) be kept for not less than four years from the date that it is made unless the comptroller authorizes in writing its destruction at an earlier date, or Section 111.0041 requires that the record be kept for a longer period.

SECTION 4.06. Amends Section 152.063, Tax Code, by adding Subsection (h), to provide that Section 111.0041 applies to a person required to keep records under this chapter.

SECTION 4.07. Amends Section 152.0635, Tax Code, by adding Subsection (e), to provide that Section 111.0041 applies to a person required to keep records under this chapter.

SECTION 4.08. Amends Section 154.209(a), Tax Code, to require each permit holder, except as provided by Section 111.0041, to keep records available for inspection and copying by the comptroller and the attorney general for at least four years.

SECTION 4.09. Amends Section 155.110(a), Tax Code, to require each permit holder, except as provided by Section 111.0041, to keep records available for inspection and copying by the comptroller and the attorney general for at least four years.

SECTION 4.10. Amends Section 160.046, Tax Code, by adding Subsection (g), to require a person required to keep records under this section to also keep the records as required by Section 111.0041.

SECTION 4.11. Amends Subchapter A, Chapter 162, Tax Code, by adding Section 162.0125, as follows:

Sec. 162.0125. DUTY TO KEEP RECORDS. Requires a person required to keep a record under this chapter to also keep the record as required by Section 111.0041.

SECTION 4.12. Effective date, this article: upon passage or October 1, 2011.

ARTICLE 5. UNCLAIMED PROPERTY

SECTION 5.01. Amends Section 72.101(a), Property Code, to provide that except as provided by this section and Sections 72.1015 (Unclaimed Wages), 72.1016 (Stored Value Card), 72.1017, and 72.102 (Traveler's Check and Money Orders), personal property is presumed abandoned if, for longer than three years the existence and location of the owner of the property is unknown to the holder of the property; and according to the knowledge and records of the holder of the property, a claim to the property has not been asserted or an act of ownership of the property has not been exercised.

SECTION 5.02. Amends Subchapter B, Chapter 72, Property Code, by adding Section 72.1017, as follows:

Sec. 72.1017. UTILITY DEPOSITS. (a) Defines, in this section, "utility" and "utility deposit."

(b) Provides that, notwithstanding Section 73.102, a utility deposit is presumed abandoned on the latest of:

(1) the first anniversary of the date a refund check for the utility deposit was payable to the owner of the deposit;

(2) the first anniversary of the date the utility last received documented communication from the owner of the utility deposit; or

(3) the first anniversary of the date the utility issued a refund check for the deposit payable to the owner of the deposit if, according to the knowledge and records of the utility or payor of the check, during that period, a claim to the check has not been asserted or an act of ownership by the payee has not been exercised.

SECTION 5.03. Amends Section 72.102(c), Property Code, as follows:

(c) Provides that a money order to which Subsection (a) applies is presumed to be abandoned on the latest of:

(1) the third, rather than seventh, anniversary of the date on which the money order was issued;

(2) the third, rather than seventh, anniversary of the date on which the issuer of the money order last received from the owner of the money order communication concerning the money order; or

(3) the third, rather than seventh, anniversary of the date of the last writing, on file with the issuer, that indicates the owner's interest in the money order.

SECTION 5.04. Amends Section 72.103, Property Code, to prohibit service, maintenance, or other charges on a money order, if a holder imposes such charges prior to the time of presumed abandonment, from exceeding the amount of \$1, rather than 50 cents, per month for each month the money order remains uncashed prior to the month in which the money order is presumed abandoned.

SECTION 5.05. Amends Section 73.101, Property Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Provides that an account or safe deposit box is presumed abandoned if:

(1) except as provided by Subsection (c), the account or safe deposit box has been inactive for at least five years as determined under Subsection (b); and

(2)-(3) Makes no changes to these subdivisions.

(c) Provides that if the account is a checking or savings account or is a matured certificate of deposit, the account is presumed abandoned if the account has been inactive for at least three years as determined under Subsection (b)(1).

SECTION 5.06. Amends Section 74.101(a), Property Code, as follows:

(a) Requires each holder who on March 1, rather than June 30, holds property that is presumed abandoned under Chapter 72 (Abandonment of Personal Property), 73 (Property Held By Financial Institutions), or 75 (Texas Minerals) of this code or under Chapter 154 (Prepaid Funeral Services), Finance Code, to file a report of that property on or before the following July 1, rather than November 1. Authorizes the comptroller to require the report to be in a particular format, including a format that can be read by a computer.

SECTION 5.07. Amends Section 74.1011(a), Property Code, as follows:

(a) Requires a holder who on March 1, rather than June 30, holds property valued at more than \$250 that is presumed abandoned under Chapter 72, 73, or 75 of this code or Chapter 154, Finance Code, on or before the preceding May 1, rather than the following August, 1, except as provided by Subsection (b) (relating to providing conditions in which the notice does not apply), to mail to the last known address of the known owner written notice stating that the holder is holding the property; and the holder may be required to deliver the property to the comptroller on or before July 1, rather than November 1, if the property is not claimed.

SECTION 5.08. Amends Sections 74.301(a) and (c), Property Code, as follows:

(a) Requires each holder who on March 1, rather than June 30 holds property that is presumed abandoned under Chapter 72, 73, or 75, except as provided by Subsection (c), to deliver the property to the comptroller on or before the following July 1, rather than November 1, accompanied by the report required to be filed under Section 74.101 (Property Report).

(c) Authorizes the comptroller, if the property subject to delivery under Subsection (a) is the contents of a safe deposit box, the comptroller may instruct a holder to deliver the property on a specified date before July 1, rather than November 1, of the following year.

SECTION 5.09. Amends Section 74.601(e), Property Code, to authorize the comptroller on receipt or from time to time, rather than authorizes the comptroller from time to time, to sell securities, including stocks, bonds, and mutual funds, received under this chapter or any other statute requiring the delivery of unclaimed property to the comptroller and use the proceeds to buy, exchange, invest, or reinvest in marketable securities.

SECTION 5.10. Amends Section 74.708, Property Code, to provide that a holder who on March 1, rather than June 30, holds property presumed abandoned under Chapters 72, 73, 74 (Report, Delivery, and Claims Process), and 75 holds the property in trust for the benefit of the state on behalf of the missing owner and is liable to the state for the full value of the property, plus any accrued interest and penalty.

SECTION 5.11. (a) Effective date, this article, except as provided by Subsection (b): on the 91st day after the last day of the legislative session.

(b) Effective date, Sections 74.101(a), 74.1011(a), 74.301(a) and (c), and 74.708, Property Code: January 1, 2013.

SECTION 5.12. Provides that a charge imposed on a money order under Section 72.103, Property Code, by a holder before the effective date of this article is governed by the law applicable to the charge immediately before the effective date of this article, and the holder may retain the charge.

ARTICLE 6. CLASSIFICATION OF JUDICIAL AND COURT PERSONNEL TRAINING FUND

SECTION 6.01. Amends Section 56.001, Government Code, as follows:

Sec. 56.001. JUDICIAL AND COURT PERSONNEL TRAINING FUND. (a) Provides that the judicial and court personnel training fund is an account in the general revenue fund. Authorizes that money in the judicial and court personnel training fund be appropriated only to the court of criminal appeals for the uses authorized in Section 56.003 (Use of Funds). Deletes existing text providing that the judicial and court personnel training fund is created in the state treasury and is required to be administered by the court of criminal appeals.

(b) Redesignates existing Subsection (i) as Subsection (b). Deletes existing text requiring that at the end of each state fiscal year, any unexpended balance in the fund in excess of \$500,000 be transferred to the general revenue fund.

ARTICLE 7. PROCESS SERVER CERTIFICATION FEES

SECTION 7.01. Amends Subchapter A, Chapter 51, Government Code, by adding Section 51.008, as follows:

Sec. 51.008. FEES FOR PROCESS SERVER CERTIFICATION. (a) Authorizes the process server review board established by supreme court order to recommend to the supreme court the fees to be charged for process server certification and renewal of certification. Requires the supreme court to approve the fees recommended by the process server review board before the fees may be collected.

(b) Requires, the fee for the certification, if a certification is issued or renewed for a term that is less than the certification period provided by supreme court rule, be prorated so that the process server pays only that portion of the fee that is allocable to the period during which the certification is valid. Requires the process server, on renewal of the certification on the new expiration date, to pay the entire certification renewal fee.

(c) Authorizes the Office of Court Administration of the Texas Judicial System (OCA) to collect the fees recommended by the process server review board and approved by the supreme court. Requires that fees collected under this section be sent to the comptroller for deposit to the credit of the general revenue fund.

(d) Authorizes that fees collected under this section be appropriated to OCA for the support of regulatory programs for process servers and guardians.

SECTION 7.02. (a) Provides that the fees recommended and approved under Section 51.008, Government Code, as added by this article, apply to each person who holds a process server certification on the effective date of this article, and each person who applies for process server certification on or after the effective date of this article.

(b) Requires OCA to prorate the process server certification fee so that a person who holds a process server certification on the effective date of this article pays only that portion of the fee that is allocable to the period during which the certification is valid. Provides that on renewal of the certification on the new expiration date, the entire certification renewal fee is payable.

ARTICLE 8. FISCAL MATTERS REGARDING PETROLEUM INDUSTRY REGULATION

SECTION 8.01. Amends Section 26.3574, Water Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Requires each operator of a bulk facility on withdrawal from bulk of a petroleum product to collect from the person who orders the withdrawal a fee in an amount determined as follows:

- (1) not more than \$3.125 for each delivery into a cargo tank having a capacity of less than 2,500 gallons;
- (2) not more than \$6.25 for each delivery into a cargo tank having a capacity of 2,500 gallons or more but less than 5,000 gallons;
- (3) not more than \$9.37 for each delivery into a cargo tank having a capacity of 5,000 gallons or more but less than 8,000 gallons;
- (4) not more than \$12.50 for each delivery into a cargo tank having a capacity of 8,000 gallons or more but less than 10,000 gallons; and
- (5) not more than \$6.25 for each increment of 5,000 gallons or any part thereof delivered into a cargo tank having a capacity of 10,000 gallons or more.

Deletes existing text requiring each operator of a bulk facility on withdrawal from bulk of a petroleum product to collect from the person who orders the withdrawal a fee in an amount determined \$3.75 for each delivery into a cargo tank having a capacity of less than 2,500 gallons for the state fiscal year beginning September 1, 2007, through the state fiscal year ending August 31, 2011; \$7.50 for each delivery into a cargo tank having a capacity of 2,500 gallons or more but less than 5,000 gallons for the state fiscal year beginning September 1, 2007, through the state fiscal year ending August 31, 2011; \$11.75 for each delivery into a cargo tank having a capacity of 5,000 gallons or more but less than 8,000 gallons [for the state fiscal year beginning September 1, 2007, through the state fiscal year ending August 31, 2011; \$15.00 for each delivery into a cargo tank having a capacity of 8,000 gallons or more but less than 10,000 gallons for the state fiscal year beginning September 1, 2007, through the state fiscal year ending August 31, 2011; and \$7.50 for each increment of 5,000 gallons or any part thereof delivered into a cargo tank having a capacity of 10,000 gallons or more for the state fiscal year beginning September 1, 2007, through the state fiscal year ending August 31, 2011.

(b-1) Requires the Texas Natural Resource Conservation Commission by rule to set the amount of the fee in Subsection (b) in an amount not to exceed the amount necessary to cover TNRCC's costs of administering this subchapter, as indicated by the amount appropriated by the legislature from the petroleum storage tank remediation account for that purpose.

ARTICLE 9. REMITTANCE AND ALLOCATION OF CERTAIN MOTOR FUELS TAXES

SECTION 9.01. Amends Section 162.113, Tax Code, by adding Subsections (a-1), (a-2), (a-3), and (a-4), as follows:

(a-1) Requires each licensed distributor and licensed importer, on August 28, 2013, to remit to the supplier or permissive supplier, as applicable, a tax prepayment in an amount equal to 25 percent of the tax imposed by Section 162.101 for gasoline removed at the terminal rack during July 2013 by the licensed distributor or licensed importer, without accounting for any credit or allowance to which the licensed distributor or licensed importer is entitled. Requires the supplier or permissive supplier to remit the tax prepayment received under this subsection to the comptroller by electronic funds transfer on August 30, 2013, without accounting for any credit or allowance to which the supplier or permissive supplier is entitled. Provides that Subsections (c)-(e) do not apply to the tax prepayment under this subsection.

(a-2) Authorizes a licensed distributor or licensed importer to take a credit against the amount of tax imposed by Section 162.101 (Point of Imposition of Gasoline Tax) for gasoline removed at a terminal rack during August 2013 that is required to be remitted to the supplier or permissive supplier, as applicable, under Subsection (a) in September 2013. Provides that the amount of the credit is equal to the amount of any tax prepayment remitted by the licensed distributor or licensed importer as required by Subsection (a-1).

(a-3) Provides that Subsections (a-1) and (a-2) apply to a supplier or an affiliate of a supplier who removes gasoline at the terminal rack for distribution to the same extent and in the same manner that those subsections apply to a licensed distributor or licensed importer.

(a-4) Provides that Subsections (a-1), (a-2), and (a-3) and this subsection expire September 1, 2015.

SECTION 9.02. Amends Section 162.214, Tax Code, by adding Subsections (a-1), (a-2), (a-3), and (a-4), as follows:

(a-1) Requires each licensed distributor and licensed importer, on August 28, 2013, to remit to the supplier or permissive supplier, as applicable, a tax prepayment in an amount equal to 25 percent of the tax imposed by Section 162.201 (Point of Imposition of Diesel Fuel Tax) for diesel fuel removed at the terminal rack during July 2013 by the licensed distributor or licensed importer, without accounting for any credit or allowance to which the licensed distributor or licensed importer is entitled. Requires the supplier or permissive supplier to remit the tax prepayment received under this subsection to the comptroller by electronic funds transfer on August 30, 2013, without accounting for any credit or allowance to which the supplier or permissive supplier is entitled. Provides that Subsections (c)-(e) do not apply to the tax prepayment under this subsection.

(a-2) Authorizes a licensed distributor or licensed importer to take a credit against the amount of tax imposed by Section 162.201 for diesel fuel removed at a terminal rack during August 2013 that is required to be remitted to the supplier or permissive supplier, as applicable, under Subsection (a) in September 2013. Provides that the amount of the credit is equal to any tax prepayment remitted by the licensed distributor or licensed importer as required by Subsection (a-1).

(a-3) Provides that Subsections (a-1) and (a-2) apply to a supplier or an affiliate of a supplier who removes diesel fuel at the terminal rack for distribution to the same extent and in the same manner that those subsections apply to a licensed distributor or licensed importer.

(a-4) Provides that Subsections (a-1), (a-2), and (a-3) and this subsection expire September 1, 2015.

SECTION 9.03. Amends Section 162.503, Tax Code, as follows:

Sec. 162.503. ALLOCATION OF GASOLINE TAX. (a) Creates this subsection from existing text and makes no further changes.

(b) Prohibits the comptroller, notwithstanding Subsection (a), from allocating revenue otherwise required to be allocated under Subsection (a) during July and August 2013 before the first workday of September 2013. Requires that the revenue be allocated as otherwise provided by Subsection (a) not later than the fifth workday of September 2013. Provides that this subsection expires September 1, 2015.

SECTION 9.04. Amends Section 162.504, Tax Code, as follows:

Sec. 162.504. ALLOCATION OF DIESEL FUEL TAX. (a) Creates this subsection from existing text and makes no further changes.

(b) Prohibits the comptroller, notwithstanding Subsection (a), from allocating revenue otherwise required to be allocated under Subsection (a) during July and August 2013 before the first workday of September 2013. Requires that the revenue be allocated as otherwise provided by Subsection (a) not later than the fifth workday of September 2013. Provides that this subsection expires September 1, 2015.

SECTION 9.05. Provides that the expiration of the amendments made to the Tax Code in accordance with this article does not affect tax liability accruing before the expiration of those amendments. Provides that that liability continues in effect as if the amendments had not expired, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 9.06. Effective date, this article: October 1, 2011.

ARTICLE 10. REMITTANCE OF MIXED BEVERAGE TAXES AND TAXES AND FEES ON CERTAIN ALCOHOLIC BEVERAGES

SECTION 10.01. Amends Section 34.04, Alcoholic Beverage Code, by adding Subsections (c), (d), and (e), as follows:

(c) Requires a permittee, in August 2013, to remit a tax prepayment of taxes due to be remitted in September 2013 that is equal to 25 percent of the amount the permittee is otherwise required to remit during August 2013 under the reporting system prescribed by the Texas Alcoholic Beverage Commission (TABC). Provides that the prepayment is in addition to the amount the permittee is otherwise required to remit during August. Requires the permittee to remit the additional payment in conjunction with the report and payment otherwise required during that month.

(d) Authorizes a permittee who remits the additional payment as required by Subsection (c) to take a credit in the amount of the additional payment against the next payment due under the reporting system prescribed by TABC.

(e) Provides that Subsections (c) and (d) and this subsection expire September 1, 2015.

SECTION 10.02. Amends Section 48.04, Alcoholic Beverage Code, by adding Subsections (c), (d), and (e), as follows:

(c) Requires a permittee, in August 2013, to remit a tax prepayment of taxes due to be remitted in September 2013 that is equal to 25 percent of the amount the permittee is otherwise required to remit during August 2013 under the reporting system prescribed by TABC. Provides that the prepayment is in addition to the amount the permittee is otherwise required to remit during August. Requires the permittee to remit the additional payment in conjunction with the report and payment otherwise required during that month.

(d) Authorizes a permittee who remits the additional payment as required by Subsection (c) to take a credit in the amount of the additional payment against the next payment due under the reporting system prescribed by TABC.

(e) Provides that Subsections (c) and (d) and this subsection expire September 1, 2015.

SECTION 10.03. Amends Section 201.07, Alcoholic Beverage Code, as follows:

Sec. 201.07. DUE DATE. (a) Provides that the tax on liquor is due and payable on the 15th of the month following the first sale, together with a report on the tax due.

(b) Requires each permittee who is liable for the taxes imposed by this subchapter, in August 2013, to remit a tax prepayment of taxes due to be remitted in September 2013 that is equal to 25 percent of the amount the permittee is otherwise required to remit during August 2013 under Subsection (a). Provides that the prepayment is in addition to the amount the permittee is otherwise required to remit during August. Requires the permittee to remit the additional payment in conjunction with the report and payment otherwise required during that month.

(c) Authorizes a permittee who remits the additional payment as required by Subsection (b) to take a credit in the amount of the additional payment against the next payment due under Subsection (a).

(d) Provides that Subsections (b) and (c) and this subsection expire September 1, 2015.

SECTION 10.04. Amends Section 201.43, Alcoholic Beverage Code, by amending Subsection (b) and adding Subsections (c), (d), and (e), as follows:

(b) Provides that the tax is due and payable on the 15th day of the month following the month in which the taxable first sale occurs, together with a report on the tax due.

(c) Requires each permittee who is liable for the tax imposed by this subchapter, in August 2013, to remit a tax prepayment of taxes due to be remitted in September 2013 that is equal to 25 percent of the amount the permittee is otherwise required to remit during August 2013 under Subsection (b). Provides that the prepayment is in addition to the amount the permittee is otherwise required to remit during August. Requires the permittee to remit the additional payment in conjunction with the report and payment otherwise required during that month.

(d) Authorizes a permittee who remits the additional payment as required by Subsection (c) to take a credit in the amount of the additional payment against the next payment due under Subsection (b).

(e) Provides that Subsections (c) and (d) and this subsection expire September 1, 2015.

SECTION 10.05. Amends Section 203.03, Alcoholic Beverage Code, by amending Subsection (b) and adding Subsections (c), (d), and (e), as follows:

(b) Provides that the tax is due and payable on the 15th day of the month following the month in which the taxable first sale occurs, together with a report on the tax due.

(c) Requires each licensee who is liable for the tax imposed by this chapter to remit a tax prepayment of taxes due to be remitted in September 2013 that is equal to 25 percent of the amount the licensee is otherwise required to remit during August 2013 under Subsection (b). Provides that the prepayment is in addition to the amount the licensee is otherwise required to remit during August. Requires the licensee to remit the additional payment in conjunction with the report and payment otherwise required during that month.

(d) Authorizes a licensee who remits the additional payment as required by Subsection (c) to take a credit in the amount of the additional payment against the next payment due under Subsection (b).

(e) Provides that Subsections (c) and (d) and this subsection expire September 1, 2015.

SECTION 10.06. Amends Section 183.023, Tax Code, as follows:

Sec. 183.023. PAYMENT. (a) Creates this subsection from existing text and makes no further changes.

(b) Requires the comptroller to deposit the revenue received under this section in the general revenue fund.

(c) Requires each permittee who is liable for the tax imposed by this subchapter to remit in August 2013 a tax prepayment of taxes due to be remitted in September 2013 that is equal to 25 percent of the amount the permittee is otherwise required to remit during August 2013 under Subsection (a). Provides that the prepayment is in addition to the amount the permittee is otherwise required to remit during August. Requires the permittee to remit the additional payment in conjunction with the return and payment otherwise required during that month.

(d) Authorizes a permittee who remits the additional payment as required by Subsection (c) to take a credit in the amount of the additional payment against the next payment due under Subsection (a).

(e) Provides that Subsections (c) and (d) and this subsection expire September 1, 2015.

SECTION 10.07. Provides that the expiration of the amendments made to the Alcoholic Beverage Code and Tax Code in accordance with this article does not affect tax liability accruing before the expiration of those amendments. Provides that that liability continues in effect as if the amendments had not expired, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

ARTICLE 11. CIGARETTE TAX STAMPING ALLOWANCE

SECTION 11.01. Amends Section 154.052(a), Tax Code, to provide that a distributor is, subject to the provisions of Section 154.051 (Cigarette Tax Recovery Trust Fund), entitled to 2.5 percent, rather than three percent, of the face value of stamps purchased as a stamping allowance for providing the service of affixing stamps to cigarette packages, except that an out-of-state distributor is entitled to receive only the same percentage of stamping allowance as that given to Texas distributors doing business in the state of the distributor.

SECTION 11.02. Provides that this article applies only to cigarette stamps purchased on or after the effective date of this article. Provides that cigarette stamps purchased before the effective date of this article are governed by the law in effect on the date the cigarette stamps were purchased, and that law is continued in effect for that purpose.

SECTION 11.03. Effective date, this article: October 1, 2011.

ARTICLE 12. SALES FOR RESALE

SECTION 12.01. Amends Section 151.006, Tax Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Redefines "sale for resale."

(c) Provides that a sale for resale does not include the sale of tangible personal property or a taxable service to a purchaser who acquires the property or service for the purpose of performing a service that is not taxed under this chapter, regardless of whether title transfers to the service provider's customer, unless the tangible personal property or taxable service is purchased for the purpose of reselling it to the United States in a contract, or a subcontract of a contract, with any branch of the Department of Defense, Department of Homeland Security, Department of Energy, National Aeronautics and Space Administration, Central Intelligence Agency, National Security Agency, National Oceanic and Atmospheric Administration, or National Reconnaissance Office to the extent allocated and billed to the contract with the federal government.

SECTION 12.02. Effective date, this article: upon passage or October 1, 2011.

ARTICLE 13. REMITTANCE OF SALES AND USE TAXES

SECTION 13.01. Amends Section 151.401, Tax Code, by adding Subsections (c), (d), and (e), as follows:

(c) Requires a taxpayer who is required to pay the taxes imposed by this chapter on or before the 20th day of that month under Subsection (a), who pays the taxes imposed by this chapter by electronic funds transfer, and who does not prepay as provided by Section 151.424, (Discount for Prepayments) in August 2013, to remit to the comptroller a tax prepayment that is equal to 25 percent of the amount the taxpayer is otherwise required to remit during August 2013 under Subsection (a). Provides that the prepayment is in addition to the amount the taxpayer is otherwise required to remit during August. Requires the taxpayer to remit the additional payment in conjunction with the payment otherwise required during that month. Provides that Section 151.424 does not apply with respect to the additional payment required by this subsection.

(d) Authorizes a taxpayer who remits the additional payment as required by Subsection (c) to take a credit in the amount of the additional payment against the next payment due under Subsection (a).

(e) Provides that Subsections (c) and (d) and this subsection expire September 1, 2015.

SECTION 13.02. Amends Section 151.402, Tax Code, as follows:

Sec. 151.402. TAX REPORT DATES. (a) Deletes existing text providing that except as provided by Subsection (b) of this section, a tax report required by this chapter for a reporting period is due on the same date that the tax payment for the period is due as provided by Section 151.401 (Tax Due Dates).

(b) Authorizes a taxpayer to report a credit in the amount of any tax prepayment remitted to the comptroller as required by Section 151.401(c) on the tax report required by this chapter that is otherwise due in September 2013. Provides that this subsection expires September 1, 2015. Deletes existing text authorizing a taxpayer to report a credit in the amount of any tax prepayment remitted to the comptroller as required by Section 151.401(c) on the tax report required by this chapter that is otherwise due in September 2013 for taxes required by Section 151.401(a) to be paid on or before August 20 is due on or before the 20th day of the following month.

SECTION 13.03. Provides that the expiration of the amendments made to the Tax Code in accordance with this article does not affect tax liability accruing before the expiration of those amendments. Provides that that liability continues in effect as if the amendments had not expired, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

ARTICLE 14. REPORTS REGARDING CERTAIN SALES OF ALCOHOLIC BEVERAGES

SECTION 14.01. Amends Section 111.006, Tax Code, by adding Subsections (h) and (i), as follows:

(h) Requires the comptroller to disclose information to a person regarding net sales by quantity, brand, and size that is submitted in a report required under Section 151.462 if:

(1) the person requesting the information holds a permit or license under Chapter 19 (Wholesaler's Permit), 20 (General Class B Wholesaler's Permit), 21 (Local Class B Wholesaler's Permit), 37 (Nonresident Seller's Permit), 64 (General Distributor's License), 65 (Local Distributor's License), or 66 (Branch Distributor's License), Alcoholic Beverage Code; and

(2) the request relates only to information regarding the sale of a product distributed by the person making the request.

(i) Provides that a disclosure made under Subsection (h) is not considered a disclosure of competitively sensitive, proprietary, or confidential information.

SECTION 14.02. Amends Chapter 151, Tax Code by adding Subchapter I-1, and adding a heading to that subchapter, to read as follows:

SUBCHAPTER I-1. REPORTS BY PERSONS INVOLVED IN THE MANUFACTURE AND DISTRIBUTION OF ALCOHOLIC BEVERAGES

SECTION 14.03. Amends Subchapter I-1, Chapter 151, Tax Code, as added by this Act, by adding Sections 151.462, 151.463, 151.464, 151.465, 151.466, 151.467, 151.468, 151.469, 151.470, and 151.471, and transfers Section 151.433, Tax Code, to Subchapter I-1, Chapter 151, Tax Code, redesignates it as Section 151.461, Tax Code, and amends it as follows:

Sec. 151.461. New heading: DEFINITIONS. Redesignates existing Section 151.433 as Section 151.461. Defines, in this subchapter, "brewer" and "manufacturer" and redefines "distributor," "retailer," and "wholesaler."

Sec. 151.462. REPORTS BY BREWERS, MANUFACTURERS, WHOLESALERS, AND DISTRIBUTORS. (a) Creates this subsection from existing Section 151.433(b). Requires the comptroller to require each brewer, manufacturer, wholesaler, distributor, or package store local distributor to file with the comptroller a report each month of alcoholic beverage sales to retailers in this state. Deletes existing text authorizing the comptroller, when considered necessary by the comptroller for the administration of a tax under this chapter to require each wholesaler or distributor of beer, wine, or malt liquor to file with the comptroller a report each month of alcoholic beverage sales to retailers in this state.

(b) Creates this subsection from existing Section 151.433(c). Requires each brewer, manufacturer, wholesaler, distributor, or package store local distributor to file a separate report for each permit or license held on or before the 25th day of each month. Requires that the report contain the following information for the preceding calendar month's sales in relation to each retailer:

(1) the brewer's, manufacturer's, wholesaler's, distributor's, or package store local distributor's name, address, taxpayer number and outlet number assigned by the comptroller, and alphanumeric permit or license number issued by the Texas Alcoholic Beverage Commission;

(2) the retailer's name and address, including street name and number, city, and zip code taxpayer number assigned by the comptroller; and alphanumeric permit or license number issued by TABC for each separate retail location or outlet to which the brewer, manufacturer, wholesaler, distributor, or package store local distributor sold the alcoholic beverages that are listed on the report

(3) the monthly net sales made by the brewer, manufacturer, wholesaler, distributor, or package store local distributor to the retailer for each outlet or location covered by a separate retail permit or license issued by the Texas Alcoholic Beverage Commission, including separate line items for the number of units of alcoholic beverages; the individual container size and pack of each unit the brand name; the type of beverage, such as distilled spirits, wine, or malt beverage; the universal product code of the alcoholic beverage; and the net selling price of the alcoholic beverage.

Deletes existing text requiring the wholesaler or distributor to file the report on or before the 25th day of each month. Deletes existing text requiring that the report contain the following information for the preceding calendar month's sales in relation to each retailer: the name of the retailer and the address of the retailer's outlet location to which the wholesaler or distributor delivered beer, wine, or malt liquor, including the city and zip code; the taxpayer number assigned by the comptroller to the retailer, if the wholesaler or distributor is in possession of the number; the permit or license number assigned to the retailer by TABC; and the monthly net sales made to the retailer by outlet by the wholesaler or distributor, including the quantity and units of beer, wine, and malt liquor sold to the retailer.

(c) Creates this subsection from existing Section 151.433(d). Requires the brewer, manufacturer, wholesaler, distributor, or package store local distributor, except as provided by this subsection, to file the report with the comptroller electronically. Authorizes the comptroller to establish procedures to temporarily postpone the electronic reporting requirement for a brewer, manufacturer, wholesaler, distributor, or package store local distributor who demonstrates to the comptroller an inability to comply because undue hardship would result if it were required to file the return. Authorizes the comptroller, if the comptroller determines that another technological method of filing the report is more efficient than electronic filing, the comptroller to establish procedures requiring its use by brewers, manufacturers, wholesalers, distributors, and package store local distributors. Deletes existing text authorizing the comptroller to establish procedures for allowing an alternative method of filing for a wholesaler, or distributor who demonstrates to the comptroller an inability to comply with the electronic reporting requirement. Makes nonsubstantive changes.

Sec. 151.463. RULES. Authorizes the comptroller to adopt rules to implement this subchapter.

Sec. 151.464. CONFIDENTIALITY. Creates this section from existing Section 151.433(e). Provides that, except as provided by Section 111.006 (Confidentiality of Information), information contained in a report required to be filed by this subchapter, rather than section, is confidential and not subject to disclosure under Chapter 552 (Public Information), Government Code.

Sec. 151.465. APPLICABILITY TO CERTAIN BREWERS. Provides that this subchapter applies only to a brewer whose annual production of malt liquor in this state, together with the annual production of beer at the same premises by the holder of a manufacturer's license under Section 62.12 (Sales by Certain Manufacturers), Alcoholic Beverage Code, does not exceed 75,000 barrels.

Sec. 151.466. APPLICABILITY TO CERTAIN MANUFACTURERS. Provides that this subchapter applies only to a manufacturer whose annual production of beer in this state does not exceed 75,000 barrels.

Sec. 151.467. SUSPENSION OR CANCELLATION OF PERMIT. Creates this section from existing Section 151.433(f). Authorizes the comptroller, if a person fails to file a

report required by this subchapter or fails to file a complete report, to suspend or cancel one or more permits issued to the person under Section 151.203. Makes a conforming change.

Sec. 151.468. CIVIL PENALTY; CRIMINAL PENALTY. (a) Authorizes the comptroller, if a person fails to file a report required by this subchapter or fails to file a complete report, the comptroller to impose a civil or criminal penalty, or both, under Section 151.7031 (Failure to Report on Three or More Occasions; Civil Penalty) or 151.709 (Failure to Furnish Report; Criminal Penalty).

(b) Requires a brewer, manufacturer, wholesaler, distributor, or package store local distributor, in addition to the penalties imposed under Subsection (a), to pay the state a civil penalty of not less than \$25 or more than \$2,000 for each day a violation continues if the brewer, manufacturer, wholesaler, distributor, or package store local distributor:

(1) violates this subchapter; or

(2) violates a rule adopted to administer or enforce this subchapter.

Sec. 151.469. ACTION BY TEXAS ALCOHOLIC BEVERAGE COMMISSION. Creates this section from existing Section 151.433(g). Authorizes the comptroller, if a person fails to file a report required by this subchapter, rather than this section, or fails to file a complete report, to notify TABC of the failure and authorizes TABC to take administrative action against the person for the failure under the Alcoholic Beverage Code.

Sec. 151.470. AUDIT; INSPECTION. Authorizes the comptroller to audit, inspect, or otherwise verify a brewer's, manufacturer's, wholesaler's, distributor's, or package store local distributor's compliance with this subchapter.

Sec. 151.471. ACTION BY ATTORNEY GENERAL; VENUE; ATTORNEY'S FEES. (a) Authorizes the comptroller to bring an action to enforce this subchapter and obtain any civil remedy authorized by this subchapter or any other law for the violation of this subchapter. Requires the attorney general to prosecute the action on the comptroller's behalf.

(b) Provides that venue for and jurisdiction of an action under this section is exclusively conferred on the district courts in Travis County.

(c) Entitles the comptroller and attorney general, if the comptroller prevails in an action under this section, to recover court costs and reasonable attorney's fees incurred in bringing the action.

SECTION 14.04. Provides that Subchapter I-1, Chapter 151, Tax Code, as added by this article, applies only to a report due on or after the effective date of this article. Provides that a report due before the effective date of this article is governed by the law as it existed on the date the report was due, and the former law is continued in effect for that purpose.

SECTION 14.05. Effective date, this article: October 1, 2011.

ARTICLE 15. PENALTIES FOR FAILURE TO REPORT OR REMIT CERTAIN TAXES OR FEES

SECTION 15.01. Amends Section 111.00455(b), Tax Code, as follows:

(b) Provides that the following are not contested cases under Subsection (a) and Section 2003.101, Government Code:

(1)-(2) Makes no changes to these subdivisions;

(3) a hearing in which the issue relates to Chapters 72, 73, 74, and 75, Property Code; forfeiture of a right to do business; a certificate of authority; articles of incorporation; a penalty imposed under Section 151.703(d), rather than Section 151.7031; the refusal or failure to settle under Section 111.101; or a request for or revocation of an exemption from taxation; and

(4) Makes no changes to this subdivision.

SECTION 15.02. Amends Section 151.433(f), Tax Code, to make a conforming change.

SECTION 15.03. Amends Section 151.703, Tax Code, by adding Subsection (d), as follows:

(d) Requires a person who fails to file a report as required by this chapter, in addition to any other penalty authorized by this section, to pay a penalty of \$50. Provides that the penalty provided by this subsection is assessed without regard to whether the taxpayer subsequently files the report or whether any taxes were due from the taxpayer for the reporting period under the required report.

SECTION 15.04. Amends Section 152.045, Tax Code, by adding Subsection (d), as follows:

(d) Requires the owner of a motor vehicle subject to the tax on gross rental receipts who is required to file a report as provided by this chapter and who fails to timely file the report, in addition to any other penalty provided by law, to pay a penalty of \$50. Provides that the penalty provided by this subsection is assessed without regard to whether the taxpayer subsequently files the report or whether any taxes were due from the taxpayer for the reporting period under the required report.

SECTION 15.05. Amends Section 152.047, Tax Code, by adding Subsection (j), as follows:

(j) Requires the seller of a motor vehicle sold in a seller-financed sale who is required to file a report as provided by this chapter and who fails to timely file the report, in addition to any other penalty provided by law, to pay a penalty of \$50. Provides that the penalty provided by this subsection is assessed without regard to whether the taxpayer subsequently files the report or whether any taxes were due from the taxpayer for the reporting period under the required report.

SECTION 15.06. Amends Section 156.202, Tax Code, by amending Subsection (c) and adding Subsection (d), as follows:

(c) Provides that the minimum penalty under Subsections (a) and (b) is \$1, rather than under this section is \$1.

(d) Requires a person who fails to file a report as required by this chapter, in addition to any other penalty authorized by this section, to pay a penalty of \$50. Provides that the penalty provided by this subsection is assessed without regard to whether the taxpayer subsequently files the report or whether any taxes were due from the taxpayer for the reporting period under the required report.

SECTION 15.07. Amends Section 162.401, Tax Code, by adding Subsection (c), as follows:

(c) Requires a person who fails to file a report as required by this chapter, in addition to any other penalty authorized by this section, to pay a penalty of \$50. Provides that the penalty provided by this subsection is assessed without regard to whether the taxpayer subsequently files the report or whether any taxes were due from the taxpayer for the reporting period under the required report.

SECTION 15.08. Amends Section 171.362, Tax Code, by amending Subsection (c) and adding Subsection (f), as follows:

(c) Provides that the minimum penalty under Subsections (a) and (b) is \$1, rather than under this section is \$1.

(f) Requires a taxable entity who fails to file a report as required by this chapter, in addition to any other penalty authorized by this section, to pay a penalty of \$50. Provides that the penalty provided by this subsection is assessed without regard to whether the taxable entity subsequently files the report or whether any taxes were due from the taxable entity for the reporting period under the required report.

SECTION 15.09. Amends Subchapter B, Chapter 183, Tax Code, by adding Section 183.024, as follows:

Sec. 183.024. FAILURE TO PAY TAX OR FILE REPORT. (a) Requires a permittee who fails to file a report as required by this chapter or who fails to pay a tax imposed by this chapter when due to pay five percent of the amount due as a penalty, and if the permittee fails to file the report or pay the tax within 30 days after the day the tax or report is due, requires the permittee to pay an additional five percent of the amount due as an additional penalty.

(b) Provides that the minimum penalty under Subsection (a) is \$1.

(c) Provides that a delinquent tax draws interest beginning 60 days from the due date.

(d) Requires a permittee who fails to file a report as required by this chapter, in addition to any other penalty authorized by this section, to pay a penalty of \$50. Provides that the penalty provided by this subsection is assessed without regard to whether the permittee subsequently files the report or whether any taxes were due from the permittee for the reporting period under the required report.

SECTION 15.10. Amends Section 771.0712, Health and Safety Code, by adding Subsections (c) and (d), as follows:

(c) Requires a seller who fails to file a report or remit a fee collected or payable as provided by this section and comptroller rules to pay five percent of the amount due and payable as a penalty, and if the seller fails to file the report or remit the fee within 30 days after the day the fee or report is due, the seller is required to pay an additional five percent of the amount due and payable as an additional penalty.

(d) Requires a seller who fails to file a report as provided by this section, in addition to any other penalty authorized by this section, to pay a penalty of \$50. Provides that the penalty provided by this subsection is assessed without regard to whether the seller subsequently files the report or whether any taxes were due from the seller for the reporting period under the required report.

SECTION 15.11. Repealer: Section 151.7031 (Failure to Report on Three or More Occasions; Civil Penalty), Tax Code.

SECTION 15.12. Provides that the change in law made by this article applies only to a report due or a tax or fee due and payable on or after the effective date of this article. Provides that a report due or a tax or fee due and payable before the effective date of this article is governed by the law in effect at that time, and that law is continued in effect for that purpose.

SECTION 15.13. Effective date, this article: upon passage or October 1, 2011.

ARTICLE 16. FISCAL MATTERS RELATED TO VOTER REGISTRATION

SECTION 16.01. Amends Sections 18.065(b), (c), and (d), Election Code, as follows:

(b) Requires the secretary of state (SOS), on determining that a registrar is not in substantial compliance, to deliver written notice of the noncompliance to the registrar and include in the notice a description of the violation and an explanation of the action necessary for substantial compliance and of the consequences of noncompliance. Deletes existing text requiring SOS, on determining that a registrar is not in substantial compliance, to deliver written notice of the noncompliance to the comptroller of public accounts, including in the notice the identity of the noncomplying registrar.

(c) Requires SOS, on determining that a noncomplying registrar has corrected the violation and is in substantial compliance, to deliver written notice to the registrar, rather than the registrar and to the comptroller, that the registrar is in substantial compliance

(d) Deletes existing text requiring the comptroller to retain a notice received under this section on file until July 1 following the voting year in which it is received.

SECTION 16.02. Amends Section 19.001(a), Election Code, as follows:

(a) Requires the registrar, before May 15 of each year, to prepare and submit to SOS, rather than the comptroller, a statement containing:

- (1) the total number of initial registrations for the previous voting year;
- (2) the total number of registrations canceled under Sections 16.031(a)(1), 16.033, and 16.0332 for the previous voting year; and
- (3) the total number of registrations for which information was updated for the previous voting year.

SECTION 16.03. Amends the heading to Section 19.002, Election Code, to read as follows:

Sec. 19.002. PAYMENTS.

SECTION 16.04. Amends Sections 19.002(b) and (d), Election Code, as follows:

(b) Requires SOS, rather than the comptroller, after June 1 of each year, to make payments, rather than issue warrants pursuant to vouchers submitted by the registrar and approved by SOS in amounts that in the aggregate do not exceed the registrar's entitlement.

(d) Prohibits SOS from making a payment under Subsection (d) if, on June 1 of the year in which the payment is to be made, the registrar is not in substantial compliance with Section 15.083 (Delivery of List to Secretary of State), 16.032 (Cancellation Following End of Suspense List), 18.042 (Preelection Registration Statement), or 18.065 (Secretary of State to Monitor Registrar's Compliance) or with rules implementing the registration service program. Deletes existing text prohibiting the comptroller from issuing a warrant if on June 1 of the year in which the warrant is to be issued the most recent notice received by the comptroller from SOS under Section 18.065 indicates that the registrar is not in substantial compliance with Section 15.083, 16.032, 18.042, or 18.065 or with rules implementing the registration service program.

SECTION 16.05. Amends the heading to Section 19.0025, Election Code, to read as follows:

Sec. 19.0025. ELECTRONIC ADMINISTRATION OF VOUCHERS AND PAYMENTS.

SECTION 16.06. Amends Section 19.0025(a), Election Code, to require SOS to establish and maintain an online electronic system for administering vouchers submitted and payments made, rather than warrants issued under Section 19.002.

SECTION 16.07. Repealer: Section 19.002(c) (authorizing the comptroller to require additional proof to substantiate information in the certified statement regarding voter registrations before issuing a warrant), Election Code.

ARTICLE 17. CERTAIN POWERS AND DUTIES OF THE COMPTROLLER OF PUBLIC ACCOUNTS

SECTION 17.01. Amends Section 403.0551(d), Government Code, to redefine, in this subsection, "compensation."

SECTION 17.02. Amends Section 404.022(h), Government Code, to delete existing text authorizing the comptroller to execute a simplified version of a depository agreement with an eligible institution desiring to hold \$98,000 or less in state deposits that are fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

SECTION 17.03. Amends Section 411.109(a), Government Code, as follows:

(a) Entitles the comptroller to obtain from the Department of Public Safety of the State of Texas (DPS) criminal history record information maintained by DPS that the comptroller believes is necessary for the enforcement or administration of Chapter 151 (Limited Sales, Excise and Use Tax), 152 (Taxes on Sale, Rental, and Use of Motor Vehicles), 154 (Cigarette Tax), 155 (Cigars and Tobacco Products Tax), or 162 (Motor Fuel Taxes), Tax Code, rather than Chapters 151, 152, 153, 154, or 155, including criminal history record information that relates to certain persons.

SECTION 17.04. Provides that Section 403.0551(d), Government Code, as amended by this article, applies to a deduction made on or after the effective date of this Act for an indebtedness to a state agency regardless of the date the indebtedness accrued, or the dates of the pay period for which the compensation from which the indebtedness is deducted is earned.

ARTICLE 18. PREPARATION AND PUBLICATION OF CERTAIN REPORTS AND OTHER MATERIALS

SECTION 18.01. Amends Section 61.539(c), Education Code, to replace references to comptroller with references to the Texas Higher Education Coordinating Board (THECB).

SECTION 18.02. Amends Section 5.05(c), Tax Code, as follows:

(c) Requires the comptroller to electronically publish all materials under this section for administering the property tax system, rather than providing without charge one copy of all materials to officials of local government who are responsible for administering the property tax system. Requires the comptroller to make the materials available to local governmental officials and members of the public but authorizes the comptroller to charge a reasonable fee to offset the costs of preparing, printing, and distributing the materials. Deletes existing text authorizing the comptroller, if a local government official requests more than one copy, to charge a reasonable fee to offset the costs of printing and distributing the materials.

SECTION 18.03. Amends Section 5.06, Tax Code, as follows:

Sec. 5.06. EXPLANATION OF TAXPAYER REMEDIES. Deletes existing Subsection (a) designation. Requires the comptroller to prepare and electronically publish a pamphlet explaining the remedies available to dissatisfied taxpayers and the procedures to be followed in seeking remedial action. Deletes existing Subsection (b) requiring the comptroller to provide without charge a reasonable number of copies of the pamphlet to any person on request; authorizing the comptroller to charge a person who requests multiple copies of the pamphlet a reasonable fee to offset the costs of printing and distributing those copies; and requiring the comptroller at its discretion to determine the number of copies that a person may receive without charge.

SECTION 18.04. Amends Section 5.09, Tax Code, as follows:

Sec. 5.09. New heading. BIENNIAL REPORTS. (a) Requires the comptroller to prepare a biennial report of the total appraised values and taxable values of taxable property by category and the tax rates of each county, municipality, and school district in effect for the two years preceding the year in which the report is prepared. Deletes existing text relating to the comptroller publishing an annual report of the operations of the appraisal districts; requiring the report to include for each appraisal district, each county, and each school district and authorizing the inclusion of for other taxing units the total appraisal values, assessed values, and taxable values of taxable property by class of property, the assessment ratio, and the tax rate.

(b) Requires the comptroller, not later than December 31 of each even-numbered year, to electronically publish on the comptroller's Internet website the report required by Subsection (a), and to notify the governor, the lieutenant governor, and each member of the legislature that the report is available on the website, rather than requiring the comptroller to deliver a copy of each annual report published under Subsection (a) of this section to the governor, the lieutenant governor, and each member of the legislature.

SECTION 18.05. Repealers: (1) Sections 403.030 (Information on Economic Development Activities) and 552.143(e) (providing that this section shall not be construed as affecting the authority of the comptroller under Section 403.030), Government Code; and

(2) Subchapter F (Report to Comptroller), Chapter 379A (Municipal Development Corporations), Local Government Code.

ARTICLE 19. SURPLUS LINES AND INDEPENDENTLY PROCURED INSURANCE

SECTION 19.01. Amends Section 101.053(b), Insurance Code, to provide that Sections 101.051 (Conduct That Constitutes the Business of Insurance) and 101.052 (Advertising Relating to Medicare Supplement Benefit Plans) do not apply to certain transactions, including a transaction in this state that involves certain policies, including a transaction on which premium tax, if applicable, is paid in accordance with Chapter 226 (Unauthorized and Independently Procedure Insurance Premium Tax).

SECTION 19.02. Amends Section 225.001, Insurance Code, as follows:

Sec. 225.001. New heading: DEFINITIONS. Defines, in this chapter, "affiliate," "affiliated group," "control," and "home state." Redefines "premium."

SECTION 19.03. Amends Section 225.002, Insurance Code, to provide that this chapter applies to a surplus lines agent who collects gross premiums for surplus lines insurance for any risk in which this state is the home state of the insured.

SECTION 19.04. Amends Section 225.004, Insurance Code, by adding Subsections (a-1) and (f) and amending Subsections (b), (c), and (e), as follows:

(a-1) Prohibits this state, consistent with 15 U.S.C. Section 8201 et seq., from imposing a premium tax on nonadmitted insurance premiums other than premiums paid for insurance in which this state is the home state of the insured.

(b) Provides that taxable gross premiums under this section are based on gross premiums written or received for surplus lines insurance placed through an eligible surplus lines insurer during a calendar year. Authorizes the comptroller, notwithstanding the tax basis described by this subsection, by rule to establish an alternate basis for taxation for multistate and single-state policies for the purpose of achieving uniformity.

(c) Provides that if a surplus lines insurance policy covers risks or exposures only partially located in this state, and this state has not entered into a cooperative agreement,

reciprocal agreement, or compact with another state for the collection of surplus lines tax as authorized by Chapter 229 (Cooperative Agreements with Other States), the tax is computed on the entire policy premium for any policy in which this state is the home state of the insured, rather than providing that if a surplus lines insurance policy covers risks or exposures only partially located in this state, the tax is computed on the portion of the premium that is properly allocated to a risk or exposure located in this state.

(e) Provides that premiums on risks or exposures that are properly allocated to federal or international waters or are under the jurisdiction of a foreign government are not taxable in this state, rather than providing that the following premiums are not taxable in this state: premiums properly allocated to another state that are specifically exempt from taxation in that state and premiums on the risks or exposures that are properly allocated to federal or international waters or are under the jurisdiction of a govern government.

(f) Requires that taxes due on multistate policies, if this state enters a cooperative agreement, reciprocal agreement, or compact with another state for the allocation of surplus lines tax as authorized by Chapter 229, to be allocated and reported in accordance with the agreement or compact.

SECTION 19.05. Amends Section 225.005, Insurance Code, to provide that the tax imposed by this chapter is a transaction tax collected by the surplus lines agent of record and is in lieu of any other transaction taxes on these premium, rather than providing that the tax imposed by this chapter is in lieu of all other insurance taxes.

SECTION 19.06. Amends Section 225.009, Insurance Code, by adding Subsection (d), to require that the tax, notwithstanding Subsections (a) (relating to requiring a surplus lines agent to prepay the tax imposed by this chapter when the amount of the accrued taxes due is equal to at least \$70,000), (b) (relating to requiring a surplus lines agent to prepay the taxes using a form prescribed by the comptroller), and (c) (relating to authorizing the comptroller by rule to change the accrued tax amount for which prepayment is required), if this state enters a cooperative agreement, reciprocal agreement, or compact with another state for the allocation of surplus lines tax as authorized by Chapter 229, be allocated and reported in accordance with the terms of the agreement or compact.

SECTION 19.07. Amends Section 226.051, Insurance Code, as follows:

Sec. 226.051. New heading: DEFINITIONS. Defines, in this subchapter, "affiliate," "affiliated group," "control," "home state," and "independently procured insurance." Redefines "premium."

SECTION 19.08. Amends Section 226.052, Insurance Code, to provide that this subchapter applies to an insured who procures an independently procured insurance contract for any risk in which this state is the home state of the insured, rather than in accordance with Section 101.053(b)(4) (relating to providing that Sections 101.051 and 101.052 do not apply to a transaction that involves an insurance contract independently procured by the insured from an insurance company not authorized to do insurance business in this state through negotiations occurring entirely outside this state).

SECTION 19.09. Amends Section 226.053, Insurance Code, by amending Subsections (a) and (b) and adding Subsection (d), as follows:

(a) Provides that a tax is imposed on each insured at the rate of 4.85 percent of the premium paid for the insurance contract procured in accordance with Section 226.052, rather than Section 101.053(b)(4).

(b) Provides that if an independently procured insurance policy covers risks or exposures only partially located in this state and this state has not joined a cooperative agreement, reciprocal agreement, or compact with another state for the allocation of nonadmitted insurance taxes as authorized by Chapter 229, the tax is computed on the entire policy premium for any policy in which this state is the home state of the insured, rather than

providing that if an insurance contract covers risks or exposures only partially located in this state, the tax is computed on the portion of the premium that is properly allocated to a risk or exposure located in this state.

(d) Requires that the tax due on multistate policies, if this state enters into a cooperative agreement, reciprocal agreement, or compact with another state for the allocation of nonadmitted insurance taxes as authorized by Chapter 229, be allocated and reported in accordance with the agreement or compact.

SECTION 19.10. Amends Section 981.008, Insurance Code, to provide that the premiums charged for surplus lines insurance are subject to the premium tax, if applicable, imposed under Chapter 225 (Surplus Lines Insurance Premium Tax).

SECTION 19.11. Repealers: (1) Sections 225.004(d) (relating to considering certain taxable premiums to be written on property or risks located or resident in this state) and (d-1) (authorizing the comptroller by rule to establish that all premiums are considered to be on risks located in this state under certain circumstances), Insurance Code; and

(2) Section 226.053(b-1) (authorizing the comptroller by rule to establish that all premiums are considered to be on risks located in this state under certain circumstances), Insurance Code.

SECTION 19.12. Makes application of the changes in law made by this article to Chapters 225 (Surplus Lines Insurance Premium Tax) and 226, Insurance Code, prospective to July 21, 2011.

SECTION 19.13. Effective date, this article: upon passage or on the 91st day after the last day of the legislative session.

ARTICLE 20. FISCAL MATTERS CONCERNING EARLY HIGH SCHOOL GRADUATION

SECTION 20.01. Amends Subchapter K, Chapter 56, Education Code, by adding Section 56.2012, as follows:

Sec. 56.2012. EXPIRATION OF SUBCHAPTER; ELIGIBILITY CLOSED. (a) Provides that this subchapter expires September 1, 2017.

(b) Prohibits a person, notwithstanding Section 56.203 (Eligible Person), from receiving an award under this subchapter if the person graduates from high school on or after September 1, 2011.

SECTION 20.02. Amends Section 54.213(b), Education Code, as follows:

(b) Requires the Texas Education Agency (TEA) to accept and make available to provide tuition exemptions under Section 54.214 (Educational Aides) gifts, grants, and donations made to TEA for that purpose. Requires the commissioner of education (commissioner) to transfer those funds to THECB to distribute to institutions of higher education that provide exemptions under that section. Deletes existing text relating to requiring that savings to the foundation school fund that occur as a result of the Early High School Graduation Scholarship program created in Subchapter K (Early High School Graduation Scholarship Program), Chapter 56 (Student Financial Assistance), and that are not required for the funding of state credits for tuition and mandatory fees under Section 56.204 (Entitlement) or school district credits under Section 56.2075 be used first to provide tuition exemptions under Section 54.212 (One-Year Exemption For Certain Tanf Students). Deletes existing text requiring that any of those savings remaining after providing tuition exemptions under Section 54.212 be used to provide tuition exemptions under Section 54.214. Deletes existing text requiring that payment of funds under this subsection be made in the manner provided by Section 56.207 (Payment of State Credit) for state credits under Subchapter K, Chapter 56.

SECTION 20.03. Repealer: Section 56.210 (Notification By High Schools Regarding Program Requirements), Education Code.

ARTICLE 21. FISCAL MATTERS CONCERNING RETIRED TEACHERS

SECTION 21.01. Authorizes the amount of the state contribution to the Teacher Retirement System of Texas under that section, notwithstanding Section 825.404(a) (relating to requiring the state to contribute to the retirement system an amount equal to at least six and not more than 10 percent of the aggregate annual compensation of all members of the retirement system during that fiscal year), Government Code, for the state fiscal year ending August 31, 2012, only, to be less than the amount contributed by members during that fiscal year.

SECTION 21.02. Authorizes the state, notwithstanding Section 1575.202(a), Insurance Code, for the state fiscal year ending August 31, 2013, only, to contribute an amount to the retired school employees group insurance fund that is less than one percent of the salary of each active employee.

ARTICLE 22. COASTAL EROSION

SECTION 22.01. Amends Section 33.608, Natural Resources Code, as follows:

Sec. 33.608. REPORT TO LEGISLATURE. (a) Creates this subsection from existing text and makes no further changes.

(b) Requires that the report include a plan for coastal erosion response studies and projects that may be funded, wholly or partly, from money in the account and may be undertaken during the next 10 or more years.

ARTICLE 23. FISCAL MATTERS CONCERNING PARKS AND WILDLIFE CONTRIBUTIONS

SECTION 23.01. Amends Subchapter D, Chapter 502, Transportation Code, by adding Sections 502.1747 and 502.1748, as follows:

Sec. 502.1747. VOLUNTARY CONTRIBUTION TO PARKS AND WILDLIFE DEPARTMENT. (a) Authorizes a person, when the person registers or renews the registration of a motor vehicle under this chapter, to contribute \$5 or more to the Parks and Wildlife Department (TPWD).

(b) Requires the Texas Department of Motor Vehicles (TxDMV) to:

(1) include space on each motor vehicle registration renewal notice, on the page that states the total fee for registration renewal, that allows a person renewing a registration to indicate the amount that the person is voluntarily contributing to the state parks account;

(2) provide an opportunity to contribute to the state parks account similar to the opportunity described by Subsection (a) and in the manner described by Subdivision (1) in any registration renewal system that succeeds the system in place on September 1, 2011; and

(3) provide an opportunity for a person to contribute to the state parks account during the registration renewal process on TxDMV's Internet website.

(c) Authorizes the county assessor-collector, if a person makes a contribution under this section and does not pay the full amount of a registration fee, to credit all or a portion of the contribution to the person's registration fee.

(d) Requires the county assessor-collector to send any contribution made under this section to the comptroller for deposit to the credit of the state parks account

under Section 11.035 (State Parks Account), Parks and Wildlife Code. Authorizes money received by TPWD under this section to be used only for the operation and maintenance of state parks, historic sites, or natural areas under the jurisdiction of TPWD.

(e) Requires TxDMV to consult with TPWD in performing TxDMV's duties under this section.

Sec. 502.1748. DISPOSITION OF CERTAIN VOLUNTARY CONTRIBUTIONS. Requires the county assessor-collector, if a person makes a voluntary contribution under Section 502.1746 (Voluntary Contribution to Veterans' Assistance Fund) or 502.1747 at the time the person registers or renews the registration of a motor vehicle under this chapter but the person does not clearly specify the entity to which the person intends to contribute, to divide the contribution between the entities authorized to receive contributions under those sections.

SECTION 23.02. Provides that Sections 502.1747 and 502.1748, Transportation Code, as added by this article, apply only to a motor vehicle registration renewal notice issued for a registration that expires on or after January 1, 2012.

ARTICLE 24. FISCAL MATTERS CONCERNING OIL AND GAS REGULATION

SECTION 24.01. Amends Section 81.0521(c), Natural Resources Code, to require that two-thirds of the proceeds from this fee, excluding any penalties collected in connection with the fee, be deposited to the oil and gas regulation and cleanup fund as provided by Section 81.067, rather than requiring that two-thirds of the proceeds from this fee, including any penalties collected in connection with the fee, be deposited to the oil-field cleanup fund as provided by Section 91.111.

SECTION 24.02. Amends Subchapter C, Chapter 81, Natural Resources Code, by adding Sections 81.067 through 81.070, as follows:

Sec. 81.067. OIL AND GAS REGULATION AND CLEANUP FUND. (a) Provides that the oil and gas regulation and cleanup fund is created as an account in the general revenue fund of the state treasury.

(b) Requires the Railroad Commission of Texas (railroad commission) to certify to the comptroller the date on which the balance in the fund equals or exceeds \$20 million. Prohibits the oil-field cleanup regulatory fees on oil and gas from being collected or required to be paid on or after the first day of the second month following the certification, except that the comptroller is required to resume collecting the fees on receipt of a railroad commission certification that the fund has fallen below \$10 million. Requires the comptroller to continue collecting the fees until collections are again suspended in the manner provided by this subsection.

(c) Provides that the fund consists of certain fees, proceeds, and costs recovered as set forth.

Sec. 81.068. PURPOSE OF OIL AND GAS REGULATION AND CLEANUP FUND. Authorizes money in the oil and gas regulation and cleanup fund to be used by the railroad commission or its employees or agents for any purpose related to the regulation of oil and gas development, including oil and gas monitoring and inspections, oil and gas remediation, oil and gas well plugging, public information and services related to those activities, and administrative costs and state benefits for personnel involved in those activities.

Sec. 81.069. REPORTING ON PROGRESS IN MEETING PERFORMANCE GOALS FOR THE OIL AND GAS REGULATION AND CLEANUP FUND. (a) Requires the railroad commission, through the legislative appropriations request process, to establish specific performance goals for the oil and gas regulation and cleanup fund for the next

biennium, including goals for each quarter of each state fiscal year of the biennium for the number of:

- (1) orphaned wells to be plugged with state-managed funds;
- (2) abandoned sites to be investigated, assessed, or cleaned up with state funds; and
- (3) surface locations to be remediated.

(b) Requires the railroad commission to provide quarterly reports to the Legislative Budget Board (LBB) that include:

(1) the following information with respect to the period since the last report was provided as well as cumulatively:

(A) the amount of money deposited in the oil and gas regulation and cleanup fund;

(B) the amount of money spent from the fund for the purposes described by Subsection (a);

(C) the balance of the fund; and

(D) the railroad commission's progress in meeting the quarterly performance goals established under Subsection (a) and, if the number of orphaned wells plugged with state-managed funds, abandoned sites investigated, assessed, or cleaned up with state funds, or surface locations remediated is at least five percent less than the number projected in the applicable goal established under Subsection (a), an explanation of the reason for the variance; and

(2) any additional information or data requested in writing by the LBB.

(c) Requires the railroad commission to submit to the legislature and make available to the public, annually, a report that reviews the extent to which money provided under Section 81.067 has enabled the railroad commission to better protect the environment through oil-field cleanup activities. Requires that the report include certain information as set forth.

Sec. 81.070. ESTABLISHMENT OF SURCHARGES ON FEES. (a) Requires the railroad commission by rule, except as provided by Subsection (b), to provide for the imposition of reasonable surcharges as necessary on fees imposed by the railroad commission that are required to be deposited to the credit of the oil and gas regulation and cleanup fund as provided by Section 81.067 in amounts sufficient to enable the commission to recover the costs of performing the functions specified by Section 81.068 from those fees and surcharges.

(b) Prohibits the railroad commission from imposing a surcharge on an oil-field cleanup regulatory fee on oil collected under Section 81.116 (Oil-field Cleanup Regulatory Fee on Oil) or an oil-field cleanup regulatory fee on gas collected under Section 81.117 (Oil-field Cleanup Regulatory Fee on Gas).

(c) Requires the railroad commission by rule to establish a methodology for determining the amount of a surcharge that takes into account:

(1) the time required for regulatory work associated with the activity in connection with which the surcharge is imposed;

- (2) the number of individuals or entities from which the railroad commission's costs may be recovered;
- (3) the effect of the surcharge on operators of all sizes, as measured by the number of oil or gas wells operated;
- (4) the balance in the oil and gas regulation and cleanup fund; and
- (5) any other factors the railroad commission determines to be important to the fair and equitable imposition of the surcharge.

(d) Requires the railroad commission to collect a surcharge on a fee at the time the fee is collected.

(e) Requires that a surcharge collected under this section be deposited to the credit of the oil and gas regulation and cleanup fund as provided by Section 81.067.

(f) Prohibits a surcharge collected under this section from exceeding an amount equal to 185 percent of the fee on which it is imposed.

SECTION 24.03. Amends Section 81.115, Natural Resources Code, as follows:

Sec. 81.115. New heading: APPROPRIATIONS TO COMMISSION FOR OIL AND GAS REGULATION AND CLEANUP PURPOSES. Requires that money appropriated to the railroad commission under the General Appropriations Act for the purposes described by Section 81.068 be paid from the oil and gas regulation and cleanup fund, rather than requiring that money appropriated to the oil and gas division of the commission under the General Appropriations Act be paid from the General Revenue Fund.

SECTION 24.04. Amends Sections 81.116(d) and (e), Natural Resources Code, as follows:

(d) Requires the comptroller to suspend collection of the fee in the manner provided by Section 81.067, rather than Section 91.111.

(e) Requires that proceeds from the fee, excluding any penalties collected in connection with the fee, shall be deposited to the oil and gas regulation and cleanup fund as provided by Section 81.067, rather than requiring that proceeds from the fee, including any penalties collected in connection with the fee, shall be deposited to the oil-field cleanup fund as provided by Section 91.111 of this code.

SECTION 24.05. Amends Sections 81.117(d) and (e), Natural Resources Code, to make conforming changes.

SECTION 24.06. Amends Section 85.2021(d), Natural Resources Code, to require that all fees collected under this section be deposited in the oil and gas regulation and cleanup fund, rather than being deposited in the state oil field cleanup fund.

SECTION 24.07. Amends Section 89.024(d), Natural Resources Code, to make a conforming change.

SECTION 24.08. Amends Section 89.026(d), Natural Resources Code, to make a conforming change.

SECTION 24.09. Amends Section 89.048(d), Natural Resources Code, to make a conforming change.

SECTION 24.10. Amends Section 89.083(j), Natural Resources Code, to make a conforming change.

SECTION 24.11. Amends Section 89.085(d), Natural Resources Code, to make a conforming change.

SECTION 24.12. Amends the heading to Section 89.086, Natural Resources Code, to read as follows:

Sec. 89.086. CLAIMS AGAINST OIL AND GAS REGULATION AND CLEANUP FUND.

SECTION 24.13. Amends Section 89.086, Natural Resources Code, by amending Subsections (a) and (h) through (k), as follows:

(a) Replaces reference to oil field cleanup with oil and gas regulation and clean up. Makes a nonsubstantive change.

(h)-(k) Makes conforming and nonsubstantive changes.

SECTION 24.14. Amends Section 89.121(b), Natural Resources Code, to require that civil penalties collected for violations of this chapter or of rules relating to plugging that are adopted under this code be deposited in the general revenue fund, rather than the state oil field cleanup fund.

SECTION 24.15. Amends Section 91.1013(c), Natural Resources Code, to require that fees collected under this section be deposited in the oil and gas regulation and cleanup fund, rather than being deposited in the state oil field cleanup fund.

SECTION 24.16. Amends Section 91.108, Natural Resources Code, as follows:

Sec. 91.108. DEPOSIT AND USE OF FUNDS. Requires that proceeds from bonds and other financial security required pursuant to this chapter and benefits under well-specific plugging insurance policies described by Section 91.104(c) (relating to providing that a person required to file a bond, letter of credit, or cash deposit who operates one or more wells is considered to have met that requirement for a well if the well bore is included in a well-specific plugging insurance policy that meets certain requirements) that are paid to the state as contingent beneficiary of the policies, subject to the refund provisions of Section 91.1091 (Refund), if applicable, be deposited in the oil and gas regulation and cleanup fund and, notwithstanding Sections 81.068 and 91.113 (Investigation, Assessment, or Cleanup by Commission), may be used only for actual well plugging and surface remediation, rather than being deposited in the oil field cleanup fund and, notwithstanding Sections 91.112 and 91.113, may be used only for actual well plugging and surface remediation.

SECTION 24.17. Amends Section 91.109(a), Natural Resources Code, to make a conforming and a nonsubstantive change.

SECTION 24.18. Amends Sections 91.113(a) and (f), Natural Resources Code, to make conforming changes.

SECTION 24.19. Amends Section 91.264(c), Natural Resources Code, to require that a penalty collected under this section be deposited to the credit of the general revenue fund, rather than to the credit of the oil field cleanup fund account.

SECTION 24.20. Amends Section 91.457(b), Natural Resources Code, to authorize the railroad commission, if a person ordered to close a saltwater disposal pit under Subsection (a) (relating to authorizing the railroad commission to order a person who is operating a saltwater disposal pit in violation of this subchapter to close the pit in compliance with this subchapter and railroad commission rules, standards, and specifications, at the pit operator's own expense) fails or refuses to close the pit in compliance with the railroad commission's order and rules, to close the pit using money from the oil and gas regulation and cleanup fund and to direct the attorney

general (OAG) to file suits in any courts of competent jurisdiction in Travis County to recover applicable penalties and the costs incurred by the commission in closing the saltwater disposal pit. Makes a nonsubstantive and conforming change.

SECTION 24.21. Amends Section 91.459(c), Natural Resources Code, to require that any costs recovered by OAG under this subchapter be deposited in the oil and gas regulation and cleanup fund, rather than requiring that any penalties or costs recovered by OAG under this subchapter be deposited in the oil field cleanup fund.

SECTION 24.22. Amends Section 91.605(e), Natural Resources Code, to make a conforming change.

SECTION 24.23. Amends Section 91.654(e), Natural Resources Code, to require that fees collected under this section be deposited to the credit of the oil and gas regulation and cleanup fund under Section 81.067, rather than Section 91.111. Makes a conforming change.

SECTION 24.24. Amends Section 91.707(b), Natural Resources Code, to make a conforming change.

SECTION 24.25. Amends the heading to Section 121.211, Utilities Code, to read as follows:

Sec. 121.211. PIPELINE SAFETY AND REGULATORY FEES.

SECTION 24.26. Amends Sections 121.211(a)-(e) and (h), Utilities Code, as follows:

(a) Authorizes the railroad commission by rule to adopt a fee to be assessed annually against operators of natural gas distribution pipelines and their pipeline facilities and natural gas master metered pipelines and their pipeline facilities subject to this title, rather than authorizing the railroad commission by rule to adopt an inspection fee to be assessed annually against operators of natural gas distribution pipelines and their pipeline facilities and natural gas master metered pipelines and their pipeline facilities subject to this chapter.

(b) Authorizes the railroad commission, in adopting a fee structure, to consider any factors necessary to provide for the equitable allocation among operators of the costs of administering the railroad commission's pipeline safety and regulatory program under this title, rather than the commission's pipeline safety program under this chapter.

(c) Makes conforming changes.

(d) Authorizes the railroad commission to assess each operator of a natural gas distribution system subject to this title an annual fee, rather than assessing each operator of a natural gas distribution system subject to this chapter an annual inspection fee, not to exceed one dollar for each service line reported by the system on the Distribution Annual Report, Form RSPA F7100.1-1, due on March 15 of each year.

(e) Authorizes the railroad commission to assess each operator of a natural gas master metered system subject to this title an annual fee not to exceed \$100 for each master metered system, rather than authorizing the railroad commission to assess each operator of a natural gas master metered system subject to this chapter an annual inspection fee not to exceed \$100 for each master metered system.

(h) Requires that a fee collected under this section be deposited to the credit of the general revenue fund to be used for the pipeline safety and regulatory program.

SECTION 24.27. Amends Section 29.015, Water Code, to require that fees collected under this section be deposited in the oil and gas regulation and cleanup fund, rather than being deposited in the oil field cleanup fund.

SECTION 24.28. Repealers: Sections 91.111 (Oil-Field Cleanup Fund) and 91.112 (Purpose of the Fund), Natural Resources Code.

SECTION 24.29. Provides that on the effective date of this article, the oil-field cleanup fund is abolished; any money remaining in the oil-field cleanup fund is transferred to the oil and gas regulation and cleanup fund; any claim against the oil-field cleanup fund is transferred to the oil and gas regulation and cleanup fund; and any amount required to be deposited to the credit of the oil-field cleanup fund is required to be deposited to the credit of the oil and gas regulation and cleanup fund.

ARTICLE 25. FISCAL MATTERS REGARDING LEASING CERTAIN STATE FACILITIES

SECTION 25.01. Amends the heading to Section 2165.2035, Government Code, to read as follows:

Sec. 2165.2035. LEASE OF SPACE IN STATE-OWNED PARKING LOTS AND GARAGES; USE AFTER HOURS.

SECTION 25.02. Amends Subchapter E, Chapter 2165, Government Code, by adding Sections 2165.204, 2165.2045, and 2165.2046, as follows:

Sec. 2165.204. LEASE OF SPACE IN STATE-OWNED PARKING LOTS AND GARAGES; EXCESS INDIVIDUAL PARKING SPACES. (a) Authorizes the Texas Facilities Commission (TFC) to lease to a private individual an individual parking space in a state-owned parking lot or garage located in the city of Austin that TFC determines is not needed to accommodate the regular parking requirements of state employees who work near the lot or garage and visitors to nearby state government offices.

(b) Requires that money received from a lease under this section be deposited to the credit of the general revenue fund.

(c) Requires TFC, in leasing a parking space under Subsection (a), to ensure that the lease does not restrict uses for parking lots and garages developed under Section 2165.2035 (Lease of Space in State-owned Parking Lots and Garages), including special event parking related to institutions of higher education.

(d) Requires TFC, in leasing or renewing a lease for a parking space under Subsection (a), to give preference to an individual who is currently leasing or previously leased the parking space.

Sec. 2165.2045. LEASE OF SPACE IN STATE-OWNED PARKING LOTS AND GARAGES; EXCESS BLOCKS OF PARKING SPACE. (a) Authorizes TFC to lease to an institution of higher education or a local government all or a significant block of a state-owned parking lot or garage located in the city of Austin that TFC determines is not needed to accommodate the regular parking requirements of state employees who work near the lot or garage and visitors to nearby state government offices.

(b) Requires that money received from a lease under this section be deposited to the credit of the general revenue fund.

(c) Requires TFC, in leasing all or a block of a state-owned parking lot or garage under Subsection (a), to ensure that the lease does not restrict uses for parking lots and garages developed under Section 2165.2035, including special event parking related to institutions of higher education.

(d) Requires TFC, in leasing or renewing a lease for all or a block of a state-owned parking lot or garage under Subsection (a), to give preference to an entity that is currently leasing or previously leased the lot or garage or a block of the lot or garage.

Sec. 2165.2046. REPORTS ON PARKING PROGRAMS. Requires TFC, on or before October 1 of each even-numbered year, to submit a report to the LBB describing the effectiveness of parking programs developed by TFC under this subchapter. Requires that the report, at a minimum, include:

- (1) the yearly revenue generated by the programs;
- (2) the yearly administrative and enforcement costs of each program;
- (3) yearly usage statistics for each program; and
- (4) initiatives and suggestions by TFC to modify administration of the programs, and increase revenue generated by the programs.

SECTION 25.03. Effective date, this article: upon passage or on the 91st day after the last day of the legislative session.

ARTICLE 26. FISCAL MATTERS RELATING TO SECRETARY OF STATE

SECTION 26.01. Amends Section 405.014, Government Code, as follows:

Sec. 405.014. ACTS OF THE LEGISLATURE. (a) Creates this subsection from existing text and makes no further changes.

- (b) Requires SOS, as soon as practicable after the closing of each session of the legislature, to publish and maintain electronically the bills enacted at that session. Requires that the electronic publication be indexed by bill number and assigned chapter number for each bill, and made available by an electronic link on the SOS's generally accessible Internet website.

SECTION 26.02. Repealer: Subchapter B (Contract for Printing Laws), Chapter 2158 (Purchasing: Miscellaneous Provisions for Purchase of Certain Goods and Services), Government Code.

SECTION 26.03. Provides that the change in law made by this article does not apply to a contract for the publication of the laws of this state entered into before the effective date of this article.

SECTION 26.04. Effective date, this article: upon passage or on the 91st day after the last day of the legislative session.

ARTICLE 27. FISCAL MATTERS REGARDING ATTORNEY GENERAL

SECTION 27.01. Amends Section 402.006, Government Code, by adding Subsection (e), to authorize OAG to charge a reasonable fee for the electronic filing of a document.

SECTION 27.02. Amends the heading to Section 402.0212, Government Code, to read as follows:

Sec. 402.0212. PROVISION OF LEGAL SERVICES--OUTSIDE COUNSEL; FEES.

SECTION 27.03. Amends Section 402.0212, Government Code, by amending Subsections (b) and (c) and adding Subsections (d), (e), and (f), as follows:

- (b) Requires that an invoice submitted to a state agency under a contract for legal services as described by Subsection (a) (relating to requiring that a contract for legal services between an attorney, other than a full-time employee of the agency, and a state agency in the executive department, other than an agency established by the Texas Constitution, be approved by OAG to be valid) be reviewed by OAG to determine whether the invoice is eligible for payment.

(c) Requires an attorney or law firm to pay an administrative fee to OAG for the review described in Subsection (b) when entering into a contract to provide legal services to a state agency.

(d) Creates this subsection from existing text and makes no further changes.

(e) Redesignates existing Subsection (c) as Subsection (e). Makes no further changes to this subsection.

(f) Authorizes OAG to adopt rules as necessary to implement and administer this section.

SECTION 27.04. Amends Section 371.051, Transportation Code, as follows:

Sec. 371.051. New heading: ATTORNEY GENERAL REVIEW AND EXAMINATION FEE. (a) Creates this subsection from existing text and makes no further changes.

(b) Requires a toll project entity to pay a nonrefundable examination fee to OAG on submitting a proposed comprehensive development agreement for review. Requires a toll project entity, at the time the examination fee is paid, to also submit for review a complete transcript of proceedings related to the comprehensive development agreement.

(c) Requires the toll project entity, if the toll project entity submits multiple proposed comprehensive development agreements relating to the same toll project for review, to pay the examination fee under Subsection (b) for each proposed comprehensive development agreement.

(d) Requires OAG to provide a legal sufficiency determination not later than the 60th business day after the date the examination fee and transcript of the proceedings required under Subsection (b) are received. Requires OAG, if OAG cannot provide a legal sufficiency determination within the 60-business-day period, to notify the toll project entity in writing of the reason for the delay and authorizes OAG to extend the review period for not more than 30 business days.

(e) Authorizes a toll project entity, after OAG issues a legal sufficiency determination, to supplement the transcript of proceedings or amend the comprehensive development agreement to facilitate a redetermination by OAG of the prior legal sufficiency determination issued under this section.

(f) Authorizes the toll project entity to collect or seek reimbursement of the examination fee under Subsection (b) from the private participant.

(g) Requires OAG by rule to set the examination fee required under Subsection (b) in a reasonable amount and is authorized to adopt other rules as necessary to implement this section. Prohibits the fee from being set in an amount that is determined by a percentage of the cost of the toll project. Prohibits the amount of the fee from exceeding reasonable attorney's fees charged for similar legal services in the private sector.

SECTION 27.05. Provides that the fee prescribed by Section 402.006 (Fees), Government Code, as amended by this article, applies only to a document electronically submitted to OAG on or after the effective date of this article.

SECTION 27.06. Provides that the fee prescribed by Section 402.0212, Government Code, as amended by this article, applies only to invoices for legal services submitted to OAG for review on or after the effective date of this article.

SECTION 27.07. Provides that the fee prescribed by Section 371.051, Transportation Code, as amended by this article, applies only to a comprehensive development agreement submitted to OAG on or after the effective date of this article.

SECTION 27.08. Makes application of the changes in law made by this article prospective.

SECTION 27.09. Effective date, this article, except as otherwise provided by this article: upon passage or on the 91st day after the last day of the legislative session.

ARTICLE 28. TEXAS PRESERVATION TRUST FUND ACCOUNT

SECTION 28.01. Amends Sections 442.015(a), (b), and (f), Government Code, as follows:

(a) Provides that notwithstanding Section 403.095 (Use of Dedicated Revenue), rather than notwithstanding Sections 403.094 and 403.095, the Texas preservation trust fund account is a separate account in the general revenue fund. Provides that the account consists of transfers made to the account, loan repayments, grants and donations made for the purposes of this program, proceeds of sales, income earned on money in the account, and any other money received under this section, rather than providing that the account consists of transfers made to the account, loan repayments, grants and donations made for the purposes of this program, proceeds of sales, earnings on the account and any other money received under this section. Authorizes money in the account to be used only for the purposes of this section and to pay operating expenses of the Texas Historical Commission (THC), rather than authorizing distributions from the account to be used only for the purposes of this section and prohibits them from being used to pay operating expense of THC. Requires that income earned, rather than earnings, on money in the account shall be deposited to the credit of the account.

(b) Authorizes THC to use money in the Texas preservation trust fund account, rather than distributions from the Texas preservation trust fund account, to provide financial assistance to public or private entities for the acquisition, survey, restoration, or preservation, or for planning and educational activities leading to the preservation, of historic property in the state that is listed in the National Register of Historic Places or designated as a State Archeological Landmark or Recorded Texas Historic Landmark, or that the commission determines is eligible for such listing or designation.

(f) Requires the advisory board to recommend to THC rules for administering this section, rather than for administering Subsections (a)-(e).

SECTION 28.02. Repealers: Subsections (h) (relating to the comptroller's management of the Texas preservation trust fund account), (i) (relating to the comptroller determining the amount of a distribution from the account), (j) (prohibiting the annual distribution from exceeding an amount equal to seven percent of the average net fair market value of the investment assets of the account), (k) (requiring that the expenses of managing account investments be paid from the account), and (l) (requiring the comptroller, on request, to fully disclose all details concerning the investments of the account), Section 442.015 (Texas Preservation Trust Fund Account), Government Code.

SECTION 28.03. Requires the comptroller and THC to enter into a memorandum of understanding to facilitate the conversion of assets of the Texas preservation trust fund account into cash for deposit into the state treasury using a method that provides for the lowest amount of revenue loss to the state.

SECTION 28.04. Effective date, this article: November 1, 2011.

ARTICLE 29. FISCAL MATTERS CONCERNING INFORMATION TECHNOLOGY

SECTION 29.01. Amends Section 2054.380, Government Code, as follows:

Sec. 2054.380. FEES. (a) Creates this subsection from existing text and makes no further changes.

(b) Authorizes revenue derived from the collection of fees imposed under Subsection (a) to be appropriated to the Department of Information Resources (DIR) for developing statewide information resources technology policies and planning under this chapter and Chapter 2059 (Texas Computer Network Security System), and providing shared information resources technology services under this chapter.

SECTION 29.02. Amends Section 2157.068(d), Government Code, to authorize revenue derived from the collection of fees imposed under this subsection to be appropriated to DIR for developing statewide information resources technology policies and planning under Chapters 2054 (Information Resources) and 2059, and providing shared information resources technology services under Chapter 2054.

SECTION 29.03. Amends Sections 2170.057(a) and (d), Government Code, as follows:

(a) Requires DIR set and charge a fee to each entity that receives services provided under this chapter in an amount sufficient to cover the direct and indirect costs of providing the service. Authorizes revenue derived from the collection of fees imposed under this subsection to be appropriated to DIR for:

(1) developing statewide information resources technology policies and planning under Chapters 2054 and 2059; and

(2) providing shared information resources technology services under Chapter 2054, and network security services under Chapter 2059.

(d) Deletes existing text requiring DIR to certify amounts that exceed this amount to the comptroller, and requires the comptroller to transfer the excess amounts to the credit of the statewide network applications account established by Section 2054.011.

SECTION 29.04. Effective date, this article: upon passage or on the 91st day after the last day of the legislative session.

ARTICLE 30. STATE DEBT

SECTION 30.01. Amends Chapter 1231, Government Code, by adding Subchapter G to read as follows:

SUBCHAPTER G. LIMIT ON STATE DEBT PAYABLE FROM GENERAL REVENUE FUND

Sec. 1231.151. DEFINITIONS. Defines, in this subchapter "maximum annual debt service," "state debt payable from the general revenue fund," and "unissued debt."

Sec. 1231.152. COMPUTATION OF DEBT LIMIT. Authorizes the Bond Review Board (BRB), in computing the annual debt service in a state fiscal year on state debt payable from the general revenue fund for purposes of determining whether additional state debt may be authorized without exceeding the maximum annual debt service, to employ any assumptions related to unissued debt that the board determines are necessary to reflect common or standard debt issuance practices authorized by law, including assumptions regarding interest rates, debt maturity, and debt service payment structures.

Sec. 1231.153. REPORT ON COMPUTATION. (a) Requires BRB to publish during each state fiscal year a report providing a detailed description of the method used to compute the annual debt service in that fiscal year on state debt payable from the general revenue fund for purposes of determining whether additional state debt may be authorized. Requires that the report describe the debt service included in the

computation, including debt service on issued and unissued debt, the assumptions on which the debt service on unissued debt was based, and any other factors required by law that affect the computation.

(b) Authorizes BRB to publish the report required by this section as a component of any other report required by law, including the annual report required by Section 1231.102 (Annual Report), or as an independent report. Requires BRB to make the report available to the public.

SECTION 30.02. Requires BRB to publish the initial report required by Section 1231.153, Government Code, as added by this article, during the state fiscal year beginning September 1, 2011.

SECTION 30.03. Effective date, this article: upon passage or on the 91st day after the last day of the legislative session.

ARTICLE 31. CONTINUING LEGAL EDUCATION REQUIREMENTS FOR ATTORNEY EMPLOYED BY ATTORNEY GENERAL

SECTION 31.01. Amends Section 81.113, Government Code, by adding Subsection (a-1), as follows:

(a-1) Requires the state bar to credit an attorney licensed in this state with meeting the minimum continuing legal education requirements of the state bar for a reporting year if during the reporting year the attorney is employed full-time as an attorney by OAG. Requires an attorney credited for continuing legal education under this subsection to meet the continuing legal education requirements of the state bar in legal ethics or professional responsibility. Provides that this subsection expires January 1, 2014.

SECTION 31.02. Amends Subchapter A, Chapter 402, Government Code, by adding Section 402.010, as follows:

Sec. 402.010. CONTINUING LEGAL EDUCATION PROGRAMS. Requires OAG to recognize, prepare, or administer continuing legal education programs that meet continuing legal education requirements imposed under Section 81.113(c) (relating to requiring the state bar to recognize, prepare, or administer continuing education programs for members of the state bar) for the attorneys employed by OAG. Provides that this section expires January 1, 2014.

SECTION 31.03. Makes application of Section 81.113, Government Code, as amended by this article, prospective to October 1, 2011.

ARTICLE 32. REGISTRATION FEE AND REGISTRATION RENEWAL FEE FOR LOBBYISTS

SECTION 32.01. Amends Section 305.005(c), Government Code, as follows:

(c) Provides that the registration fee and registration renewal fee are:

(1) \$150 for a registrant employed by an organization exempt from federal income tax under Section 501(c)(3), 501(c)(4), or 501(c)(6), Internal Revenue Code of 1986, rather than \$100 for a registrant employed by an organization exempt from federal income tax under Section 501(c)(3), or 501(c)(4), Internal Revenue Code of 1986;

(2) \$75 for any person required to register solely because the person is required to register under Section 305.0041 (Exceptions for Certain Activities for Which Compensation or Reimbursement is Received), rather than \$50 for any person required to register solely because the person is required to register under Section 305.0041 of this chapter; or

(3) \$750 for any other registrant, rather than \$500 for any other registrant.

ARTICLE 33. ASSESSMENT OF PREMIUM DIFFERENTIAL ON CERTAIN PUBLIC EMPLOYEES WHO USE TOBACCO

SECTION 33.01. Amends Subchapter G, Chapter 1551, Insurance Code, by adding Section 1551.3075, as follows:

Sec. 1551.3075. TOBACCO USER PREMIUM DIFFERENTIAL. (a) Requires the board of trustees of the Employees Retirement System of Texas (ERS board) to assess each participant in a health benefit plan provided under the group benefits program who uses one or more tobacco products a tobacco user premium differential, to be paid in monthly installments. Requires the ERS board, except as provided by Subsection (b), to determine the amount of the monthly installments of the premium differential.

(b) Requires the ERS board, if the General Appropriations Act for a state fiscal biennium sets the amount of the monthly installments of the tobacco user premium differential for that biennium, to assess the premium differential during that biennium in the amount prescribed by the General Appropriations Act.

SECTION 33.02. Amends Section 1551.314, Insurance Code, as follows:

Sec. 1551.314. CERTAIN STATE CONTRIBUTIONS PROHIBITED. Prohibits a state contribution from being made for coverages under this chapter selected by an individual who receives a state contribution, other than as a spouse, dependent, or beneficiary, for coverages under a group benefits program provided by an institution of higher education, as defined by Section 61.003 (Definitions), Education Code, or made for or used to pay a tobacco user premium differential assessed under Section 1551.3075.

SECTION 33.03. Requires the ERS board to implement the tobacco user premium differential required under Section 1551.3075, Insurance Code, as added by this article, not later than January 1, 2012.

ARTICLE 34. PUBLIC ASSISTANCE REPORTING INFORMATION SYSTEM

SECTION 34.01. Amends Section 434.017(c), Government Code, to authorize money in the fund to be appropriated to the Texas Veterans Commission for certain purposes, including to analyze and investigate data received from the federal Public Assistance Reporting Information System (PARIS) that is administered by the Administration for Children and Families of the United States Department of Health and Human Services.

SECTION 34.02. Requires the comptroller to credit to the fund for veterans' assistance established under Section 434.017, Government Code (Fund for Veterans' Assistance), as amended by this article, the savings generated from the use of PARIS under that section.

ARTICLE 35. REGIONAL POISON CONTROL CENTER MANAGEMENT CONTROLS AND EFFICIENCY

SECTION 35.01. Amends Section 777.001, Health and Safety Code, by amending Subsection (c) and adding Subsection (d), as follows:

(c) Authorizes Commission on State Emergency Communications (CSEC) to standardize the operations of and implement management controls to improve the efficiency of regional poison control centers. Deletes existing text authorizing CSEC to vote to designate a seventh regional or satellite poison control center in Harris County. Deletes existing text providing that poison control center is subject to all provisions of this chapter and other law relating to regional poison control centers.

(d) Requires CSEC, if CSEC implements management controls under Subsection (c), to submit to the governor and LBB a plan for implementing the controls not later than October 31, 2011. Provides that this subsection expires January 1, 2013.

ARTICLE 36. AUTHORIZED USES FOR CERTAIN DEDICATED PERMANENT FUNDS

SECTION 36.01. Amends Section 403.105, Government Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Prohibits money in the fund, except as provided by Subsections (b-1), (c) (relating to available earnings of fund), (e) (relating to solicitation and acceptance of gifts to fund), (f) (relating to appropriations for reimbursement to federal government), and (h) (relating to transfer of money to pay obligations incurred), from being appropriated for any purpose.

(b-1) Authorizes the legislature, notwithstanding the limitations and requirements of Section 403.1068 (Management of Certain Funds), to appropriate money in the fund, including the corpus and available earnings of the fund determined under Section 403.1068, to pay the principal of or interest on a bond issued for the purposes of Section 67 (Cancer Prevention and Research Institute of Texas), Article III (Legislative Department), Texas Constitution. Provides that this subsection does not authorize the appropriation under this subsection of money subject to a limitation or requirement as described by Subsection (e) that is not consistent with the use of the money in accordance with this subsection.

SECTION 36.02. Amends Section 403.1055, Government Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Prohibits money in the fund, except as provided by Subsections (b-1), (c) (setting forth certain entities to which the available earnings of the fund may be appropriated), (e) (authorizing the comptroller to solicit and accept gifts and grants to the fund), (f) (authorizing money in the fund to be appropriated to pay certain amounts to the federal government), and (h) (relating to temporary transfers of money), from being appropriated for any purpose.

(b-1) Authorizes the legislature, notwithstanding the limitations and requirements of Section 403.1068, to appropriate money in the fund, including the corpus and available earnings of the fund determined under Section 403.1068, to pay the principal of or interest on a bond issued for the purposes of Section 67, Article III, Texas Constitution. Provides that this subsection does not authorize the appropriation under this subsection of money subject to a limitation or requirement as described by Subsection (e) that is not consistent with the use of the money in accordance with this subsection.

SECTION 36.03. Amends Section 403.106, Government Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Authorizes money in the fund, except as provided by Subsections (b-1), (c) (authorizing the available earnings of the fund to be appropriated to certain programs for emergency medical services and trauma care), (e) (authorizing the comptroller to solicit and accept gifts and grants to the fund), (f) (authorizing money in the fund to be appropriated to pay certain amounts to the federal government), and (h) (relating to temporary transfers of money), from being appropriated for any purpose.

(b-1) Authorizes the legislature, notwithstanding the limitations and requirements of Section 403.1068, to appropriate money in the fund, including the corpus and available earnings of the fund determined under Section 403.1068, to pay the principal of or interest on a bond issued for the purposes of Section 67, Article III, Texas Constitution. Provides that this subsection does not authorize the appropriation under this subsection of money subject to a limitation or requirement as described by Subsection (e) that is not consistent with the use of the money in accordance with this subsection.

SECTION 36.04. Effective date, this article: upon passage or on the 91st day after the last day of the legislative session.

ARTICLE 37. EMPLOYER ENROLLMENT FEE FOR PARTICIPATION IN CERTAIN HEALTH BENEFIT PLANS

SECTION 37.01. Amends Subchapter G, Chapter 1551, Insurance Code, by adding Section 1551.3076, as follows:

Sec. 1551.3076. EMPLOYER ENROLLMENT FEE. (a) Requires the ERS board to assess each employer whose employees participate in the group benefits program an employer enrollment fee in an amount not to exceed a percentage of the employer's total payroll, as determined by the General Appropriations Act.

(b) Requires the ERS board to deposit the enrollment fees to the credit of the employees life, accident, and health insurance and benefits fund to be used for the purposes specified by Section 1551.401 (Employees Life, Accident, and Health Insurance and Benefits Fund).

ARTICLE 38. FISCAL MATTERS CONCERNING SURPLUS AND SALVAGE PROPERTY

SECTION 38.01. Repealer: Subchapter C (Direct Transfer or Other Disposition of Surplus or Salvage Property By State Agency), Chapter 2175 (Surplus and Salvage Property), Government Code.

SECTION 38.02. Amends Section 32.102(a), Education Code, to authorize a school district or open-enrollment charter school, as provided by this subchapter, to transfer to a student enrolled in the district or school certain equipment, including any data processing equipment donated to the district or school, including equipment donated by a private donor, or a state eleemosynary institution or a state agency under Section 2175.905, rather than Section 2175.128, Government Code.

SECTION 38.03. Amends Section 2175.002, Government Code, to provide that TFC is responsible for the disposal of surplus and salvage property of the state. Requires TFC's surplus and salvage property division to administer this chapter.

SECTION 38.04. Amends Section 2175.065, Government Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

(a) Authorizes TFC to authorize a state agency to dispose of surplus or salvage property if the agency demonstrates to TFC its ability to dispose of the property under this chapter, rather than under Subchapters C and E (Destruction or Donation of Surplus or Salvage Property), in a manner that results in cost savings to the state, under TFC rules adopted under this chapter.

(c) Requires the disposing state agency, if property is disposed of under this section, to report the transaction to TFC. Requires that the report include a description of the property disposed of, the reasons for disposal, the price paid for the property disposed of, and the recipient of the property disposed of.

(d) Requires TFC, if TFC determines that a violation of a state law or rule has occurred based on the report under Subsection (c), to report the violation to LBB.

SECTION 38.05. Amends the heading to Subchapter D, Chapter 2175, Government Code, to read as follows:

SUBCHAPTER D. DISPOSITION OF SURPLUS OR SALVAGE PROPERTY

SECTION 38.06. Amends Section 2175.181, Government Code, as follows:

Sec. 2175.181. **APPLICABILITY.** Provides that this subchapter applies to a state agency delegated the authority to dispose of surplus or salvage property under Section 2175.065. Deletes existing text providing that this subchapter does not apply to a state agency delegated under the authority to dispose of surplus or salvage property under Section 2175.065. Deletes existing text providing that this subchapter applies only to surplus and salvage property located in Travis County, a county in which federal surplus property is warehoused by the commission under Subchapter G (Federal Surplus Property), or a county for which the commission determines that it is cost-effective to follow the procedures created under this subchapter and informs affected state agencies of that determination. Makes nonsubstantive changes.

SECTION 38.07. Amends Section 2175.182, Government Code, as follows:

Sec. 2175.182. **STATE AGENCY TRANSFER OF PROPERTY.** (a) Requires a state agency that determines it has surplus or salvage property to inform TFC of that fact for the purpose of determining the method of disposal of the property. Authorizes TFC to take physical possession of the property. Deletes existing text providing that TFC is responsible for the disposal of surplus or salvage property under this subchapter.

(b) Requires TFC, in conjunction with the state agency, based on the condition of the property, to determine whether the property is surplus property that should be offered for transfer under Section 2175.184 or sold to the public, or salvage property.

(c) Requires TFC, following the determination in Subsection (b), to direct the state agency to inform the comptroller's office of the property's kind, number, location, condition, original cost or value, and date of acquisition.

SECTION 38.08. Amends Section 2175.1825, Government Code, as follows:

Sec. 2175.1825. **ADVERTISING ON COMPTROLLER WEBSITE.** (a) Requires the comptroller, not later than the second day after the date the comptroller receives notice from a state agency, rather than TFC, under Section 2175.182(c), to advertise the property's kind, number, location, and condition on the comptroller's website.

(b) Requires the comptroller to provide TFC access to all records in the state property accounting system related to surplus and salvage property.

SECTION 38.09. Amends Section 2175.183, Government Code, as follows:

Sec. 2175.183. **COMMISSION NOTICE TO OTHER ENTITIES.** Requires TFC to inform other state agencies, political subdivisions, and assistance organizations of the comptroller's website that lists surplus property that is available for sale. Deletes existing text requiring TFC, on taking responsibility for surplus property under this subchapter, to inform other state agencies, political subdivisions, and assistance organizations of the comptroller's website that lists surplus property that is available for sale.

SECTION 38.10. Amends Section 2175.184, Government Code, as follows:

Sec. 2175.184. **DIRECT TRANSFER.** Requires a state agency, political subdivision, or assistance organization, during the 10 business days after the date the property is posted on the comptroller's website, to coordinate with TFC for a transfer of the property at a price established by TFC, rather than requiring a state agency in cooperation with the transferring agency, to coordinate with TFC for a transfer of the property at a price determined by TFC. Provides that a transfer to a state agency has priority over any other transfer during this period.

SECTION 38.11. Amends Section 2175.186(a), Government Code, as follows:

(a) Requires TFC, if a disposition of a state agency's surplus property is not made under Section 2175.184, to sell the property by competitive bid, auction, or direct sale to the public, including a sale using an Internet auction site. Authorizes TFC to contract with a private vendor to assist with the sale of the property.

SECTION 38.12. Amends Section 2175.189, Government Code, to require TFC, if the value of an item or a lot of property to be sold is estimated to be more than \$25,000, rather than \$5,000, to advertise the sale at least once in at least one newspaper of general circulation in the vicinity in which the property is located.

SECTION 38.13. Amends Section 2175.191(a), Government Code, to require that proceeds from the sale of surplus or salvage property, less the cost of advertising the sale, the cost of selling the surplus or salvage property, including the cost of auctioneer services or assistance from a private vendor, and the amount of the fee collected under Section 2175.188 (Purchaser's Fee), be deposited to the credit of the general revenue fund of the state treasury.

SECTION 38.14. Amends Section 2175.302, Government Code, to provide that except as provided by Section 2175.905(b), this chapter does not apply to the disposition of surplus or salvage property by a state eleemosynary institution.

SECTION 38.15. Amends Section 2175.904, Government Code, by amending Subsections (a) and (c) and adding Subsection (d), as follows:

(a) Requires TFC to establish a program for the sale of gambling equipment received from a municipality, from a commissioners court under Section 263.152(a)(5) (relating to transfer of gambling equipment in possession of counties), Local Government Code, or from a state agency under this chapter.

(c) Requires proceeds from the sale of gambling equipment from a municipality or commissioners court, less the costs of the sale, including costs of advertising, storage, shipping, and auctioneer or broker services, and the amount of the fee collected under Section 2175.188, rather than Section 2175.131 (Purchaser's Fee), to be divided according to an agreement between TFC and the municipality or commissioners court that provided the equipment for sale. Requires that the agreement provide that not less than 50 percent of the net proceeds be remitted to the commissioners court, and the remainder of the net proceeds retained by the commission be deposited to the credit of the general revenue fund.

(d) Requires that proceeds from the sale of gambling equipment from a state agency, less the costs of the sale, including costs of advertising, storage, shipping, and auctioneer or broker services, and the amount of the fee collected under Section 2175.188, be deposited to the credit of the general revenue fund of the state treasury.

SECTION 38.16. Amends Subchapter Z, Chapter 2175, Government Code, by adding Sections 2175.905 and 2175.906, as follows:

Sec. 2175.905. DISPOSITION OF DATA PROCESSING EQUIPMENT. (a) Requires a state agency, if the disposition of a state agency's surplus or salvage data processing equipment is not made under Section 2175.184, to transfer the equipment to:

- (1) a school district or open-enrollment charter school in this state under Subchapter C (Transfer of Data Processing Equipment to Students), Chapter 32 (Computers and Computer-Related Equipment), Education Code;
- (2) an assistance organization specified by the school district; or
- (3) the Texas Department of Criminal Justice (TDCJ).

(b) Requires a state eleemosynary institution or agency, if a disposition of the surplus or salvage data processing equipment of a state eleemosynary institution or an institution or agency of higher education is not made under other law, to transfer the equipment to:

- (1) a school district or open-enrollment charter school in this state under Subchapter C, Chapter 32, Education Code;
- (2) an assistance organization specified by the school district; or
- (3) TDCJ.

(c) Prohibits the state eleemosynary institution or institution or agency of higher education or other state agency from collecting a fee or other reimbursement from the district, the school, the assistance organization, or TDCJ for the surplus or salvage data processing equipment transferred under this section.

Sec. 2175.906. ABOLISHED AGENCIES. Requires TFC, on abolition of a state agency, in accordance with Chapter 325 (Sunset Law), to take custody of all of the agency's property or other assets as surplus property unless other law or the legislature designates another appropriate governmental entity to take custody of the property or assets.

ARTICLE 39. LAW ENFORCEMENT AND CUSTODIAL OFFICER SUPPLEMENTAL RETIREMENT FUND

SECTION 39.01. Amends Section 815.317, Government Code, by adding Subsection (a-1), to require the comptroller to deposit fees collected under Section 133.102(e)(7) (relating to operator's and chauffeur's license), Local Government Code, to the credit of the law enforcement and custodial officer supplemental retirement fund.

SECTION 39.02. Amends Section 133.102(e), Local Government Code, to require the comptroller to allocate the court costs received under this section to the following accounts and funds so that each receives to the extent practicable, utilizing historical data as applicable, the same amount of money the account or fund would have received if the court costs for the accounts and funds had been collected and reported separately, except that the account or fund may not receive less than certain percentages:

SECTION 39.03. Effective date, this article: September 1, 2013.

ARTICLE 40. SALES AND USE TAX COLLECTION AND ALLOCATION

SECTION 40.01. Amends Section 151.008(b), Tax Code, to redefine, in this section, "seller" and "retailer."

SECTION 40.02. Amends Section 151.107, Tax Code, by amending Subsection (a) and adding Subsection (d), as follows:

- (a) Provides that for the purpose of this subchapter and in relation to the use tax, a retailer is engaged in business in this state if the retailer:
- (1) maintains, occupies, or uses in this state permanently, temporarily, directly, or indirectly or through a subsidiary or agent by whatever name, an office, distribution center, sales or sample room or place, warehouse, storage place, or any other physical location where business is conducted;
 - (2) Makes no changes to this subdivision;
 - (3) derives receipts from the sale, lease, or rental of tangible personal property situated in this state;

(4)-(6) Makes no changes to these subdivisions;

(7) holds a substantial ownership interest in, or is owned in whole or substantial part by, a person who maintains a location in this state from which business is conducted and if:

(A) the retailer sells the same or a substantially similar line of products as the person with the location in this state and sells those products under a business name that is the same as or substantially similar to the business name of the person with the location in this state; or

(B) the facilities or employees of the person with the location in this state are used to advertise, promote, or facilitate sales by the retailer to consumers, or perform any other activity on behalf of the retailer that is intended to establish or maintain a marketplace for the retailer in this state, including receiving or exchanging returned merchandise;

(8) holds a substantial ownership interest in, or is owned in whole or substantial part by, a person that:

(A) maintains a distribution center, warehouse, or similar location in this state; and

(B) delivers property sold by the retailer to consumers; or

(9) otherwise does business in this state.

(d) Defines, in this section, "ownership" and "substantial."

SECTION 40.03. Amends Subchapter M, Chapter 151, Tax Code, by adding Section 151.802, as follows:

Sec. 151.802. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX RELIEF FUND. (a) Provides that this section applies only during the state fiscal years beginning September 1 of 2012, 2013, 2014, 2015, and 2016; and with respect to unused franchise tax credits described by Sections 18(e) and (f), Chapter 1 (H.B. 3), Acts of the 79th Legislature, 3rd Called Session, 2006.

(b) Requires the comptroller, notwithstanding Section 151.801 (Disposition of Proceeds), to deposit to the credit of the property tax relief fund under Section 403.109 (Property Tax Relief Fund), Government Code, an amount of the proceeds from the collection of the taxes imposed by this chapter equal to the amount of revenue the state does not receive from the tax imposed under Chapter 171 (Franchise Tax) because taxable entities, as defined by that chapter, that are corporations are entitled to claim unused franchise tax credits after December 31, 2012, and during that state fiscal year.

(c) Provides that this section expires September 1, 2017.

SECTION 40.04. Provides that the change in law made by this article does not affect tax liability accruing before the effective date of this article. Provides that that liability continues in effect as if this article had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 40.05. Effective date, this article: January 1, 2012.

ARTICLE 41. CARRYFORWARD OF CERTAIN FRANCHISE TAX CREDITS

SECTION 41.01. Amends Sections 18(e) and (f), Chapter 1 (H.B. 3), Acts of the 79th Legislature, 3rd Called Session, 2006, as follows:

(e) Authorizes a corporation that has any unused credits established before the effective date of this Act under Subchapter P, Chapter 171, Tax Code, to claim those unused credits on or with the tax report for the period in which the credit was established. Authorizes the corporation, however, if the corporation was allowed to carry forward unused credits under that subchapter, to continue to apply those credits on or with each consecutive report until the earlier of the date the credit would have expired under the terms of Subchapter P, Chapter 171, Tax Code, had it continued in existence, or December 31, 2016, rather than December 31 2012, and provides that the former law under which the corporation established the credits is continued in effect for purposes of determining the amount of the credits the corporation may claim and the manner in which the corporation may claim the credits.

(f) Authorizes a corporation that has any unused credits established before the effective date of this Act under Subchapter Q, Chapter 171, Tax Code, to claim those unused credits on or with the tax report for the period in which the credit was established. Authorizes the corporation, however, if the corporation was allowed to carry forward unused credits under that subchapter, to continue to apply those credits on or with each consecutive report until the earlier of the date the credit would have expired under the terms of Subchapter Q, Chapter 171, Tax Code, had it continued in existence, or December 31, 2016, and provides that the former law under which the corporation established the credits is continued in effect for purposes of determining the amount of the credits the corporation may claim and the manner in which the corporation may claim the credits. Makes a conforming change.

ARTICLE 42. STATE PURCHASING

SECTION 42.01. Amends Section 2155.082, Government Code, as follows:

Sec. 2155.082. New heading: PROVIDING CERTAIN PURCHASING SERVICES ON FEE-FOR-SERVICE BASIS OR THROUGH BENEFIT FUNDING. (a) Authorizes the comptroller, rather than TFC, to provide open market purchasing services on a fee-for-service basis for state agency purchases that are delegated to an agency under Section 2155.131 (Delegation of Authority to State Agencies), 2155.132 (Purchases Less Than Specified Monetary Amount), or 2157.121 (Acquisition Through Competitive Sealed Proposals) or that are exempted from the purchasing authority of the comptroller. Requires the comptroller to set the fees in an amount that recovers the comptroller's costs in providing the services. Makes conforming changes.

(b) Requires the comptroller to publish a schedule of fees for services that are subject to this section. Requires the schedule to include the comptroller's fees for:

- (1) reviewing bid and contract documents for clarity, completeness, and compliance with laws and rules;
- (2) developing and transmitting invitations to bid;
- (3) receiving and tabulating bids;
- (4) evaluating and determining which bidder offers the best value to the state;
- (5) creating and transmitting purchase orders; and
- (6) participating in agencies' request for proposal processes.

(c) Authorizes the comptroller, if the state agency on behalf of which the procurement is to be made agrees, to engage a consultant to assist with a

particular procurement on behalf of a state agency and pay the consultant from the cost savings realized by the state agency.

ARTICLE 43. PERIOD FOR SALES AND USE TAX HOLIDAY

SECTION 43.01. Amends Section 151.326(a), Tax Code, as follows:

(a) Provides that the sale of an article of clothing or footwear designed to be worn on or about the human body is exempted from the taxes imposed by this chapter if:

(1) the sales price of the article is less than \$100; and

(2) the sale takes place during a period beginning at 12:01 a.m. on the Friday before the eighth day preceding the earliest date on which any school district, other than a district operating a year-round system, may begin instruction for the school year as prescribed by Section 25.0811(a) (prohibiting a district from beginning instruction before the fourth Monday in August unless the district operates a year-round system), Education Code, and ending at 12 midnight on the following Sunday, rather than takes place during a period beginning at 12:01 a.m. on the third Friday in August and ending at 12 midnight on the following Sunday.

SECTION 43.02. Makes application of Section 151.326(a), Tax Code, prospective.

SECTION 43.03. Effective date, this article: upon passage or the 91st day after the last day of the legislative session.

ARTICLE 44. LEGISLATIVE BUDGET BOARD MEETINGS

SECTION 44.01. Amends Section 322.003, Government Code, by adding Subsection (f), as follows:

(f) Requires LBB to hold a public hearing each state fiscal year to receive a report from the comptroller and receive invited testimony regarding the financial condition of this state. Requires that the report from the comptroller include, to the extent practicable:

(1) information on each revenue source included in determining the estimate of anticipated revenue for purposes of the most recent statement required by Section 49a (Financial Statement and Estimate by Comptroller of Public Accounts; Limitation of Appropriations), Article III, Texas Constitution, and the total net revenue actually collected from that source for the state fiscal year as of the end of the most recent state fiscal quarter;

(2) a comparison for the period described by Subdivision (1) of the total net revenue collected from each revenue source required to be specified under that subdivision with the anticipated revenue from that source that was included for purposes of determining the estimate of anticipated revenue in the statement required by Section 49a, Article III, Texas Constitution;

(3) information on state revenue sources resulting from a law taking effect after the comptroller submitted the most recent statement required by Section 49a, Article III, Texas Constitution, and the estimated total net revenue collected from that source for the state fiscal year as of the end of the most recent state fiscal quarter;

(4) a summary of the indicators of state economic trends experienced since the most recent statement required by Section 49a, Article III, Texas Constitution; and

(5) a summary of anticipated state economic trends and the anticipated effect of the trends on state revenue collections.

SECTION 44.02. Amends Chapter 322, Government Code, by adding Section 322.0081, as follows:

Sec. 322.0081. BUDGET DOCUMENTS ONLINE. (a) Requires LBB to post on the board's Internet website documents prepared by the board that are provided to a committee, subcommittee, or conference committee of either house of the legislature in connection with an appropriations bill.

(b) Requires LBB to post a document to which this section applies as soon as practicable after the document is provided to a committee, subcommittee, or conference committee.

(c) Requires the document to be downloadable and provide data in a format that allows the public to search, extract, organize, and analyze the information in the document.

(d) Provides that the requirement under Subsection (a) does not supersede any exceptions provided under Chapter 552 (Public Information).

(e) Requires LBB to promulgate rules to implement the provisions of this section.

SECTION 44.03. Amends Chapter 322, Government Code, by adding Section 322.022, as follows:

Sec. 322.022. PUBLIC HEARING ON INTERIM BUDGET REDUCTION REQUEST.

(a) Defines, in this section, "interim budget reduction requires" and "state agency."

(b) Requires a state agency to provide to LBB a detailed report of any expenditure reduction plan that:

(1) the agency develops in response to an interim budget reduction request made by the governor, the lieutenant governor, or a member of the legislature, or any combination of those persons; and

(2) if implemented, would reduce the agency's total expenditures for the current state fiscal biennium to an amount less than the total amount that otherwise would be permissible based on the appropriations made to the agency in the state budget for the biennium.

(c) Requires LBB to hold a public hearing to solicit testimony on an expenditure reduction plan a state agency reports to LBB as required by Subsection (b) as soon as practicable after receiving the report. Prohibits the agency from implementing any element of the plan until the conclusion of the hearing.

(d) Provides that this section does not apply to an expenditure reduction a state agency desires to make that does not directly or indirectly result from an interim budget reduction request made by the governor, the lieutenant governor, or a member of the legislature, or any combination of those persons.

SECTION 44.04. Amends Subchapter B, Chapter 403, Government Code, by adding Section 403.0144, as follows:

Sec. 403.0144. PUBLICATION OF FEES SCHEDULE. Requires the comptroller, as soon as practicable after the end of each state fiscal year, to publish online a schedule of all revenue to the state from fees authorized by statute. Requires that for each fee, the schedule specify:

(1) the statutory authority for the fee;

- (2) if the fee has been increased during the most recent legislative session, the amount of the increase;
- (3) into which fund the fee revenue will be deposited; and
- (4) the amount of the fee revenue that will be considered available for general governmental purposes and accordingly considered available for the purpose of certification under Section 403.121 (Contents of Estimate).

SECTION 44.05. Amends Section 404.124, Government Code, by amending Subsections (a) and (b) and adding Subsection (b-1), as follows:

(a) Requires the comptroller, before issuing notes, to submit to the cash management committee (committee) a general revenue cash flow shortfall forecast, based on the comptroller's most recent anticipated revenue estimate. Requires that the forecast contain a detailed report of estimated revenues and expenditures for each month and each major revenue and expenditure category and must demonstrate the maximum general revenue cash flow shortfall that may be predicted. Requires the committee to hold a public hearing to receive invited testimony on the forecast, including testimony on this state's overall economic condition, as soon as practicable after receiving the forecast.

(b) Authorizes the committee, based on the forecast and testimony provided at the hearing required by Subsection (a), to approve the issuance of notes, subject to Subsections (b-1) and (c) (relating to competitive bids), and the maximum outstanding balance of notes in any fiscal year. Prohibits the outstanding balance from exceeding the maximum temporary cash shortfall forecast by the comptroller for any period in the fiscal year. Prohibits the comptroller from issuing notes in excess of the amount approved.

(b-1) Provides that the committee's approval of the issuance of notes granted under Subsection (b) expires on the 91st day after the date the hearing conducted under Subsection (a) concludes. Prohibits the comptroller from issuing notes on or after the 91st day unless the comptroller submits another general revenue cash flow shortfall forecast to the committee and the committee subsequently grants approval for the issuance of the notes in accordance with the procedure required by Subsections (a) and (b). Provides that each subsequent approval expires on the 61st day after the date the hearing on which the approval was based concludes.

ARTICLE 45. ECONOMIC AND WORKFORCE DEVELOPMENT PROGRAMS

SECTION 45.01. Amends Section 481.078, Government Code, by adding Subsection (m), as follows:

(m) Authorizes the governor, notwithstanding Subsections (e) and (e-1), during the state fiscal biennium that begins on September 1, 2011, to transfer money from the Texas Enterprise Fund (fund) to the Texas Workforce Commission (TWC) to fund the Texas Back to Work Program (program) established under Chapter 313, Labor Code. Provides that this subsection expires September 1, 2013.

SECTION 45.02. Amends Subtitle B, Title 4, Labor Code, by adding Chapter 313, as follows:

CHAPTER 313. TEXAS BACK TO WORK PROGRAM

Sec. 313.001. DEFINITION. Defines, in this chapter, "qualified applicant."

Sec. 313.002. INITIATIVE ESTABLISHED. (a) Provides that the program is established within TWC.

(b) Provides that the purpose of the program is to establish public-private partnerships with employers to transition residents of this state from receiving

unemployment compensation to becoming employed as members of the workforce.

(c) Authorizes an employer that participates in the initiative to receive a wage subsidy for hiring one or more qualified applicants who are unemployed at the time of hire.

Sec. 313.003. RULES. Authorizes TWC to adopt rules as necessary to implement this chapter.

ARTICLE 46. ELIGIBILITY OF SURVIVING SPOUSE OF DISABLED VETERAN TO PAY AD VALOREM TAXES ON RESIDENCE HOMESTEAD IN INSTALLMENTS

SECTION 46.01. Amends Section 31.031, Tax Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Provides that this section applies only to:

(1) an individual who is disabled or at least 65 years of age, and qualified for an exemption under Section 11.13(c), rather than if before the delinquency; or

(2) an individual who is the unmarried surviving spouse of a disabled veteran, and qualified for an exemption under Section 11.22 (Disabled Veterans).

(a-1) Authorizes a person, if before the delinquency date an individual to whom this section applies pays at least one-fourth of a taxing unit's taxes imposed on property that the person owns and occupies as a residence homestead, accompanied by notice to the taxing unit that the person will pay the remaining taxes in installments, to pay the remaining taxes without penalty or interest in three equal installments.

SECTION 46.02. Provides that this article applies only to an ad valorem tax year that begins on or after the effective date of this article.

SECTION 46.03. Effective date, this article: January 1, 2012.

ARTICLE 47. EXTENSION OF FRANCHISE TAX EXEMPTION

SECTION 47.01. Amends Section 1(c), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, to provide that this section expires December 31, 2013, rather than providing that if this section takes effect, this section expires December 31, 2011.

SECTION 47.02. Amends Section 2(b), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, as follows:

(b) Provides that this section takes effect January 1, 2014. Deletes existing text providing that this section takes effect January 1 2012, if H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, amends Section 155.0211 (Tax Imposed on Tobacco Products Other Than Cigars), Tax Code, in a manner that results in an increase in the revenue from the tax under that section during the state fiscal biennium beginning September 1, 2009, that is attributable to that change, and that Act is enacted and becomes law. Deletes existing text providing that, if H.B. No. 2154, Acts of the 81st Legislature, Regular Session, 2009, does not amend Section 155.0211, Tax Code, in that manner or is not enacted or does not become law, this section takes effect January 1, 2010.

SECTION 47.03. Amends Section 3(b), Chapter 286 (H.B. 4765), Acts of the 81st Legislature, Regular Session, 2009, to make conforming changes.

SECTION 47.04. Effective date, this article: upon passage or September 1, 2011.

ARTICLE 48. FISCAL MATTERS REGARDING ASSISTANT PROSECUTORS

SECTION 48.01. Amends Section 41.255(f), Government Code, as follows:

(f) Provides that a county is not required to pay longevity supplements if the county does not receive funds from the comptroller as provided by Subsection (d) (requiring the county to certify to the comptroller the total amount of longevity pay supplemental due to all assistant prosecutors by a certain date). Provides that if sufficient funds are not available to meet the requests made by counties for funds for payment of assistant prosecutors qualified for longevity supplements:

- (1) the comptroller shall apportion the available funds to the eligible counties by reducing the amount payable to each county on an equal percentage basis;
- (2) a county is not entitled to receive the balance of the funds at a later date; and
- (3) the longevity pay program under this chapter is suspended to the extent of the insufficiency.

Deletes existing text requiring a county that receives from the comptroller an amount less than the amount certified by the county to the comptroller under Subsection (d) to apportion the funds received by reducing the amount payable to eligible assistant prosecutors on an equal percentage basis, but is not required to use county funds to make up any difference between the amount certified and the amount received.

SECTION 48.02. Repealer: Section 41.255(g) (requiring the comptroller to make a payment of the balance when funds are available or carry forward the balance owed to a county and pay that amount to the county when the next payment is required if previous payments under this chapter have been reduced for insufficient funds or if the county submits the required information but not in a timely manner), Government Code.

ARTICLE 49. FISCAL MATTERS REGARDING PROCESS SERVERS

SECTION 49.01. Amends Subchapter B, Chapter 72, Government Code, by adding Sections 72.013 and 72.014, as follows:

Sec. 72.013. **PROCESS SERVER REVIEW BOARD.** Provides that a person appointed to the process server review board established by supreme court order serves without compensation but is entitled to reimbursement for actual and necessary expenses incurred in traveling and performing official board duties.

Sec. 72.014. **CERTIFICATION DIVISION.** Requires OCA to establish a certification division to oversee the regulatory programs assigned to the office by law or by the supreme court.

ARTICLE 50. FISCAL MATTERS REGARDING REIMBURSEMENT OF JURORS

SECTION 50.01. Amends Section 61.001, Government Code, by adding Subsections (a-1) and (a-2), as follows:

(a-1) Provides that notwithstanding Subsection (a) (relating to reimbursements that persons responding to jury service are required to receive), and except as provided by Subsection (c) (providing that a person reporting for jury service in a municipal court is not entitled to reimbursement under this chapter, but authorizing the municipality to provide certain reimbursements), during the state fiscal biennium beginning September 1, 2011, a person who reports for jury service in response to the process of a court is entitled to receive as reimbursement for travel and other expenses an amount:

(1) not less than \$6 for the first day or fraction of the first day the person is in attendance in court in response to the process and discharges the person's duty for that day; and

(2) not less than the amount provided in the General Appropriations Act for each day or fraction of each day the person is in attendance in court in response to the process after the first day and discharges the person's duty for that day.

(a-2) Provides that this subsection and Subsection (a-1) expire September 1, 2013.

SECTION 50.02. Amends Section 61.0015, Government Code, by adding Subsections (a-1), (a-2), and (e-1), as follows:

(a-1) Requires the state, notwithstanding Subsection (a) (requiring the state to reimburse a county \$34 a day for certain reimbursements paid to a person who reports for jury service), during the state fiscal biennium beginning September 1, 2011, to reimburse a county the appropriate amount as provided in the General Appropriations Act for the reimbursement paid under Section 61.001 (Reimbursement of Expense of Jurors and Prospective Jurors) to a person who reports for jury service in response to the process of a court for each day or fraction of each day after the first day in attendance in court in response to the process.

(a-2) Provides that this subsection and Subsections (a-1) and (e-1) expire September 1, 2013.

(e-1) Authorizes the comptroller, notwithstanding Subsection (e) (requiring the comptroller to pay the balance owed to the county when sufficient money is available or carry forward the balance owed to the county and pay the balance when the next payment is required if a payment on a county's claim for reimbursement is reduced or if a county fails to file the claim in a timely manner), during the state fiscal biennium beginning September 1, 2011, if a payment on a county's claim for reimbursement is reduced under Subsection (d) (requiring the comptroller to apportion the available money among the counties in a certain manner if sufficient money is not available to satisfy the claims for reimbursement filed by counties under this section), or if a county fails to file the claim for reimbursement in a timely manner, to, as provided by rule, apportion the payment of the balance owed the county. Authorizes the comptroller's rules to permit a different rate of reimbursement for each quarterly payment under Subsection (c) (requiring the comptroller to pay claims for reimbursement under this section quarterly to the county treasury of each county that filed a claim from certain collections and deposited in the jury service fund).

ARTICLE 51. COLLECTION IMPROVEMENT PROGRAM

SECTION 51.01. Amends Subsections (f), (h), (i), and (j), Article 103.0033, Code of Criminal Procedure, as follows:

(f) Requires OCA, rather than requires the comptroller in cooperation with OCA, to develop a methodology for determining the collection rate of counties and municipalities described by Subsection (e) (requiring OCA not later than June 1 of each year to identify those counties and municipalities that have not implemented a program and are able to implement a program before April 1 of the following year) before implementation of a program. Requires OCA to determine the rate for each county and municipality not later than the first anniversary of the county's or municipality's adoption of a program. Makes a conforming change.

(h) Authorizes OCA, rather than authorizes OCA in consultation with the comptroller, to:

(1) use case dispositions, population, revenue data, or other appropriate measures to develop a prioritized implementation schedule for programs; and

(2) determine whether it is not cost-effective to implement a program in a county or municipality and grant a waiver to the county or municipality.

(i) Requires each county and municipality to at least annually submit to OCA a written report that includes updated information regarding the program, as determined by the office. Requires that the report be in a form approved by OCA. Makes conforming changes.

(j) Requires OCA to periodically audit counties and municipalities to verify information reported under Subsection (i) and confirm that the county or municipality is conforming with requirements relating to the program. Deletes existing text requiring the comptroller to consult with OCA in determining how frequently to conduct audits under this section. Makes conforming changes.

SECTION 51.02. Amends Section 133.058(e), Local Government Code, as follows:

(e) Prohibits a municipality or county from retaining a service fee if, during an audit under Article 103.0033(j) (relating to comptroller audits), Code of Criminal Procedure, rather than under Section 133.059 (Audit) of this code, OCA determines that the municipality or county is not in compliance with Article 103.0033 (Collection Improvement Program), Code of Criminal Procedure. Authorizes the municipality or county to continue to retain a service fee under this section on receipt of a written confirmation from OCA that the municipality or county is in compliance with Article 103.0033, Code of Criminal Procedure. Makes conforming changes.

SECTION 51.03. Amends Section 133.103(c-1), Local Government Code, as follows:

(c-1) Requires the treasurer to send 100 percent of the fees collected under this section to the comptroller if, during an audit under Article 103.0033(j), Code of Criminal Procedure, OCA determines that the municipality or county is not in compliance with Article 103.0033, Code of Criminal Procedure. Requires the municipality or county to continue to dispose of fees as otherwise provided by this section on receipt of a written confirmation from OCA that the municipality or county is in compliance with Article 103.0033, Code of Criminal Procedure. Makes conforming changes.

ARTICLE 52. CORRECTIONAL MANAGED HEALTH CARE

SECTION 52.01. Amends Section 501.133(a), Government Code, as follows:

(a) Provides that the Correctional Managed Health Care Committee (committee) consists of five voting members and one nonvoting member, rather than consists of nine members appointed, as follows:

(1) one member employed full-time by DPS, appointed by the executive director, rather than two members employed full-time by DPS, at least one of whom is a physician;

(2) one member who is a physician and employed full-time by The University of Texas Medical Branch at Galveston, appointed by the president of the medical branch;

(3) one member who is a physician and employed full-time by the Texas Tech University Health Sciences Center, appointed by the president of the university;

(4) two public members, rather than three, appointed by the governor who are not affiliated with DPS or with any entity with which the committee has contracted to provide health care services under this chapter, at least one, rather than two, of whom is licensed to practice medicine in this state; and

(5) the state Medicaid director, to serve ex officio as a nonvoting member.

SECTION 52.02. Amends Section 501.135(b), Government Code, to prohibit a person from being an appointed member of the committee and from being a committee employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.) and its subsequent amendments if the person is an officer, employee, or paid consultant of a Texas trade association in the field of health care or health care services; or the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of health care or health care services.

SECTION 52.03. Amends Section 501.136, Government Code, as follows:

Sec. 501.136. New heading: TERMS OF OFFICE FOR PUBLIC MEMBERS. Provides that committee members appointed by the governor serve staggered four-year terms, rather than six-year terms, with the term of one of those members expiring on February 1 of each odd-numbered year.

SECTION 52.04. Amends Section 501.147, Government Code, as follows:

Sec. 501.147. New heading: DEPARTMENT AUTHORITY TO CONTRACT. (a) Authorizes TDCJ to enter into a contract to fully implement the managed health care plan under this subchapter, rather than authorizes the committee to enter into a contract on behalf of TDCJ.

(b) Authorizes TDCJ to contract with other governmental entities for similar health care services and integrate those services into the managed health care provider network. Deletes existing text providing that in addition to providing services to TDCJ contract with other governmental entities for similar health care services and integrate those services into the managed health care provider network.

(c) Requires TDCJ, to the extent possible, in contracting for implementation of the managed health care plan, to integrate the managed health care provider network with the public medical schools of this state and the component and affiliated hospitals of those medical schools.

(d) Requires TDCJ, for services that the public medical schools and their components and affiliates cannot provide, to initiate a competitive bidding process for contracts with other providers for medical care to persons confined by TDCJ.

(e) Authorizes TDCJ, in cooperation with the committee, to contract with an individual or firm for a biennial review of, and report concerning, expenditures under the managed health care plan. Requires that a review be conducted by an individual or firm experienced in auditing the state's Medicaid expenditures and other medical expenditures. Requires TDCJ, not later than September 1 of each even-numbered year, to submit a copy of a report under this section to the health care providers that are part of the managed health care provider network established under this subchapter, LBB, the governor, the lieutenant governor, and the speaker of the house of representatives.

SECTION 52.05. Amends Section 501.148(a), Government Code, as follows:

(a) Authorizes, rather than requires, the committee to:

(1) develop statewide policies for the delivery of correctional health care;

(2) communicate with TDCJ and the legislature regarding the financial needs of the correctional health care system, rather than maintain contracts for health care services in consultation with the department and the health care providers;

(3) in conjunction with TDCJ monitor the expenditures of The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center to ensure that those expenditures comply with applicable statutory and contractual requirements; rather than allocate funding made available through legislative appropriations for correctional health care;

(4) serve as a dispute resolution forum in the event of a disagreement relating to inmate health care services between TDCJ and the health care providers, or The University of Texas Medical Branch at Galveston and the Texas Tech University Health Sciences Center;

(5) address problems found through monitoring activities by the department and health care providers, including requiring corrective action if care does not meet expectations as determined by those monitoring activities;

(6) identify and address long-term needs of the correctional health care system; and

(7) report to the Texas Board of Criminal Justice at the board's regularly scheduled meeting each quarter on the committee's policy recommendations, rather than decisions, the financial status of the correctional health care system, and corrective actions taken by or required of TDCJ or the health care providers.

SECTION 52.06. (a) Abolishes the committee established under Section 501.133, Government Code, as that section existed before amendment by this article, effective November 30, 2011.

(b) Requires an appointing official under Section 501.133, Government Code, to appoint the members of the committee under Section 501.133, Government Code, as amended by this Act, not later than November 30, 2011. Requires the governor to appoint one public member to serve a term that expires February 1, 2013, and one public member to serve a term that expires February 1, 2015.

(c) Provides that the term of a person who is serving as a member of the committee immediately before the abolition of that committee under Subsection (a) of this section expires on November 30, 2011. Provides that such a person is eligible for appointment by an appointing official to the new committee under Section 501.133, Government Code, as amended by this article.

ARTICLE 53. GENERAL HOUSING MATTERS

SECTION 53.01. Amends Section 481.078, Government Code, by amending Subsection (c) and adding Subsection (d-1), as follows:

(c) Authorize the Texas Enterprise Fund (TEF), except as provided by Subsections (d) (authorizing TEF to be temporarily used by the comptroller for cash management purposes) and (d-1), to be used only for economic development, infrastructure development, community development, job training programs, and business incentives. Makes a nonsubstantive change.

(d-1) Authorizes TEF to be used for the Texas homeless housing and services program administered by the Texas Department of Housing and Community Affairs (TDHCA). Provides that Subsections (e-1) (relating to requirements for entity to become eligible), (f) (relating to written agreements between the governor and entities), (g) (relating to provision of grant agreements), (h) (relating to performance targets set by the governor), (i) (relating to information submitted regarding the attainment of set performance targets), and (j) (relating to repayment of grant) and Section 481.080 (Economic and

Fiscal Impact Statement for Certain Grant Proposals) do not apply to a grant awarded for a purpose specified by this subsection.

(d-2) Requires the governor, notwithstanding Subsection (e), during the state fiscal biennium that begins on September 1, 2011, to use not less than \$10 million from TEF for grants described by Subsection (d-1). Provides that this subsection expires September 1, 2013.

SECTION 53.02. Amends Section 481.079, Government Code, by adding Subsection (a-1), to require that a report, for grants awarded for a purpose specified by Section 481.078(d-1), include only the amount and purpose of each grant.

SECTION 53.03. Amends Subchapter K, Chapter 2306, Government Code, by adding Section 2306.2585, as follows:

Sec. 2306.2585. HOMELESS HOUSING AND SERVICES PROGRAM. (a) Authorizes TDHCA to administer a homeless housing and services program in each municipality in this state with a population of 285,500 or more to:

(1) provide for the construction, development, or procurement of housing for homeless persons; and

(2) provide local programs to prevent and eliminate homelessness.

(b) Authorizes TDHCA to adopt rules to govern the administration of the program, including rules that:

(1) provide for the allocation of any available funding; and

(2) provide detailed guidelines as to the scope of the local programs in the municipalities described by Subsection (a).

(c) Authorizes TDHCA to use any available revenue, including legislative appropriations, and shall solicit and accept gifts and grants for the purposes of this section. Requires TDHCA to use gifts and grants received for the purposes of this section before using any other revenue.

SECTION 53.04. Effective date, this article: upon passage or on the 91st day after the last day of the legislative session.

ARTICLE 54. UNIFORM GRANT AND CONTRACT MANAGEMENT

SECTION 54.01. Amends Section 783.004, Government Code, as follows:

Sec. 783.004. New heading: OFFICE OF THE COMPTROLLER. Provides that the office of the comptroller, rather than the governor's office, is the state agency for uniform grant and contract management.

SECTION 54.02. Amends Sections 783.005(a) and (b), Government Code, to make conforming changes.

SECTION 54.03. Amends Section 783.006, Government Code, to make conforming changes.

SECTION 54.04. Amends Section 783.007(d), Government Code, to make a conforming change.

SECTION 54.05. Amends Section 783.008(b), Government Code, to make a conforming change.

ARTICLE 55. FRANCHISE TAX APPLICABILITY AND EXCLUSIONS

SECTION 55.01. Amends Section 171.0001, Tax Code, by adding Subdivisions (1-a), (10-a), (10-b), and (11-b), to define "artist," "live entertainment event," "live event promotion services," and "qualified live event promotion company."

SECTION 55.02. Amends Section 171.0002(c), Tax Code, to redefine "taxable entity."

SECTION 55.03. Amends Section 171.1011, Tax Code, by adding Subsections (g-5) and (g-7), as follows:

(g-5) Requires a taxable entity that is a qualified live event promotion company to exclude from its total revenue, to the extent included under Subsection (c)(1)(A) (relating to reportable income), (c)(2)(A) (relating to reportable income), or (c)(3) (relating to taxable entities), a payment made to an artist in connection with the provision of a live entertainment event or live event promotion services.

(g-7) Requires a taxable entity that is a qualified courier and logistics company to exclude from its total revenue, to the extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), subcontracting payments made by the taxable entity to nonemployee agents for the performance of delivery services on behalf of the taxable entity. Defines, for purposes of this subsection, "qualified courier and logistics company."

SECTION 55.04. Provides that this article applies only to a report originally due on or after January 1, 2012.

SECTION 55.05. Effective date, this article: January 1, 2012.

ARTICLE 56. ENTERPRISE AND EMERGING TECHNOLOGY FUNDS

SECTION 56.01. Amends Section 481.078, Government Code, by amending Subsections (e) and (j) and adding Subsections (f-1), (f-2), and (h-1), as follows:

(e) Authorizes the governor to award money appropriated from the enterprise fund only with the prior approval of the lieutenant governor and speaker of the house of representatives, rather than only with the express written prior approval of the lieutenant governor and speaker of the house of representatives. Provides that, for purposes of this subsection, an award of money appropriated from the enterprise fund is considered disapproved by the lieutenant governor or speaker of the house of representatives if that officer does not approve the proposal to award the grant before the 91st day after the date of receipt of the proposal from the governor. Authorizes the lieutenant governor or the speaker of the house of representatives to extend the review deadline applicable to that officer for an additional 14 days by submitting a written notice to that effect to the governor before the expiration of the initial review period.

(f-1) Requires that a grant agreement contain a provision requiring the creation of a minimum number of jobs in this state, and specifying the date by which the recipient intends to create those jobs.

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

(h-1) Requires the governor, at least 14 days before the date the governor intends to amend a grant agreement, to notify and provide a copy of the proposed amendment to the speaker of the house of representatives and the lieutenant governor.

(j) Requires that repayment of a grant under Subsection (f)(1)(A) be prorated to reflect a partial attainment of job creation performance targets, and is authorized to be prorated for a partial attainment of other performance targets. Deletes existing text authorizing

repayment of a grant under Subsection (f)(1)(A) to be prorated to reflect a partial attainment of performance targets.

SECTION 56.02. Amends Sections 490.005(a) and (b), Government Code, as follows:

(a) Requires the governor, not later than January 31 of each year, to submit to the lieutenant governor, the speaker of the house of representatives, and the standing committee of each house of the legislature with primary jurisdiction over economic development matters and post on the office of the governor's Internet website a report that includes certain information regarding awards made under the Texas emerging technology fund (emerging technology fund) during each preceding state fiscal year. Deletes existing text requiring the governor, not later than January 1 of each year, to submit to the legislature and post on the office of the governor's Internet website a report that includes certain information regarding the emerging technology fund for the preceding three state fiscal years.

(b) Requires that the annual report also contain:

(1) the total number of jobs actually created by each project receiving funding under this chapter;

(2) an analysis of the number of jobs actually created by each project receiving funding under this chapter; and

(3) a brief description regarding:

(A) the methodology used to determine the information provided under Subdivisions (1) and (2), which may be developed in consultation with the comptroller's office;

(B) the intended outcomes of projects funded under Subchapter D (Incentives for Commercialization Activities) during each preceding state fiscal year; and

(C) the actual outcomes of all projects funded under Subchapter D during each preceding state fiscal year, including any financial impact on the state resulting from a liquidity event involving a company whose project was funded under that subchapter.

Deletes existing text requiring that the annual report also contain a brief description regarding the intended outcomes of projects funded under Subchapter D during the preceding two state fiscal years, and the actual outcomes of all projects funded under Subchapter D during the emerging technology fund's existence, including any financial impact on the state resulting from a liquidity event involving a company whose project was funded under that subchapter. Makes nonsubstantive changes.

SECTION 56.03. Amends Subchapter A, Chapter 490, Government Code, by adding Section 490.006, as follows:

Sec. 490.006. VALUATION OF INVESTMENTS; INCLUSION IN ANNUAL REPORT. Requires the office of the governor, to the maximum extent practicable, to annually perform a valuation of the equity positions taken by the governor, on behalf of the state, in companies receiving awards under the emerging technology fund and of other investments made by the governor, on behalf of the state, in connection with an award under the emerging technology fund. Requires that the valuation:

(1) be based on a methodology that:

(A) may be developed in consultation with the comptroller's office; and

(B) is consistent with generally accepted accounting principles; and

(2) be included with the annual report required under Section 490.005 (Annual Report).

SECTION 56.04. Amends the heading to Section 490.052, Government Code, to read as follows:

Sec. 490.052. APPOINTMENT TO COMMITTEE; NOMINATIONS.

SECTION 56.05. Amends Section 490.052, Government Code, by amending Subsection (a) and adding Subsections (a-1) and (a-2), as follows:

(a) Requires the governor to appoint to the Texas Emerging Technology Advisory Committee (TETAC) 13 individuals nominated as provided by Subsection (b) (relating to authorizing certain persons to nominate certain individuals for appointment to TETAC).

(a-1) Requires the lieutenant governor to appoint two individuals to TETAC.

(a-2) Requires the speaker of the house of representatives to appoint two individuals to TETAC.

SECTION 56.06. Amends Subchapter B, Chapter 490, Government Code, by adding Section 490.0521, as follows:

Sec. 490.0521. FINANCIAL STATEMENT REQUIRED. (a) Requires each member of TETAC to file with the office of the governor a verified financial statement complying with Sections 572.022 (Reporting Categories; Required Descriptions), 572.023 (Contents of Financial Statement in General), 572.024 (Information About Services for Lobbyists or Lobbyist Employers), 572.025 (Information About Legislators' Representation Before Executive State Agencies), 572.0251 (Information About Legislative Continuances), and 572.0252 (Information About Referrals) as is required of a state officer by Section 572.021 (Financial Statement Required).

(b) Provides that all information obtained and maintained pursuant to Subsection (a), including information derived from the financial statements, is confidential and is not subject to disclosure under Chapter 552 (Public Information).

(c) Requires the governor, on request or in the normal course of official business, to provide information that is confidential under Subsection (b) to the state auditor's office.

(d) Provides that this section does not affect release of information for legislative purposes pursuant to Section 552.008 (Information for Legislative Purposes).

SECTION 56.07. Amends Section 490.054, Government Code, as follows:

Sec. 490.054. TERMS. (a) Creates this subsection from existing text. Provides that members of TETAC appointed by the governor serve staggered two-year terms, subject to the pleasure of the governor.

(b) Provides that members of TETAC appointed by the lieutenant governor or the speaker of the house of representatives serve two-year terms.

SECTION 56.08. Amends Section 490.056, Government Code, by adding Subsections (c), (d), and (e), as follows:

(c) Requires each entity recommended by TETAC for an award of money from the emerging technology fund as provided by this chapter to obtain and provide the following information to the office of the governor:

- (1) a federal criminal history background check for each principal of the entity;
- (2) a state criminal history background check for each principal of the entity;
- (3) a credit check for each principal of the entity;
- (4) a copy of a government-issued form of photo identification for each principal of the entity; and
- (5) information regarding whether the entity or a principal of the entity has ever been subject to a sanction imposed by the Securities and Exchange Commission for a violation of applicable federal law.

(d) Defines "principal" for purposes of Subsection (c), to mean an officer of an entity, or a person who has at least a 10 percent ownership interest in an entity.

(e) Requires the governor, with each proposal to award funding submitted by the governor to the lieutenant governor and speaker of the house of representatives for purposes of obtaining prior approval, to provide each officer with a copy of the information provided by the appropriate entity under Subsection (c).

SECTION 56.09. Amends Section 490.057, Government Code, as follows:

Sec. 490.057. CONFIDENTIALITY. (a) Creates this subsection from existing text. Provides that, except as provided by Subsection (b), information collected by the governor's office, TETAC, or TETAC's advisory panels concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity being considered for, receiving, or having received an award from the emerging technology fund is confidential unless the individual or entity consents to disclosure of the information.

(b) Provides that the following information collected by the governor's office, TETAC, or TETAC's advisory panels under this chapter is public information and may be disclosed under Chapter 552:

- (1) the name and address of an individual or entity receiving or having received an award from the emerging technology fund;
- (2) the amount of funding received by an award recipient;
- (3) a brief description of the project that is funded under this chapter;
- (4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that has received an award from the emerging technology fund; and
- (5) any other information designated by the committee with the consent of the individual or entity receiving or having received an award from the emerging technology fund, as applicable; the governor; the lieutenant governor; and the speaker of the house of representatives.

SECTION 56.10. Amends Section 490.101, Government Code, by amending Subsection (f) and adding Subsection (f-1), as follows:

(f) Authorizes the governor to award money appropriated from the emerging technology fund only with the prior approval of the lieutenant governor and speaker of the house of

representatives, rather than only with the express written prior approval of the lieutenant governor and speaker of the house of representatives.

(f-1) Provides that for purposes of Subsection (f), an award of money appropriated from the emerging technology fund is considered disapproved by the lieutenant governor or speaker of the house of representatives if that officer does not approve the proposal to award funding before the 91st day after the date of receipt of the proposal from the governor. Authorizes the lieutenant governor or the speaker of the house of representatives to extend the review deadline applicable to that officer for an additional 14 days by submitting a written notice to that effect to the governor before the expiration of the initial review period.

SECTION 56.11. Amends Subchapter D, Chapter 490, Government Code, by adding Section 490.1521, as follows:

Sec. 490.1521. MINUTES OF CERTAIN MEETINGS. (a) Requires each regional center of innovation and commercialization established under Section 490.152 (Regional Centers of Innovation and Commercialization), including the Texas Life Science Center for Innovation and Commercialization, to keep minutes of each meeting at which applications for funding under this subchapter are evaluated. Requires that the minutes:

- (1) include the name of each applicant recommended by the regional center of innovation and commercialization to the committee for funding; and
- (2) indicate the vote of each member of the governing body of the regional center of innovation and commercialization, including any recusal by a member and the member's reason for recusal, with regard to each application reviewed.

(b) Requires each regional center of innovation and commercialization to retain a copy of the minutes of each meeting to which this section applies for at least three years.

SECTION 56.12. Amends Section 203.021, Labor Code, by adding Subsection (e), to prohibit money in the compensation fund from being transferred to TEF created under Section 481.078 (Texas Enterprise Fund), Government Code, or the emerging technology fund established under Section 490.101 (Texas Emerging Technology Fund), Government Code.

SECTION 56.13. Amends Section 204.123, Labor Code, as follows:

Sec. 204.123. New heading: TRANSFER TO SKILLS DEVELOPMENT FUND, TRAINING STABILIZATION FUND, AND COMPENSATION FUND. (a) Requires TWC, if, on September 1 of a year, TWC determines that the amount in the compensation fund will exceed 100 percent of its floor as computed under Section 204.061 (Ceiling and Floor of Compensation Fund) on the next October 1 computation date, to transfer from the holding fund created under Section 204.122 (Holding Fund):

- (1) during any state fiscal biennium beginning on or after September 1, 2007, 100 percent to the skills development fund created under Section 303.003 (Skills Development Fund), except that the amount transferred under this subdivision may not exceed the amount appropriated by the legislature to the skills development program strategies and activities in that biennium; and
- (2) Makes no changes to this subdivision.

Deletes existing text requiring TWC, if, on September 1 of a year, TWC determines that the amount in the compensation fund will exceed 100 percent of its floor as computed under Section 204.061 on the next

October 1 computation date, to transfer from the holding fund created under Section 204.122 (Holding Fund): from the first \$160 million deposited in the holding fund in any state fiscal biennium, during the state fiscal biennium ending August 31, 2007, 67 percent to TEF created under Section 481.078, Government Code, except that the amount transferred under this paragraph may not exceed the amount appropriated by the legislature to TEF in that biennium, and 33 percent to the skills development fund created under Section 303.003, except that the amount transferred under this paragraph may not exceed the amount appropriated by the legislature to the skills development program strategies and activities in that biennium; and during any state fiscal biennium beginning on or after September 1, 2007, 75 percent to TEF created under Section 481.078 (Texas Enterprise Fund), Government Code, except that the amount transferred under this paragraph may not exceed the amount appropriated by the legislature to TEF in that biennium, and percent to the skills development fund created under Section 303.003 (Skills Development Fund), except that the amount transferred under this paragraph may not exceed the amount appropriated by the legislature to the skills development program strategies and activities in that biennium; and any remaining amount in the holding fund after the distribution under Subdivision (1) to the training stabilization fund created under Section 302.101 (Training Stabilization Fund).

(b) Requires TWC to transfer any remaining balance in the holding fund to the skills development fund and the training stabilization fund in the manner prescribed by Subsection (a). Deletes existing text requiring TWC to transfer any remaining balance in the holding fund to TEF, the skills development fund, and the training stabilization fund in the percentages prescribed by Subsection (a).

SECTION 56.14. Amends Sections 302.101(b) and (c), Labor Code, as follows:

(b) Authorizes money in the training stabilization fund to be used in a year in which the amounts in the employment and training investment holding fund are insufficient to meet the legislative appropriation for that fiscal year for the skills development program strategies and activities, rather than for either TEF or the skills development program strategies and activities.

(c) Requires money in the training stabilization fund to be transferred to the skills development fund under Subsection (b) not later than September 30. Prohibits the amount transferred from the training stabilization fund from exceeding the amounts appropriated to the skills development program strategies and activities in the fiscal year in which the transfer is made. Deletes existing text requiring money in the training stabilization fund to be transferred to TEF and the skills development fund under Subsection (b) not later than September 30. Deletes existing text requiring that the transfer under Subsection (b) consist of transferring 67 percent of the money in the training stabilization fund to TEF and 33 percent of the money in the training stabilization fund to the skills development fund. Deletes existing text prohibiting the amount transferred from the training stabilization fund from exceeding the amounts appropriated to TEF and skills development program strategies and activities in the fiscal year in which the transfer is made.

SECTION 56.15. Provides that Sections 481.078(e) and 490.101(f), Government Code, as amended by this article, and Section 490.101(f-1), Government Code, as added by this article, apply only to a proposal for an award from TEF or emerging technology fund submitted by the governor to the lieutenant governor or speaker of the house of representatives for prior approval on or after the effective date of this article. Provides that a proposal submitted by the governor for prior approval before the effective date of this article is governed by the law in effect on the date the proposal was submitted for that approval, and the former law is continued in effect for that purpose.

SECTION 56.16. Provides that Section 481.078(j), Government Code, as amended by this article, and Sections 481.078(f-1) and (f-2), Government Code, as added by this article, apply only to a grant agreement that is entered into on or after the effective date of this article. Provides that a grant agreement that is entered into before the effective date of this article is governed by the law in effect on the date the agreement was entered into, and the former law is continued in effect for that purpose.

SECTION 56.17. (a) Provides that the terms of the members of TETAC serving immediately before the effective date of this article expire on the 91st day after the last day of the legislative session.

(b) Requires the governor, lieutenant governor, and speaker of the house of representatives, as soon as practicable after this article takes effect, to appoint members to TETAC established under Subchapter B (Texas Emerging Technology Advisory Committee), Chapter 490 (Funding for Emerging Technology), Government Code, in a manner that complies with that subchapter, as amended by this article.

(c) Requires the members appointed by the governor, at the first meeting of members of TETAC established under Subchapter B, Chapter 490, Government Code, as amended by this article, occurring on or after the 91st day after the last day of the legislative session, to draw lots to determine which six members will serve a term expiring September 1, 2012, and which seven members will serve a term expiring September 1, 2013.

ARTICLE 57. AD VALOREM TAXATION OF LAND USED TO RAISE OR KEEP BEES

SECTION 57.01. Amends Section 23.51(2), Tax Code, to redefine "agricultural use" to include the use of the land to raise or keep bees for pollination or for the production of human food or other tangible products having a commercial value, provided that the land used is not less than 5 or more than 20 acres.

SECTION 57.02. Provides that this article applies only to the appraisal of land for ad valorem tax purposes for a tax year that begins on or after the effective date of this Act.

ARTICLE 58. PLACE OF BUSINESS OF A RETAILER FOR SALES TAX PURPOSES

SECTION 58.01. Amends Section 321.002(a)(3), Tax Code, to redefine "place of business of the retailer."

SECTION 58.02. Effective date, this article: October 1, 2011.

ARTICLE 59. TEXAS FARM AND RANCH LANDS CONSERVATION PROGRAM

SECTION 59.01. Amends Section 183.059(b), Natural Resources Code, to delete existing text requiring that an application to receive a grant from the Texas farm and ranch lands conservation fund under this subchapter demonstrate that the applicant is able to match 50 percent of the amount of the grant being sought, considering that the Texas Farm and Ranch Lands Conservation Council may choose to allow a donation of part of the appraised value of the easement to be considered as in-kind matching funds and making nonsubstantive changes.

ARTICLE 60. CERTAIN CONTRIBUTION RATE COMPUTATIONS

SECTION 60.01. Amends Section 815.402, Government Code, by adding Subsections (a-1) and (h-1), as follows:

(a-1) Provides that notwithstanding Subsection (a)(1) (relating to collection of member contributions), if the state contribution to the retirement system is computed using a percentage less than 6.5 percent for the state fiscal year beginning September 1, 2011, the member's contribution is not required to be computed using a percentage equal to the percentage used to compute the state contribution for that biennium. Provides that this subsection expires September 1, 2012.

(h-1) Provides that notwithstanding Subsection (h) (relating to collection of member contributions), if the state contribution to the law enforcement and custodial officer supplemental retirement fund is computed using a percentage less than 0.5 percent for the state fiscal year beginning September 1, 2011, the member's contribution is not required to be computed using a percentage equal to the percentage used to compute the state contribution for that biennium. Provides that this subsection expires September 1, 2012.

ARTICLE 61. QUINQUENNIAL REPORTING OF CERTAIN INFORMATION FOR UNCLAIMED PROPERTY

SECTION 61.01. Amends Section 411.0111(a), Government Code, to require DPS, not later than June 1 of every fifth year, rather than not later of June 1 of each year, to provide to the comptroller, for the purpose of assisting the comptroller in the identification of persons entitled to unclaimed property reported to the comptroller, the name, address, social security number, date of birth, and driver's license or state identification number of each person about whom the department has such information in its records.

SECTION 61.02. Amends Section 811.010(a), Government Code, as added by Chapter 232 (S.B. 1589), Acts of the 81st Legislature, Regular Session, 2009, to require the Employees Retirement System of Texas (ERS), not later than June 1 of every fifth year, rather than not later of June 1 of each year, to provide to the comptroller, for the purpose of assisting the comptroller in the identification of persons entitled to unclaimed property reported to the comptroller, the name, address, social security number, and date of birth of each member, retiree, and beneficiary from ERS's records.

SECTION 61.03. Amends Section 821.010(a), Government Code, to require the Teacher Retirement System of Texas (TRS), not later than June 1 of every fifth year, rather than not later of June 1 of each year, to provide to the comptroller, for the purpose of assisting the comptroller in the identification of persons entitled to unclaimed property reported to the comptroller, the name, address, social security number, and date of birth of each member, retiree, and beneficiary from TRS's records.

SECTION 61.04. Amends Section 301.086(a), Labor Code, to require TWC, not later than June 1 of every fifth year, rather than not later of June 1 of each year, to provide to the comptroller, for the purpose of assisting the comptroller in the identification of persons entitled to unclaimed property reported to the comptroller, the name, address, social security number, and date of birth of each person about whom TWC has such information in its records.

SECTION 61.05. Requires DPS, ERS, TRS, and TWC to provide information to the comptroller as required by Sections 411.0111(a), 811.010(a), and 821.010(a), Government Code, and Section 301.086(a), Labor Code, as amended by this article, beginning in 2016.

ARTICLE 62. AD VALOREM TAXATION OF CERTAIN STORED PROPERTY

SECTION 62.01. Amends Section 11.253(a), Tax Code, by amending Subdivision (2) and adding Subdivisions (5) and (6), to redefine "goods-in-transit," and to define "bailee," "warehouse," and "public warehouse operator."

SECTION 62.02. Amends Section 11.253, Tax Code, by amending Subsections (e) and (h) and adding Subsections (j-1) and (j-2), as follows:

(e) Requires the chief appraiser, in determining the market value of goods-in-transit that in the preceding year were stored in this state, rather than in determining the market value of goods-in-transit that in the preceding year were assembled, stored, manufactured, processed, or fabricated in this state, to exclude the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were

brought into this state by the property owner or acquired by the property owner in this state.

(h) Authorizes the chief appraiser by written notice delivered to a property owner who claims an exemption under this section to require the property owner to provide copies of property records so the chief appraiser can determine the amount and value of goods-in-transit and that the location in this state where the goods-in-transit were detained for storage, rather than detained for storage assembling, storing, manufacturing, processing, or fabricating purposes, was not owned by or under the control of the owner of the goods-in-transit.

(j-1) Prohibits a taxing unit, notwithstanding Subsection (j) (relating to tangible personal property in transit) or official action that was taken under that subsection before October 1, 2011, to tax goods-in-transit exempt under Subsection (b) (relating to providing that a person is entitled to an exemption from taxation of the appraised value of that portion of the person's property that consists of goods-in-transit) and not exempt under other law, from taxing such goods-in-transit in a tax year that begins on or after January 1, 2012, unless the governing body of the taxing unit takes action on or after October 1, 2011, in the manner required for official action by the governing body, to provide for the taxation of the goods-in-transit. Requires that the official action to tax the goods-in-transit be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Requires the governing body of the taxing unit, before acting to tax the exempt property, to conduct a public hearing as required by Section 1-n(d) (relating to authorization to exempt from ad valorem taxation tangible personal property), Article VIII (Taxation and Revenue), Texas Constitution. Provides that if the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. Provides that the goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(j-2) Authorizes the tax officials of the taxing unit, notwithstanding Subsection (j-1) to continue to impose the taxes against the goods-in-transit until the debt is discharged, if under Subsection (j) the governing body of a taxing unit, before October 1, 2011, took action to provide for the taxation of goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt of the taxing unit, if cessation of the imposition would impair the obligation of the contract by which the debt was created.

SECTION 62.03. Provides that Section 11.253(a)(2), Tax Code, as amended by this article, applies only to an ad valorem tax year that begins on or after January 1, 2012.

SECTION 62.04. (a) Effective date, this article, except as provided by Subsection (b) of this section: January 1, 2012.

(b) Effective date, Section 63.02 of this article: October 1, 2011.

ARTICLE 63. FISCAL MATTERS CONCERNING ADVANCED PLACEMENT

SECTION 63.01. Amends Section 28.053(h), Education Code, as follows:

(h) Authorizes the commissioner of education to enter into agreements with the College Board and Educational Testing Service (college board) and the International Baccalaureate Organization to pay for all examinations taken by eligible public school students. Provides that an eligible student is a student who:

(1) takes a college advanced placement or international baccalaureate course at a public school or who is recommended by the student's principal or teacher to take the test; and

(2) demonstrates financial need as determined in accordance with guidelines adopted by the State Board of Education that are consistent with the definition of financial need adopted by the college board or the International Baccalaureate Organization.

Makes nonsubstantive changes.

ARTICLE 64. FISCAL MATTERS CONCERNING TUITION EXEMPTIONS

SECTION 64.01. Amends Section 54.214(c), Education Code, as follows:

(c) Requires a person, to be eligible for an exemption under this section, to meet certain criteria, including to be enrolled at the institution of higher education granting the exemption in courses required for teacher certification in one or more subject areas determined by TEA to be experiencing a critical shortage of teachers at the public schools in this state. Deletes existing text requiring a person to be enrolled in courses required for teacher certification at the institution of higher education granting the exemption, to be eligible for an exemption under this section.

SECTION 64.02. Provides that the change in law made by this article applies beginning with tuition and fees charged for the 2011 fall semester. Provides that tuition and fees charged for a term or semester before the 2011 fall semester are covered by the law in effect during the term or semester for which the tuition and fees are charged, and the former law is continued in effect for that purpose.

ARTICLE 65. FISCAL MATTERS CONCERNING DUAL HIGH SCHOOL AND JUNIOR COLLEGE CREDIT

SECTION 65.01. Amends Section 130.008(c), Education Code, to require that the contact hours attributable to the enrollment of a high school student in a course offered for joint high school and junior college credit under this section, excluding a course for which the student attending high school may receive course credit toward the physical education curriculum requirement under Section 28.002(a)(2)(C) (relating to requiring a school district to offer, as a required curriculum, an enrichment curriculum that includes physical education), be included in the contact hours used to determine the junior college's proportionate share of the state money appropriated and distributed to public junior colleges under Sections 130.003 (State Appropriation for Public Junior Colleges) and 130.0031 (Transfers: When Made), even if the junior college waives all or part of the tuition or fees for the student under Subsection (b) (relating to authorizing a junior college to waive all or part of the tuition and fees for a high school student enrolled in a course for which the student may receive joint credit under this section).

SECTION 65.02. Provides that this article applies beginning with funding for the 2011 fall semester.

ARTICLE 66. CLASSIFICATION OF ENTITIES AS ENGAGED IN RETAIL TRADE FOR PURPOSES OF THE FRANCHISE TAX

SECTION 66.01. Amends Section 171.0001(12), Tax Code, to redefine "retail trade."

SECTION 66.02. Provides that this article applies only to a report originally due on or after the effective date of this Act.

SECTION 66.03. Effective date, this article: January 1, 2012.

ARTICLE 67. RETENTION OF CERTAIN FOUNDATION SCHOOL FUND PAYMENTS

SECTION 67.01. Amends Subchapter E, Chapter 42, Education Code, by adding Section 42.2511, as follows:

Sec. 42.2511. AUTHORIZATION FOR CERTAIN DISTRICTS TO RETAIN ADDITIONAL STATE AID. (a) Provides that this section applies only to a school district that was provided with state aid under former Section 42.2516 (Additional State Aid for Tax Reduction) for the 2009-2010 or 2010-2011 school year based on the amount of aid to which the district would have been entitled under that section if Section 42.2516(g) (relating to requiring the commissioner to reduce a school district's entitlement if a school district adopts certain tax rates), as it existed on January 1, 2009, applied to determination of the amount to which the district was entitled for that school year.

(b) Authorizes a district to which this section applies to retain the state aid provided to the district as described by Subsection (a), notwithstanding any other law.

(c) Provides that this section expires September 1, 2013.

SECTION 67.02. Provides that it is the intent of the legislature that the authorization provided by Section 42.2511, Education Code, as added by this article, to retain state aid described by that section is not affected by the expiration of that provision on September 1, 2013.

ARTICLE 68. THE STATE COMPRESSION PERCENTAGE

SECTION 68.01. Amends Section 42.2516, Education Code, by adding Subsection (b-2), as follows:

(b-2) Requires the commissioner, if a school district adopts a maintenance and operations tax rate that is below the rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, to reduce the district's entitlement under this section in proportion to the amount by which the adopted rate is less than the rate equal to the product of the state compression percentage multiplied by the rate adopted by the district for the 2005 tax year. Provides that the reduction required by this subsection applies beginning with the maintenance and operations tax rate adopted for the 2009 tax year.

ARTICLE 69. TEXAS GUARANTEED STUDENT LOAN CORPORATION; BOARD OF DIRECTORS

SECTION 69.01. Amends Sections 57.13(a) and (b), Education Code, as follows:

(a) Provides that the Texas Guaranteed Student Loan Corporation is governed by a board of nine directors (TGSLC board), rather than 11 directors, in accordance with this section.

(b) Requires the governor, with the advice and consent of the senate, to appoint the members of the TGSLC board, rather than 10 members to the TGSLC board, as follows:

(1) four, rather than five, members who must have knowledge of or experience in finance, including management of funds or business operations;

(2) one member who must be a student enrolled at a postsecondary educational institution for the number of credit hours required by the institution to be classified as a full-time student of the institution; and

(3) four members who must be members the faculty or administration of a postsecondary educational institution that is an eligible institution for purposes of the Higher Education Act of 1965, as amended, rather than four members who must be members the faculty or administration of an eligible postsecondary educational institution, as defined by Section 57.46 (Eligible Institutions).

SECTION 69.02. Amends Section 57.17, Education Code, as follows:

Sec. 57.17. OFFICERS. Requires the governor to designate the chairman from among the TGSLC board's membership. Requires the TGSLC board to elect from among its members a vice-chairman and other officers that the board considers necessary. Provides that the chairman and vice-chairman serve for a term of one year and are authorized to be redesignated or reelected, as applicable. Deletes existing text requiring the TGSLC board to elect a chairman from among its members. Makes nonsubstantive changes.

SECTION 69.03. Repealer: Section 57.13(d) (requiring the comptroller or the comptroller's designee to serve as an ex officio voting member of the board of directors of the Texas Guaranteed Student Loan Corporation), Education Code.

ARTICLE 70. FISCAL MATTERS CONCERNING LEASES OF PUBLIC LAND FOR MINERAL DEVELOPMENT

SECTION 70.01. Amends Sections 85.66(a) and (c), Education Code, as follows:

(a) Requires that the royalty or money as stipulated in the sale, if oil or other minerals are developed on any of the lands leased by the board of regents of The Texas A&M University System (TAMU board), be paid to the general land office (GLO) at Austin on or before the last day of each month for the preceding month during the life of the rights purchased, and be set aside as specified in Section 85.70, rather than being set aside in the state treasury as specified in Section 85.70 of this code.

(c) Requires the commissioner of GLO to tender to the TAMU board on or before the 10th day of each month a report of all receipts that are collected from the lease or sale of oil, gas, sulphur, mineral ore, and other minerals and that are deposited, as provided by Section 85.70 during the preceding month, rather than requiring the commissioner of GLO to tender to the TAMU board on or before the 10th day of each month a report of all receipts from the lease or sale of oil, gas, sulphur, mineral ore, and other minerals turned into the state treasury, as provided by Section 85.70 of this code, of the preceding month.

SECTION 70.02. Amends Section 85.69, Education Code, to require that payments under this subchapter be made to the commissioner of GLO, who is required to transmit to the TAMU board, rather than the comptroller, all royalties, lease fees, rentals for delay in drilling or mining, and all other payments, including all filing assignments and relinquishment fees, to be deposited as provided by Section 85.70. Makes conforming changes.

SECTION 70.03. Amends Section 85.70, Education Code, as follows:

Sec. 85.70. CERTAIN MINERAL LEASES; DISPOSITION OF MONEY; SPECIAL FUNDS; INVESTMENT. (a) Requires that except as provided by Subsection (c), all money received under and by virtue of this subchapter be deposited in a special fund managed by the TAMU board to be known as The Texas A&M University System special mineral investment fund, rather than requiring that except as provided by Subsection (c) of this section, all money received under and by virtue of this subchapter be deposited in the state treasury to the credit of a special fund to be known as The Texas A&M University System special mineral investment fund. Provides that money in the fund is considered to be institutional funds, as defined by Section 51.009 (Defining and Accounting for Certain Income), of the system and its component institutions. Authorizes the special fund to be invested so as to produce income which may be expended under the direction of the board for the general use of any component of The Texas A&M University System, including erecting permanent improvements and in payment of expenses incurred in connection with the administration of this subchapter. Authorizes the unexpended income likewise to be invested as provided by this section. Deletes existing text authorizing the board of regents of The Texas A&M University System, with the approval of the comptroller, to appoint one or more commercial banks, depository trust companies, or other entities to serve as custodian or custodians of the special mineral investment fund's securities with authority to hold the money realized

from those securities pending completion of an investment transaction if the money held is reinvested within one business day of receipt in investments determined by the board of regents. Deletes existing text requiring that money not reinvested within one business day of receipt be deposited in the state treasury not later than the fifth day after the date of receipt. Makes nonsubstantive changes.

(b) Requires that the income from the investment of the special mineral investment fund created by Subsection (a) be deposited in a fund managed by the board to be known as The Texas A&M University System special mineral income fund, and is considered to be institutional funds, as defined by Section 51.009, of the system and its component institutions, rather than requiring that the income from the investment of the special mineral investment fund under Subsection (a) of this section be deposited to the credit of a fund to be known as The Texas A&M University System Special Mineral Income Fund, and be appropriated by the legislature exclusively for the university system for the purposes herein provided.

(c) Requires that any money received by the board concerning such land under this subchapter be deposited in a special fund managed by the TAMU board to be known as the Texas A&M University--Kingsville special mineral fund, rather than being deposited in the state treasury to the credit of a special fund to be known as the Texas A&M University--Kingsville special mineral fund. Provides that money in the fund is considered to be institutional funds, as defined by Section 51.009, of the university and is to be used exclusively for the university and its branches and divisions, rather than for Texas A&M University--Kingsville and its branches and divisions. Deletes existing text prohibiting money from being expended from this fund except as authorized by the general appropriations act.

(d) Requires that all deposits in and investments of the fund under this section be made in accordance with Section 51.0031 (Deposits and Investments).

(e) Provides that Section 34.017 (Special Mineral Funds), Natural Resources Code, does not apply to funds created by this section.

SECTION 70.04. Amends Section 95.36(b), Education Code, as follows:

(b) Requires that any money received by virtue of this section and the income from the investment of such money, except as provided in Subsection (c) (relating to management and lease of land) of this section, be deposited in a special fund managed by the board of regents of the Texas State University System to be known as the Texas State University System special mineral fund, rather than being deposited in the State Treasury to the credit of a special fund to be known as the Texas State University System special mineral fund. Provides that money in the fund is considered to be institutional funds, as defined by Section 51.009, of the system and its component institutions and is, to be used exclusively for those entities. Requires that all deposits in and investments of the fund be made in accordance with Section 51.0031. Provides that Section 34.017, Natural Resources Code, does not apply to the fund. Deletes existing text providing that Section 34.017, Natural Resources Code, does not apply to the university system and the universities in the system. Deletes existing text prohibiting no money from ever being expended from this fund except as authorized by the General Appropriations Act.

SECTION 70.05. Amends Section 109.61(b), Education Code, to require that any money received by virtue of this section be deposited in a special fund managed by the board of regents of the Texas Tech University System to be known as the Texas Tech University special mineral fund. Makes conforming changes.

SECTION 70.06. Amends Sections 109.75(a) and (c), Education Code, as follows:

(a) Requires that the royalty payments be set aside as specified in Section 109.61 (Mineral Leases; Disposition of Proceeds) and used as provided in that section, rather than being set aside in the state treasury as specified in Section 109.61 of this code and used as provided in that section.

(c) Requires the commissioner of GLO to tender to the board of regents of the Texas Tech University System (TTU board) on or before the 10th day of each month a report of all receipts that are collected from the lease or sale of oil, gas, sulphur, or other minerals and that are deposited in the special fund as provided by Section 109.61 during the preceding month, rather than requiring the commissioner of GLO to tender to the TTU board on or before the 10th day of each month a report of all receipts from the lease or sale of oil, gas, sulphur, or other minerals turned into the special fund in the state treasury during the preceding month.

SECTION 70.07. Amends Section 109.78(b), Education Code, to require the commissioner of GLO to transmit all payments received to the TTU board, rather than to the comptroller, for deposit to the credit of the Texas Tech University special mineral fund as provided by Section 109.61.

SECTION 70.08. Repealer: Section 85.72 (Expenses of Executing this Subchapter), Education Code.

SECTION 70.09. Effective date, this article: September 1, 2011.

ARTICLE 71. FOUNDATION SCHOOL PROGRAM FINANCING; CERTAIN TAX INCREMENT FUND REPORTING MATTERS

SECTION 71.01. (a) Provides that this section applies only to a school district that, before May 1, 2011, received from the commissioner of education a notice of a reduction in state funding for the 2004-2005, 2005-2006, 2006-2007, 2007-2008, and 2008-2009 school years based on the district's reporting related to deposits of taxes into a tax increment fund under Chapter 311 (Tax Increment Financing Act), Tax Code.

(b) Requires the commissioner of education, notwithstanding any other law, including Section 42.302(b)(2) (relating to allotment) Education Code, to reduce by one-half the amounts of the reduction of entitlement amounts computed for purposes of adjusting entitlement amounts to account for taxes deposited into a tax increment fund for any of the school years described by Subsection (a) of this section.

(c) Provides that this section expires September 1, 2013.

ARTICLE 72. FISCAL MATTERS RELATING TO PUBLIC SCHOOL FINANCE

SECTION 72.01. Amends Section 12.106, Education Code, by amending Subsection (a) and adding Subsection (a-3), effective September 1, 2011, as follows:

(a) Entitles a charter holder to receive for the open-enrollment charter school funding under Chapter 42 (Foundation School Program) equal to the greater of:

(1) the percentage specified by Section 42.2516(i) (repealed) multiplied by the amount of funding per student in weighted average daily attendance, excluding enrichment funding under Sections 42.302(a-1)(2) (relating to funds for the district's maintenance and operations tax effort that exceeds a certain level) and (3), as they existed on January 1, 2009, that would have been received for the school during the 2009-2010 school year under Chapter 42 as it existed on January 1, 2009, and an additional amount of the percentage specified by Section 42.2516(i) multiplied by \$120 for each student in weighted average daily attendance; or

(2) the amount of funding per student in weighted average daily attendance, excluding enrichment funding under Section 42.302(a) (relating to allotment), to which the charter holder would be entitled for the school under Chapter 42 if the school were a school district without a tier one local share for purposes of Section 42.253 (Distribution of Foundation School Fund) and without any local revenue for purposes of Section 42.2516 (Additional State Aid for Tax Reduction).

(a-3) Requires the commissioner of education, in determining funding for an open-enrollment charter school under Subsection (a), to apply the regular program adjustment factor provided under Section 42.101 (Basic Allotment) to calculate the regular program allotment to which a charter school is entitled.

SECTION 72.02. Amends Section 12.106(a), Education Code, effective September 1, 2017, as follows:

(a) Entitles a charter holder to receive for the open-enrollment charter school funding under Chapter 42 equal to the amount of funding per student in weighted average daily attendance, excluding enrichment funding under Section 42.302(a), to which the charter holder would be entitled for the school under Chapter 42 if the school were a school district without a tier one local share for purposes of Section 42.253. Deletes existing text relating to the amount of funding per student in weighted average daily attendance, excluding enrichment funding under Sections 42.302(a-1)(2) and (3), as they existed on January 1, 2009, that would have been received for the school during the 2009-2010 school year under Chapter 42 as it existed on January 1, 2009, and an additional amount of \$120 for each student in weighted average daily attendance. Deletes existing text relating to the requirement to be without any local revenue for purposes of Section 12.2516.

SECTION 72.03. Amends Sections 21.402(a), (b), (c), and (c-1), and adding Subsection (i), Education Code, effective September 1, 2011, as follows:

(a) Requires a school district, except as provided by Subsection (d) (relating to entitling certain employees to a salary that is at least equal to the salary the employee received for the 2010-2011 school year) or (f) (relating to minimum salary levels for certain teachers or librarians), rather than except as provided by Subsection (d), (e) (relating to minimum monthly salary levels), or (f), to pay each classroom teacher, full-time librarian, full-time counselor certified under Subchapter B (Certification of Educators), or full-time school nurse not less than the minimum monthly salary, based on the employee's level of experience in addition to other factors, as determined by commissioner rule, determined by the formula set forth under this subsection.

(b) Requires the commissioner of education, not later than June 1 of each year, to determine the basic allotment and resulting monthly salaries to be paid by school districts as provided by Subsection (a), rather than determining the amount of state and local funds per weighted student available, for purposes of Subsection (a), to a district described by that subsection for the following school year.

(c) Sets forth the salary factors per step.

(c-1) Requires each school district, notwithstanding Subsections (a) and (b), to pay a monthly salary to each classroom teacher, full-time speech pathologist, full-time librarian, full-time counselor certified under Subchapter B, and full-time school nurse, that is at least equal to the following monthly salary or the monthly salary determined by the commissioner under Subsections (a) and (b), rather than requiring each school district, notwithstanding Subsection (a), from the 2009-2010 and 2010-2011 school years, to increase the monthly salary of each classroom teach, full-time speech pathologist, full-time librarian, full-time counselor certified under Subchapter B, and full time-school nurse. Sets forth the pay scale. Deletes existing text relating to \$80, or the maximum uniform amount that, when combined with any resulting increases in the amount of contributions made by the district for social security coverage for the specified employees

or by the district on behalf of the specified employees under Section 825.405 (Contributions Based on Compensation Above Statutory Minimum), Government Code, may be provided using an amount equal to the product of \$60 multiplied by the number of students in weighted average daily attendance in the school during the 2009-2010 school year.

(i) Requires the commissioner of education, not later than January 1, 2013, to submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each legislative standing committee with primary jurisdiction over primary and secondary education a written report that evaluates and provides recommendations regarding the salary schedule. Provides that this subsection expires September 1, 2013.

SECTION 72.04. Amends Section 21.402, Education Code, by amending Subsection (a) and adding Subsection (e-1), effective September 1, 2017, as follows:

(a) Requires a school district, except as provided by Subsection (d), (e-1), or (f), rather than except as provided by Subsection (d), (e), or (f), to pay each classroom teacher, full-time librarian, full-time counselor certified under Subchapter B, or full-time school nurse not less than the minimum monthly salary, based on the employee's level of experience in addition to other factors, as determined by commissioner rule, determined by the formula set forth under this subsection.

(e-1) Provides that if the minimum monthly salary determined under Subsection (a) for a particular level of experience is less than the minimum monthly salary for that level of experience in the preceding year, the minimum monthly salary is the minimum monthly salary for the preceding year.

SECTION 72.05. Amends Section 41.002(a), Education Code, to prohibit a school district from having a wealth per student that exceeds certain amounts, including where the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to a district with maintenance and operations tax revenue per cent of tax effort equal to the maximum amount provided per cent under Section 42.101(a) or (b), rather than under Section 42.101, for the district's maintenance and operations tax effort equal to or less than the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year.

SECTION 72.06. Amends the heading to Section 42.101, Education Code, to read as follows:

Sec. 42.101. BASIC AND REGULAR PROGRAM ALLOTMENTS.

SECTION 72.07. Amends Section 42.101, Education Code, by amending Subsections (a) and (b) and adding Subsections (c) and (c-1), as follows:

(a) Provides that the basic allotment is an amount equal to the lesser of \$4,765 or the amount that results from the formula set forth under this subsection. Deletes existing text entitling a district, for each student in average daily attendance, not including the time students spend each day in special education programs in an instructional arrangement other than mainstream or career and technology education programs, for which an additional allotment is made under Subchapter C (Special Allotments), to an allotment equal to the lesser of \$4,765 or the amount that results from formula.

(b) Authorizes a greater amount for any school year for the basic allotment under Subsection (a) to be provided by appropriation.

(c) Entitles a school district to a regular program allotment equal to the amount that results from the formula set forth under this subsection.

(c-1) Provides that notwithstanding Subsection (c), the regular program adjustment factor ("RPAF") is 0.9239 for the 2011-2012 school year and 0.98 for the 2012-2013 school year. Provides that this subsection expires September 1, 2013.

SECTION 72.08. Amends Section 42.105, Education Code, as follows:

Sec. 42.105. SPARSITY ADJUSTMENT. Replaces references to an adjusted basic allotment with references to a regular program allotment.

SECTION 72.09. Amends Section 42.251(a), Education Code, to provide that the sum of the regular program allotment, rather than basic allotment, under Subchapter B and the special allotments under Subchapter C, computed in accordance with this chapter, constitute the tier one allotments.

SECTION 72.10. Amends Subchapter E, Chapter 42, Education Code, by adding Section 42.2514, as follows:

Sec. 42.2514. ADDITIONAL STATE AID FOR TAX INCREMENT FINANCING PAYMENTS. Entitles a school district, including a school district that is otherwise ineligible for state aid under this chapter, for each school year, to state aid in an amount equal to the amount the district is required to pay into the tax increment fund for a reinvestment zone under Section 311.013(n) (relating to collection and deposit of tax increments), Tax Code.

SECTION 72.11. Amends Section 42.2516, Education Code, by amending Subsections (a), (b), (d), and (f-2) and adding Subsection (i), effective September 1, 2011, as follows:

(a) Redefines, in this title, rather than in this section, "state compression percentage."

(b) Entitles a school district that imposes a maintenance and operations tax at a rate at least equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, notwithstanding any other provision of this title, to at least the amount of state revenue necessary to provide the district with the sum of:

(1) the percentage specified by Subsection (i) of the amount, rather than the amount, as calculated under Subsection (e), of state and local revenue per student in weighted average daily attendance for maintenance and operations that the district would have received during the 2009-2010 school year under Chapter 41 (Equalized Wealth Level) and this chapter, as those chapters existed on January 1, 2009, at a maintenance and operations tax rate equal to the product of the state compression percentage for that year multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year;

(2) the percentage specified by Subsection (i) of an amount equal to the product of \$120 multiplied by the number of students in weighted average daily attendance in the district; and

(3) any amount to which the district is entitled under Section 42.106.

Deletes existing text relating to an amount equal to the amount the district is required to pay into the tax increment fund for a reinvestment zone under Section 311.013(n), Tax Code, in the current tax year. Makes nonsubstantive changes.

(d) Requires the commissioner of education, in determining the amount to which a district is entitled under Subsection (b)(1), to include certain factors, including the percentage specified by Subsection (i) of any amounts received by the district during the 2008-2009 school year under Rider 86, page III-23, Chapter 1428 (H.B. 1), Acts of the 80th Legislature, Regular Session, 2007 (the General Appropriations Act).

(f-2) Requires that the rules adopted by the commissioner under Subsection (f-1):

(1) require the commissioner to determine, as if this section did not exist, the effect under Chapter 41 and this chapter of a school district's action described by Subsection (f-1)(1), (2), (3), or (4) on the total state revenue to which the district would be entitled or the cost to the district of purchasing sufficient attendance credits to reduce the district's wealth per student to the equalized wealth level; and

(2) require an increase or reduction in the amount of state revenue to which a school district is entitled under Subsection (b)(1), rather than under Subsection (b), that is substantially equivalent to any change in total state revenue or the cost of purchasing attendance credits that would apply to the district if this section did not exist.

(i) Provides that the percentage to be applied for purposes of Subsections (b)(1) and (2) and Subsection (d)(1) is 100.00 percent for the 2011-2012 school year and 92.35 percent for the 2012-2013 school year. Requires the legislature by appropriation, for the 2013-2014 school year and each subsequent school year, to establish the percentage reduction to be applied.

SECTION 72.12. Amends the heading to Section 42.2516, Education Code, effective September 1, 2017, to read as follows:

Sec. 42.2516. STATE COMPRESSION PERCENTAGE.

SECTION 72.13. Amends Section 42.2516(a), Education Code, effective September 1, 2017, to redefine, in this title, rather than in this section, "state compression percentage."

SECTION 72.14. Amends Section 42.25161(a), Education Code, effective September 1, 2011, to require the commissioner of education to provide South Texas Independent School District with the amount of state aid necessary to ensure that the district receives an amount of state and local revenue per student in weighted average daily attendance that is at least the percentage specified by Section 42.2516(i) of \$120 greater than the amount the district would have received per student in weighted average daily attendance during the 2009-2010 school year under this chapter, as it existed on January 1, 2009, at a maintenance and operations tax rate equal to the product of the state compression percentage multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year, provided that the district imposes a maintenance and operations tax at that rate.

SECTION 72.15. Amends Subchapter E, Chapter 42, Education Code, by adding Section 42.2525, as follows:

Sec. 42.2525. ADJUSTMENTS FOR CERTAIN DEPARTMENT OF DEFENSE DISTRICTS. Provides that the commissioner of education is granted the authority to ensure that Department of Defense school districts do not receive more than an eight percent reduction should the federal government reduce appropriations to those schools.

SECTION 72.16. Amends Sections 42.253(h) and (i), Education Code, effective September 1, 2011, as follows:

(h) Requires the commissioner of education, if the legislature fails during the regular session to enact the proposed transfer and appropriation and there are not funds available under Subsection (j) (relating to authorizing the legislature to appropriate funds necessary for increases under Subsection (i) from funds that the comptroller, at any time during the fiscal year, finds are available), to adjust the total amounts due to each school district under this chapter and the total amounts necessary for each school district to comply with the requirements of Chapter 41 by an amount determined by applying to each district, including a district receiving funds under Section 42.2516, the same percentage adjustment so that the total amount of the adjustment to all districts results in an amount equal to the total adjustment necessary, rather than requiring the commissioner of

education, if the legislature fails during the regular session to enact the proposed transfer and appropriation and there are not funds available under Subsection (j), to reduce the total amount of state funds allocated to each district by an amount determined by a method under which the application of the same number of cents of increase in tax rate in all districts applied to the taxable value of property of each district, as determined under Subchapter M (Study of School District Property Values), Chapter 403 (Comptroller of Public Accounts), Government Code, results in a total levy equal to the total reduction. Provides that a school district is not entitled to reimbursement in a subsequent fiscal year of the amount resulting from the adjustment authorized by this subsection. Deletes existing text providing that the following fiscal year, a district's entitlement under this section is increased by an amount equal to the reduction made under this subsection.

(i) Requires the commissioner of education, not later than March 1 each year, to determine the actual amount of state funds to which each school district is entitled under the allocation formulas in this chapter for the current school year, as adjusted in accordance with Subsection (h), if applicable, and to compare that amount with the amount of the warrants issued to each district for that year.

SECTION 72.17. Amends Section 42.253(h), Education Code, effective September 1, 2017, as follows:

(h) Requires the commissioner of education, if the legislature fails during the regular session to enact the proposed transfer and appropriation and there are not funds available under Subsection (j), to adjust the total amounts due to each school district under this chapter and the total amounts necessary for each school district to comply with the requirements of Chapter 41 by an amount determined by applying to each district the same percentage adjustment so that the total amount of the adjustment to all districts results in an amount equal to the total adjustment necessary, rather than requiring the commissioner of education, if the legislature fails during the regular session to enact the proposed transfer and appropriation and there are not funds available under Subsection (j), to reduce the total amount of state funds allocated to each district by an amount determined by a method under which the application of the same number of cents of increase in tax rate in all districts applied to the taxable value of property of each district, as determined under Subchapter M, Chapter 403, Government Code, results in a total levy equal to the total reduction. Provides that a school district is not entitled to reimbursement in a subsequent fiscal year of the amount resulting from the adjustment authorized by this subsection. Deletes existing text providing that the following fiscal year, a district's entitlement under this section is increased by an amount equal to the reduction made under this subsection.

SECTION 72.18. Amends Section 42.258, Education Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Requires TEA, if a school district has received an overallocation of state funds, to, by withholding from subsequent allocations of state funds for the current or subsequent school year or by requesting and obtaining a refund, recover from the district an amount equal to the overallocation.

(a-1) Authorizes TEA, notwithstanding Subsection (a), to recover an overallocation of state funds over a period not to exceed the subsequent five school years if the commissioner of education determines that the overallocation was the result of exceptional circumstances reasonably caused by statutory changes to Chapter 41 or 46 (Assistance with Instructional Facilities and Payment of Existing Debt) or this chapter and related reporting requirements.

SECTION 72.19. Amends Section 42.260(b), Education Code, as follows:

(b) Requires the commissioner of education, for each year, to certify to each school district or participating charter school the amount of additional funds to which the district or school is entitled due to the increase made by H.B. No. 3343, Acts of the 77th

Legislature, Regular Session, 2001, to the equalized wealth level under Section 41.002 (Equalized Wealth Level), or the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302 (Allotment). Deletes existing text relating to additional state aid to which the district or school is entitled under Section 42.2513 (Additional State Aid for Staff Salary Increases). Makes nonsubstantive changes.

SECTION 72.20. Amends Section 44.004, Education Code, by adding Subsection (g-1), to provide that if the rate calculated under Subsection (c)(5)(A)(ii)(b) (relating to notice of budget and tax rate meeting) decreases after the publication of the notice required by this section, the president of the school district board of trustees is not required to publish another notice or call another meeting to discuss and adopt the budget and the proposed lower tax rate.

SECTION 72.21. Amends Section 26.05(a), Tax Code, to provide that the components are for a taxing unit other than a school district, the rate that, if applied to the total taxable value, will impose the total amount published under Section 26.04(e)(3)(C) (relating to requiring publication of a schedule of the unit's debt obligations), less any amount of additional sales and use tax revenue that will be used to pay debt service, or, for a school district, the rate calculated, rather than the rate published, under Section 44.004(c)(5)(A)(ii)(b), Education Code, and the rate that, if applied to the total taxable value, will impose the amount of taxes needed to fund maintenance and operation expenditures of the unit for the next year.

SECTION 72.22. Amends Section 26.08(i), Tax Code, effective September 1, 2017, as follows:

(i) Provides that, for purposes of this section, the effective maintenance and operations tax rate of a school district is the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, would provide the same amount of state funds distributed under Chapter 42, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year. Deletes existing text providing that for purposes of this section, the effective maintenance and operations tax rate of a school district is the tax rate that, applied to the current total value for the district, would impose taxes in an amount that, when added to state funds that would be distributed to the district under Chapter 42, Education Code, for the school year beginning in the current tax year using that tax rate, including state funds that will be distributed to the district in that school year under Section 42.2516, Education Code, would provide the same amount of state funds distributed under Chapter 42, Education Code, including state funds distributed under Section 42.2516, Education Code, and maintenance and operations taxes of the district per student in weighted average daily attendance for that school year that would have been available to the district in the preceding year if the funding elements for Chapters 41 and 42, Education Code, for the current year had been in effect for the preceding year.

SECTION 72.23. Amends Section 311.013(n), Tax Code, as follows:

(n) Provides that this subsection applies only to a school district whose taxable value computed under Section 403.302(d) (defining "taxable value"), Government Code, is reduced in accordance with Subdivision (4) (relating to the total dollar amount of any captured appraised value of property) of that subsection. Requires the district, in addition to the amount otherwise required to be paid into the tax increment fund, to pay into the fund an amount equal to the amount by which the amount of taxes the district would have been required to pay into the fund in the current year if the district levied taxes at the rate the district levied in 2005 exceeds the amount the district is otherwise required to pay into the fund in the year of the reduction. Prohibits this additional amount from exceeding the amount the school district receives in state aid for the current tax year under Section 42.2514, Education Code. Requires the school district to pay the

additional amount after the district receives the state aid to which the district is entitled for the current tax year under Section 42.2514, Education Code.

SECTION 72.24. Repealers, effective September 1, 2011: (1) Sections 21.402(c-2) (providing that an increase in salary for certain teachers does not include any amount received under the district's salary schedule for the 2008-2009 school year under certain circumstances or any part of the salary to which an employee is entitled under a contract with the district), (c-3) (providing that Subsections (c-1) and (c-2) expire September 1, 2011), and (e) (relating to determining the minimum monthly salary), Education Code;

(2) Section 42.008 (Limitation on Revenue Increases), Education Code; and

(3) Sections 42.101(a-1) (setting forth the applicability of the basic allotment formula under this section to certain school years) and (a-2) (providing that this subsection and Subsection (a-1) expire September 1, 2013), Education Code.

SECTION 72.25. (a) Repealers, effective September 1, 2017: (1) Section 41.0041 (Effect of Additional State Aid for Tax Reduction), Education Code;

(2) Sections 42.2516(b) (amended in Section 72.11 of this Act), (b-1) (relating to reducing or increasing the amount that a district is entitled to by a certain amount), (b-2) (added in Section 68.01 of this Act), (c) (relating to excluding enrichment revenue from the amount to which the district is entitled under this section), (d) (amended in Section 72.11 of this Act), (e) (relating to the commissioner's determination of the total amount of state and local revenue to which a district is entitled), (f) (relating to a district reducing its wealth per student under certain circumstances), (f-1) (relating to the commissioner adjusting the amount of state revenue to which a district is entitled based on the local revenue derived from maintenance and operations tax collections), (f-2) (amended in Section 72.11 of this Act), (f-3) (providing that a certain adjustment made by the commissioner is final and is prohibited from being appealed), and (i) (added in Section 72.11 of this Act), Education Code;

(3) Section 42.25161 (Additional State Aid for South Texas Independent School District), Education Code;

(4) Section 42.2523(c) (providing that additional funding provided by this section relating to adjustments made for property value affected by a state of disaster is in addition to the certain amount of revenue to which the district is entitled), Education Code;

(5) Section 42.2524(g) (providing that amounts provided in disaster remediation are in addition to the certain amount of revenue to which the district is entitled), Education Code;

(6) Section 42.253(c-1) (requiring certain amounts to be paid to the district at certain times), Education Code; and

(7) Section 42.261 (Certain Funds Appropriated for Purpose of Tax Reduction), Education Code.

(b) Repealers, effective September 1, 2017: Sections 26.08(i-1) (relating to consideration of changes in the amount of state funds from one school year to the next) and (j) (relating to computing the amount of state funds that would have been available to a district in the preceding year), Tax Code.

SECTION 72.26. (a) Requires the speaker of the house of representatives and the lieutenant governor to establish a joint legislative interim committee to conduct a comprehensive study of the public school finance system in this state.

(b) Requires the committee, not later than January 15, 2013, to make recommendations to the 83rd Legislature regarding changes to the public school finance system.

(c) Provides that the committee is dissolved on September 1, 2013.

SECTION 72.27. Provides that it is the intent of the legislature, between fiscal year 2014 and fiscal year 2018, to continue to reduce the amount of Additional State Aid For Tax Reduction (ASATR) to which a school district is entitled under Section 42.2516, Education Code, and to increase the basic allotment to which a school district is entitled under Section 42.101, Education Code.

SECTION 72.28. Provides that except as otherwise provided by this Act, the changes in law made by this Act to Chapter 42, Education Code, apply beginning with the 2011-2012 school year.

SECTION 72.29. Provides that the change in law made by Subsection (g-1), Section 44.004, Education Code, as added by this Act, applies beginning with adoption of a tax rate for the 2011 tax year.

ARTICLE 73. MIXED BEVERAGE TAX REIMBURSEMENTS

SECTION 73.01. Amends Section 183.051(b), Tax Code, effective September 1, 2013, as follows:

(b) Requires the comptroller to issue to each county described in Subsection (a) (relating to calculating the total amount of taxes received within each county and within each incorporated municipality in each county) a warrant drawn on the general revenue fund in an amount appropriated by the legislature that is prohibited from being less than, rather than being greater than, 10.7143 percent of receipts from permittees within the county during the quarter and to issue to each incorporated municipality described in Subsection (a) a warrant drawn on that fund in an amount appropriated by the legislature that is prohibited from being less than, rather than being greater than, 10.7143 percent of receipts from permittees within the incorporated municipality during the quarter.

ARTICLE 74. EFFECTIVE DATE

SECTION 74.01. Effective date, except as otherwise provided by this Act: September 1, 2011, or on the 91st day after the last day of the legislative session.