

By: Duncan, Shapiro

S.B. No. 1

A BILL TO BE ENTITLED

AN ACT

relating to certain state fiscal matters; providing penalties.

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

ARTICLE 1. FOUNDATION SCHOOL PROGRAM PAYMENTS

SECTION 1.01. Subsections (c), (d), and (f), Section 42.259, Education Code, are amended to read as follows:

(c) Payments from the foundation school fund to each category 2 school district shall be made as follows:

(1) 22 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of September of a fiscal year;

(2) 18 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of October;

(3) 9.5 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of November;

(4) 7.5 percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of April;

(5) five percent of the yearly entitlement of the district shall be paid in an installment to be made on or before the 25th day of May;

(6) 10 percent of the yearly entitlement of the

1 district shall be paid in an installment to be made on or before the  
2 25th day of June;

3 (7) 13 percent of the yearly entitlement of the  
4 district shall be paid in an installment to be made on or before the  
5 25th day of July; and

6 (8) 15 percent of the yearly entitlement of the  
7 district shall be paid in an installment to be made after the 5th  
8 day of September and not later than the 10th day of September of the  
9 calendar year following the calendar year of the payment made under  
10 Subdivision (1) [~~on or before the 25th day of August~~].

11 (d) Payments from the foundation school fund to each  
12 category 3 school district shall be made as follows:

13 (1) 45 percent of the yearly entitlement of the  
14 district shall be paid in an installment to be made on or before the  
15 25th day of September of a fiscal year;

16 (2) 35 percent of the yearly entitlement of the  
17 district shall be paid in an installment to be made on or before the  
18 25th day of October; and

19 (3) 20 percent of the yearly entitlement of the  
20 district shall be paid in an installment to be made after the 5th  
21 day of September and not later than the 10th day of September of the  
22 calendar year following the calendar year of the payment made under  
23 Subdivision (1) [~~on or before the 25th day of August~~].

24 (f) Except as provided by Subsection (c)(8) or (d)(3), any  
25 [Any] previously unpaid additional funds from prior fiscal years  
26 owed to a district shall be paid to the district together with the  
27 September payment of the current fiscal year entitlement.

1 SECTION 1.02. Subsection (c), Section 466.355, Government  
2 Code, is amended to read as follows:

3 (c) Each August the comptroller shall:

4 (1) estimate the amount to be transferred to the  
5 foundation school fund on or before September 15; and

6 (2) notwithstanding Subsection (b)(4), transfer the  
7 amount estimated in Subdivision (1) to the foundation school fund  
8 before August 25 [~~installment payments are made under Section~~  
9 ~~42.259, Education Code~~].

10 SECTION 1.03. The changes made by this article to Section  
11 42.259, Education Code, apply only to a payment from the foundation  
12 school fund that is made on or after the effective date of this Act.  
13 A payment to a school district from the foundation school fund that  
14 is made before that date is governed by Section 42.259, Education  
15 Code, as it existed before amendment by this article, and the former  
16 law is continued in effect for that purpose.

17 ARTICLE 2. FISCAL MATTERS REGARDING REGULATION AND TAXATION  
18 OF INSURERS

19 SECTION 2.01. Section 221.006, Insurance Code, is amended  
20 by adding Subsection (c) to read as follows:

21 (c) An insurer is not entitled to a credit under Subsection  
22 (a) for an examination or evaluation fee paid in calendar year 2012  
23 or 2013. This subsection expires January 1, 2014.

24 SECTION 2.02. Section 222.007, Insurance Code, is amended  
25 by adding Subsection (c) to read as follows:

26 (c) An insurer or health maintenance organization is not  
27 entitled to a credit under Subsection (a) for an examination or

1 evaluation fee paid in calendar year 2012 or 2013. This subsection  
2 expires January 1, 2014.

3 SECTION 2.03. Section 223.009, Insurance Code, is amended  
4 by adding Subsection (c) to read as follows:

5 (c) A title insurance company is not entitled to a credit  
6 under Subsection (a) for an examination or evaluation fee paid in  
7 calendar year 2012 or 2013. This subsection expires January 1,  
8 2014.

9 SECTION 2.04. Section 401.151, Insurance Code, is amended  
10 by adding Subsection (f) to read as follows:

11 (f) An insurer is not entitled to a credit under Subsection  
12 (e) for an examination or evaluation fee paid in calendar year 2012  
13 or 2013. This subsection expires January 1, 2014.

14 SECTION 2.05. Section 401.154, Insurance Code, is amended  
15 to read as follows:

16 Sec. 401.154. TAX CREDIT AUTHORIZED. (a) An insurer is  
17 entitled to a credit on the amount of premium taxes to be paid by the  
18 insurer for all examination fees paid under Section 401.153. The  
19 insurer may take the credit for the taxable year during which the  
20 examination fees are paid and may take the credit to the same extent  
21 the insurer may take a credit for examination fees paid when a  
22 salaried department examiner conducts the examination.

23 (b) An insurer is not entitled to a credit under Subsection  
24 (a) for an examination fee paid in calendar year 2012 or 2013. This  
25 subsection expires January 1, 2014.

26 SECTION 2.06. Section 463.160, Insurance Code, is amended  
27 to read as follows:



1 Section 111.301, Tax Code, before the effective date of this  
2 article is governed by the law in effect on the date the right to  
3 claim the refund was established, and the former law is continued in  
4 effect for that purpose.

5 SECTION 3.03. This article takes effect October 1, 2011.

6 ARTICLE 4. TAX RECORDS

7 SECTION 4.01. Section 2153.201, Occupations Code, is  
8 amended by amending Subsection (b) and adding Subsection (c) to  
9 read as follows:

10 (b) A record required under Subsection (a) must:

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

15 (2) include information relating to:

16 (A) the kind of each machine;

17 (B) the date each machine is:

18 (i) acquired or received in this state; and

19 (ii) placed in operation;

20 (C) the location of each machine, including the:

21 (i) county;

22 (ii) municipality, if any; and

23 (iii) street or rural route number;

24 (D) the name and complete address of each  
25 operator of each machine;

26 (E) if the owner is an individual, the full name  
27 and address of the owner; and

1 (F) if the owner is not an individual, the name  
2 and address of each principal officer or member of the owner; and

3 (3) be maintained[+  
4 [~~(A)~~] at a permanent address in this state  
5 designated on the application for a license under Section  
6 2153.153[~~, and~~

7 [~~(B) until the second anniversary of the date the~~  
8 ~~owner ceases ownership of the machine that is the subject of the~~  
9 ~~record~~].

10 (c) A record required under Subsection (a) must be available  
11 for inspection under Subsection (b) for at least four years and as  
12 required by Section 111.0041, Tax Code.

13 SECTION 4.02. Section 111.0041, Tax Code, is amended to  
14 read as follows:

15 Sec. 111.0041. RECORDS; BURDEN TO PRODUCE AND SUBSTANTIATE  
16 CLAIMS. (a) Except as provided by Subsection (b), a [Any] taxpayer  
17 who is required by this title to keep records shall keep those  
18 records open to inspection by the comptroller, the attorney  
19 general, or the authorized representatives of either of them for at  
20 least four years.

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

24 (1) any tax, penalty, or interest may be assessed,  
25 collected, or refunded by the comptroller; or

26 (2) an administrative hearing is pending before the  
27 comptroller, or a judicial proceeding is pending, to determine the

1 amount of the tax, penalty, or interest that is to be assessed,  
2 collected, or refunded.

3 (c) A taxpayer shall produce contemporaneous records and  
4 supporting documentation appropriate to the tax or fee for the  
5 period in question to substantiate and enable verification of the  
6 taxpayer's claim related to the amount of tax, penalty, or interest  
7 to be assessed, collected, or refunded in an administrative or  
8 judicial proceeding. Contemporaneous records and supporting  
9 documentation appropriate to the tax or fee include invoices,  
10 vouchers, checks, shipping records, contracts, and other  
11 equivalent records, such as electronically stored images of such  
12 documents, reflecting legal relationships and taxes collected or  
13 paid.

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

20 (e) This section prevails over any other conflicting  
21 provision of this title.

22 SECTION 4.03. Section 112.052, Tax Code, is amended by  
23 adding Subsection (d) to read as follows:

24 (d) A taxpayer shall produce contemporaneous records and  
25 supporting documentation appropriate to the tax or fee for the  
26 period in question to substantiate and enable verification of a  
27 taxpayer's claim relating to the amount of the tax, penalty, or

1 interest that is to be assessed, collected, or refunded, as  
2 required by Section 111.0041.

3 SECTION 4.04. Section 112.151, Tax Code, is amended by  
4 adding Subsection (f) to read as follows:

5 (f) A taxpayer shall produce contemporaneous records and  
6 supporting documentation appropriate to the tax or fee for the  
7 period in question to substantiate and enable verification of a  
8 taxpayer's claim relating to the amount of the tax, penalty, or  
9 interest that is to be assessed, collected, or refunded, as  
10 required by Section 111.0041.

11 SECTION 4.05. Subsection (b), Section 151.025, Tax Code, is  
12 amended to read as follows:

13 (b) A record required by Subsection (a) [~~of this section~~]  
14 shall be kept for not less than four years from the date [~~day~~] that  
15 it is made unless:

16 (1) the comptroller authorizes in writing its  
17 destruction at an earlier date; or

18 (2) Section 111.0041 requires that the record be kept  
19 for a longer period.

20 SECTION 4.06. Section 152.063, Tax Code, is amended by  
21 adding Subsection (h) to read as follows:

22 (h) Section 111.0041 applies to a person required to keep  
23 records under this chapter.

24 SECTION 4.07. Section 152.0635, Tax Code, is amended by  
25 adding Subsection (e) to read as follows:

26 (e) Section 111.0041 applies to a person required to keep  
27 records under this chapter.

1 SECTION 4.08. Subsection (a), Section 154.209, Tax Code, is  
2 amended to read as follows:

3 (a) Except as provided by Section 111.0041, each ~~[Each]~~  
4 permit holder shall keep records available for inspection and  
5 copying by the comptroller and the attorney general for at least  
6 four years.

7 SECTION 4.09. Subsection (a), Section 155.110, Tax Code, is  
8 amended to read as follows:

9 (a) Except as provided by Section 111.0041, each ~~[Each]~~  
10 permit holder shall keep records available for inspection and  
11 copying by the comptroller and the attorney general for at least  
12 four years.

13 SECTION 4.10. Section 160.046, Tax Code, is amended by  
14 adding Subsection (g) to read as follows:

15 (g) A person required to keep records under this section  
16 shall also keep the records as required by Section 111.0041.

17 SECTION 4.11. Subchapter A, Chapter 162, Tax Code, is  
18 amended by adding Section 162.0125 to read as follows:

19 Sec. 162.0125. DUTY TO KEEP RECORDS. A person required to  
20 keep a record under this chapter shall also keep the record as  
21 required by Section 111.0041.

22 SECTION 4.12. This article takes effect immediately if this  
23 Act receives a vote of two-thirds of all the members elected to each  
24 house, as provided by Section 39, Article III, Texas Constitution.  
25 If this Act does not receive the vote necessary for immediate  
26 effect, this article takes effect October 1, 2011.

ARTICLE 5. UNCLAIMED PROPERTY

SECTION 5.01. Subsection (a), Section 72.101, Property Code, is amended to read as follows:

(a) Except as provided by this section and Sections 72.1015, 72.1016, 72.1017, and 72.102, personal property is presumed abandoned if, for longer than three years:

(1) the existence and location of the owner of the property is unknown to the holder of the property; and

(2) 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. Subchapter B, Chapter 72, Property Code, is amended by adding Section 72.1017 to read as follows:

Sec. 72.1017. UTILITY DEPOSITS. (a) In this section:

(1) "Utility" has the meaning assigned by Section 183.001, Utilities Code.

(2) "Utility deposit" is a refundable money deposit a utility requires a user of the utility service to pay as a condition of initiating the service.

(b) 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

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

7           SECTION 5.03. Subsection (c), Section 72.102, Property  
8 Code, is amended to read as follows:

9           (c) A money order to which Subsection (a) applies is  
10 presumed to be abandoned on the latest of:

11           (1) the third [~~seventh~~] anniversary of the date on  
12 which the money order was issued;

13           (2) the third [~~seventh~~] anniversary of the date on  
14 which the issuer of the money order last received from the owner of  
15 the money order communication concerning the money order; or

16           (3) the third [~~seventh~~] anniversary of the date of the  
17 last writing, on file with the issuer, that indicates the owner's  
18 interest in the money order.

19           SECTION 5.04. Section 72.103, Property Code, is amended to  
20 read as follows:

21           Sec. 72.103. PRESERVATION OF PROPERTY. Notwithstanding any  
22 other provision of this title except a provision of this section or  
23 Section 72.1016 relating to a money order or a stored value card, a  
24 holder of abandoned property shall preserve the property and may  
25 not at any time, by any procedure, including a deduction for  
26 service, maintenance, or other charge, transfer or convert to the  
27 profits or assets of the holder or otherwise reduce the value of the

1 property. For purposes of this section, value is determined as of  
2 the date of the last transaction or contact concerning the  
3 property, except that in the case of a money order, value is  
4 determined as of the date the property is presumed abandoned under  
5 Section 72.102(c). If a holder imposes service, maintenance, or  
6 other charges on a money order prior to the time of presumed  
7 abandonment, such charges may not exceed the amount of \$1 [~~50 cents~~]  
8 per month for each month the money order remains uncashed prior to  
9 the month in which the money order is presumed abandoned.

10 SECTION 5.05. Section 73.101, Property Code, is amended by  
11 amending Subsection (a) and adding Subsection (c) to read as  
12 follows:

13 (a) An account or safe deposit box is presumed abandoned if:  
14 (1) except as provided by Subsection (c), the account  
15 or safe deposit box has been inactive for at least five years as  
16 determined under Subsection (b);  
17 (2) the location of the depositor of the account or  
18 owner of the safe deposit box is unknown to the depository; and  
19 (3) the amount of the account or the contents of the  
20 box have not been delivered to the comptroller in accordance with  
21 Chapter 74.

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

26 SECTION 5.06. Subsection (a), Section 74.101, Property  
27 Code, is amended to read as follows:

1           (a) Each holder who on March 1 [~~June 30~~] holds property that  
2 is presumed abandoned under Chapter 72, 73, or 75 of this code or  
3 under Chapter 154, Finance Code, shall file a report of that  
4 property on or before the following July [~~November~~] 1. The  
5 comptroller may require the report to be in a particular format,  
6 including a format that can be read by a computer.

7           SECTION 5.07. Subsection (a), Section 74.1011, Property  
8 Code, is amended to read as follows:

9           (a) Except as provided by Subsection (b), a holder who on  
10 March 1 [~~June 30~~] holds property valued at more than \$250 that is  
11 presumed abandoned under Chapter 72, 73, or 75 of this code or  
12 Chapter 154, Finance Code, shall, on or before the preceding May  
13 [~~following August~~] 1, mail to the last known address of the known  
14 owner written notice stating that:

- 15                   (1) the holder is holding the property; and  
16                   (2) the holder may be required to deliver the property  
17 to the comptroller on or before July [~~November~~] 1 if the property is  
18 not claimed.

19           SECTION 5.08. Subsections (a) and (c), Section 74.301,  
20 Property Code, are amended to read as follows:

21           (a) Except as provided by Subsection (c), each holder who on  
22 March 1 [~~June 30~~] holds property that is presumed abandoned under  
23 Chapter 72, 73, or 75 shall deliver the property to the comptroller  
24 on or before the following July [~~November~~] 1 accompanied by the  
25 report required to be filed under Section 74.101.

26           (c) If the property subject to delivery under Subsection (a)  
27 is the contents of a safe deposit box, the comptroller may instruct

1 a holder to deliver the property on a specified date before July  
2 [~~November~~] 1 of the following year.

3 SECTION 5.09. Subsection (e), Section 74.601, Property  
4 Code, is amended to read as follows:

5 (e) The comptroller on receipt or from time to time may  
6 [~~from time to time~~] sell securities, including stocks, bonds, and  
7 mutual funds, received under this chapter or any other statute  
8 requiring the delivery of unclaimed property to the comptroller and  
9 use the proceeds to buy, exchange, invest, or reinvest in  
10 marketable securities. When making or selling the investments, the  
11 comptroller shall exercise the judgment and care of a prudent  
12 person.

13 SECTION 5.10. Section 74.708, Property Code, is amended to  
14 read as follows:

15 Sec. 74.708. PROPERTY HELD IN TRUST. A holder who on March  
16 1 [~~June 30~~] holds property presumed abandoned under Chapters 72-75  
17 holds the property in trust for the benefit of the state on behalf  
18 of the missing owner and is liable to the state for the full value of  
19 the property, plus any accrued interest and penalty. A holder is  
20 not required by this section to segregate or establish trust  
21 accounts for the property provided the property is timely delivered  
22 to the comptroller in accordance with Section 74.301.

23 SECTION 5.11. (a) Except as provided by Subsection (b) of  
24 this section, this article takes effect on the 91st day after the  
25 last day of the legislative session.

26 (b) Sections 74.101(a), 74.1011(a), 74.301(a) and (c), and  
27 74.708, Property Code, as amended by this article, take effect

1 January 1, 2013.

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

7 ARTICLE 6. CLASSIFICATION OF JUDICIAL AND COURT PERSONNEL TRAINING  
8 FUND

9 SECTION 6.01. Section 56.001, Government Code, is amended  
10 to read as follows:

11 Sec. 56.001. JUDICIAL AND COURT PERSONNEL TRAINING FUND.

12 (a) The judicial and court personnel training fund is an account  
13 in the general revenue fund. Money in the judicial and court  
14 personnel training fund may be appropriated only to [~~created in the~~  
15 ~~state treasury and shall be administered by~~] the court of criminal  
16 appeals for the uses authorized in Section 56.003.

17 (b) [~~(i)~~] On requisition of the court of criminal appeals,  
18 the comptroller shall draw a warrant on the fund for the amount  
19 specified in the requisition for a use authorized in Section  
20 56.003. A warrant may not exceed the amount appropriated for any  
21 one fiscal year. [~~At the end of each state fiscal year, any~~  
22 ~~unexpended balance in the fund in excess of \$500,000 shall be~~  
23 ~~transferred to the general revenue fund.~~]

24 ARTICLE 7. PROCESS SERVER CERTIFICATION FEES

25 SECTION 7.01. Subchapter A, Chapter 51, Government Code, is  
26 amended by adding Section 51.008 to read as follows:

27 Sec. 51.008. FEES FOR PROCESS SERVER CERTIFICATION.

1 (a) The process server review board established by supreme court  
2 order may recommend to the supreme court the fees to be charged for  
3 process server certification and renewal of certification. The  
4 supreme court must approve the fees recommended by the process  
5 server review board before the fees may be collected.

6 (b) If a certification is issued or renewed for a term that  
7 is less than the certification period provided by supreme court  
8 rule, the fee for the certification shall be prorated so that the  
9 process server pays only that portion of the fee that is allocable  
10 to the period during which the certification is valid. On renewal  
11 of the certification on the new expiration date, the process server  
12 must pay the entire certification renewal fee.

13 (c) The Office of Court Administration of the Texas Judicial  
14 System may collect the fees recommended by the process server  
15 review board and approved by the supreme court. Fees collected  
16 under this section shall be sent to the comptroller for deposit to  
17 the credit of the general revenue fund.

18 (d) Fees collected under this section may be appropriated to  
19 the Office of Court Administration of the Texas Judicial System for  
20 the support of regulatory programs for process servers and  
21 guardians.

22 SECTION 7.02. (a) The fees recommended and approved under  
23 Section 51.008, Government Code, as added by this article, apply  
24 to:

25 (1) each person who holds a process server  
26 certification on the effective date of this article; and

27 (2) each person who applies for process server

1 certification on or after the effective date of this article.

2 (b) The Office of Court Administration of the Texas Judicial  
3 System shall prorate the process server certification fee so that a  
4 person who holds a process server certification on the effective  
5 date of this article pays only that portion of the fee that is  
6 allocable to the period during which the certification is valid. On  
7 renewal of the certification on the new expiration date, the entire  
8 certification renewal fee is payable.

9 ARTICLE 8. FISCAL MATTERS REGARDING PETROLEUM INDUSTRY REGULATION

10 SECTION 8.01. Section 26.3574, Water Code, is amended by  
11 amending Subsection (b) and adding Subsection (b-1) to read as  
12 follows:

13 (b) A fee is imposed on the delivery of a petroleum product  
14 on withdrawal from bulk of that product as provided by this  
15 subsection. Each operator of a bulk facility on withdrawal from  
16 bulk of a petroleum product shall collect from the person who orders  
17 the withdrawal a fee in an amount determined as follows:

18 (1) not more than \$3.125 [~~\$3.75~~] for each delivery  
19 into a cargo tank having a capacity of less than 2,500 gallons [~~for~~  
20 ~~the state fiscal year beginning September 1, 2007, through the~~  
21 ~~state fiscal year ending August 31, 2011~~];

22 (2) not more than \$6.25 [~~\$7.50~~] for each delivery into  
23 a cargo tank having a capacity of 2,500 gallons or more but less  
24 than 5,000 gallons [~~for the state fiscal year beginning September~~  
25 ~~1, 2007, through the state fiscal year ending August 31, 2011~~];

26 (3) not more than \$9.37 [~~\$11.75~~] for each delivery  
27 into a cargo tank having a capacity of 5,000 gallons or more but

1 less than 8,000 gallons [~~for the state fiscal year beginning~~  
2 ~~September 1, 2007, through the state fiscal year ending August 31,~~  
3 ~~2011~~];

4 (4) not more than \$12.50 [~~\$15.00~~] for each delivery  
5 into a cargo tank having a capacity of 8,000 gallons or more but  
6 less than 10,000 gallons [~~for the state fiscal year beginning~~  
7 ~~September 1, 2007, through the state fiscal year ending August 31,~~  
8 ~~2011~~]; and

9 (5) not more than \$6.25 [~~\$7.50~~] for each increment of  
10 5,000 gallons or any part thereof delivered into a cargo tank having  
11 a capacity of 10,000 gallons or more [~~for the state fiscal year~~  
12 ~~beginning September 1, 2007, through the state fiscal year ending~~  
13 ~~August 31, 2011~~].

14 (b-1) The commission by rule shall set the amount of the fee  
15 in Subsection (b) in an amount not to exceed the amount necessary to  
16 cover the agency's costs of administering this subchapter, as  
17 indicated by the amount appropriated by the legislature from the  
18 petroleum storage tank remediation account for that purpose.

19 ARTICLE 9. REMITTANCE AND ALLOCATION OF CERTAIN MOTOR FUELS TAXES

20 SECTION 9.01. Section 162.113, Tax Code, is amended by  
21 adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as  
22 follows:

23 (a-1) On August 28, 2013, each licensed distributor and  
24 licensed importer shall remit to the supplier or permissive  
25 supplier, as applicable, a tax prepayment in an amount equal to 25  
26 percent of the tax imposed by Section 162.101 for gasoline removed  
27 at the terminal rack during July 2013 by the licensed distributor or

1 licensed importer, without accounting for any credit or allowance  
2 to which the licensed distributor or licensed importer is entitled.  
3 The supplier or permissive supplier shall remit the tax prepayment  
4 received under this subsection to the comptroller by electronic  
5 funds transfer on August 30, 2013, without accounting for any  
6 credit or allowance to which the supplier or permissive supplier is  
7 entitled. Subsections (c)-(e) do not apply to the tax prepayment  
8 under this subsection.

9 (a-2) A licensed distributor or licensed importer may take a  
10 credit against the amount of tax imposed by Section 162.101 for  
11 gasoline removed at a terminal rack during August 2013 that is  
12 required to be remitted to the supplier or permissive supplier, as  
13 applicable, under Subsection (a) in September 2013. The amount of  
14 the credit is equal to the amount of any tax prepayment remitted by  
15 the licensed distributor or licensed importer as required by  
16 Subsection (a-1).

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

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

24 SECTION 9.02. Section 162.214, Tax Code, is amended by  
25 adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as  
26 follows:

27 (a-1) On August 28, 2013, each licensed distributor and

1 licensed importer shall remit to the supplier or permissive  
2 supplier, as applicable, a tax prepayment in an amount equal to 25  
3 percent of the tax imposed by Section 162.201 for diesel fuel  
4 removed at the terminal rack during July 2013 by the licensed  
5 distributor or licensed importer, without accounting for any credit  
6 or allowance to which the licensed distributor or licensed importer  
7 is entitled. The supplier or permissive supplier shall remit the  
8 tax prepayment received under this subsection to the comptroller by  
9 electronic funds transfer on August 30, 2013, without accounting  
10 for any credit or allowance to which the supplier or permissive  
11 supplier is entitled. Subsections (c)-(e) do not apply to the tax  
12 prepayment under this subsection.

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

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

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

27 SECTION 9.03. Section 162.503, Tax Code, is amended to read

1 as follows:

2           Sec. 162.503. ALLOCATION OF GASOLINE TAX. (a) On or  
3 before the fifth workday after the end of each month, the  
4 comptroller, after making all deductions for refund purposes and  
5 for the amounts allocated under Sections 162.502 and 162.5025,  
6 shall allocate the net remainder of the taxes collected under  
7 Subchapter B as follows:

8           (1) one-fourth of the tax shall be deposited to the  
9 credit of the available school fund;

10           (2) one-half of the tax shall be deposited to the  
11 credit of the state highway fund for the construction and  
12 maintenance of the state road system under existing law; and

13           (3) from the remaining one-fourth of the tax the  
14 comptroller shall:

15           (A) deposit to the credit of the county and road  
16 district highway fund all the remaining tax receipts until a total  
17 of \$7,300,000 has been credited to the fund each fiscal year; and

18           (B) after the amount required to be deposited to  
19 the county and road district highway fund has been deposited,  
20 deposit to the credit of the state highway fund the remainder of the  
21 one-fourth of the tax, the amount to be provided on the basis of  
22 allocations made each month of the fiscal year, which sum shall be  
23 used by the Texas Department of Transportation for the  
24 construction, improvement, and maintenance of farm-to-market  
25 roads.

26           (b) Notwithstanding Subsection (a), the comptroller may not  
27 allocate revenue otherwise required to be allocated under

1 Subsection (a) during July and August 2013 before the first workday  
2 of September 2013. The revenue shall be allocated as otherwise  
3 provided by Subsection (a) not later than the fifth workday of  
4 September 2013. This subsection expires September 1, 2015.

5 SECTION 9.04. Section 162.504, Tax Code, is amended to read  
6 as follows:

7 Sec. 162.504. ALLOCATION OF DIESEL FUEL TAX. (a) On or  
8 before the fifth workday after the end of each month, the  
9 comptroller, after making deductions for refund purposes, for the  
10 administration and enforcement of this chapter, and for the amounts  
11 allocated under Section 162.5025, shall allocate the remainder of  
12 the taxes collected under Subchapter C as follows:

13 (1) one-fourth of the taxes shall be deposited to the  
14 credit of the available school fund; and

15 (2) three-fourths of the taxes shall be deposited to  
16 the credit of the state highway fund.

17 (b) Notwithstanding Subsection (a), the comptroller may not  
18 allocate revenue otherwise required to be allocated under  
19 Subsection (a) during July and August 2013 before the first workday  
20 of September 2013. The revenue shall be allocated as otherwise  
21 provided by Subsection (a) not later than the fifth workday of  
22 September 2013. This subsection expires September 1, 2015.

23 SECTION 9.05. The expiration of the amendments made to the  
24 Tax Code in accordance with this article does not affect tax  
25 liability accruing before the expiration of those amendments. That  
26 liability continues in effect as if the amendments had not expired,  
27 and the former law is continued in effect for the collection of

1 taxes due and for civil and criminal enforcement of the liability  
2 for those taxes.

3 SECTION 9.06. This article takes effect October 1, 2011.

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

6 SECTION 10.01. Section 34.04, Alcoholic Beverage Code, is  
7 amended by adding Subsections (c), (d), and (e) to read as follows:

8 (c) In August 2013, a permittee shall remit a tax prepayment  
9 of taxes due to be remitted in September 2013 that is equal to 25  
10 percent of the amount the permittee is otherwise required to remit  
11 during August 2013 under the reporting system prescribed by the  
12 commission. The prepayment is in addition to the amount the  
13 permittee is otherwise required to remit during August. The  
14 permittee shall remit the additional payment in conjunction with  
15 the report and payment otherwise required during that month.

16 (d) A permittee who remits the additional payment as  
17 required by Subsection (c) may take a credit in the amount of the  
18 additional payment against the next payment due under the reporting  
19 system prescribed by the commission.

20 (e) Subsections (c) and (d) and this subsection expire  
21 September 1, 2015.

22 SECTION 10.02. Section 48.04, Alcoholic Beverage Code, is  
23 amended by adding Subsections (c), (d), and (e) to read as follows:

24 (c) In August 2013, a permittee shall remit a tax prepayment  
25 of taxes due to be remitted in September 2013 that is equal to 25  
26 percent of the amount the permittee is otherwise required to remit  
27 during August 2013 under the reporting system prescribed by the

1 commission. The prepayment is in addition to the amount the  
2 permittee is otherwise required to remit during August. The  
3 permittee shall remit the additional payment in conjunction with  
4 the report and payment otherwise required during that month.

5 (d) A permittee who remits the additional payment as  
6 required by Subsection (c) may take a credit in the amount of the  
7 additional payment against the next payment due under the reporting  
8 system prescribed by the commission.

9 (e) Subsections (c) and (d) and this subsection expire  
10 September 1, 2015.

11 SECTION 10.03. Section 201.07, Alcoholic Beverage Code, is  
12 amended to read as follows:

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

16 (b) In August 2013, each permittee who is liable for the  
17 taxes imposed by this subchapter shall remit a tax prepayment of  
18 taxes due to be remitted in September 2013 that is equal to 25  
19 percent of the amount the permittee is otherwise required to remit  
20 during August 2013 under Subsection (a). The prepayment is in  
21 addition to the amount the permittee is otherwise required to remit  
22 during August. The permittee shall remit the additional payment in  
23 conjunction with the report and payment otherwise required during  
24 that month.

25 (c) A permittee who remits the additional payment as  
26 required by Subsection (b) may take a credit in the amount of the  
27 additional payment against the next payment due under Subsection

1 (a).

2 (d) Subsections (b) and (c) and this subsection expire  
3 September 1, 2015.

4 SECTION 10.04. Section 201.43, Alcoholic Beverage Code, is  
5 amended by amending Subsection (b) and adding Subsections (c), (d),  
6 and (e) to read as follows:

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

10 (c) In August 2013, each permittee who is liable for the tax  
11 imposed by this subchapter shall remit a tax prepayment of taxes due  
12 to be remitted in September 2013 that is equal to 25 percent of the  
13 amount the permittee is otherwise required to remit during August  
14 2013 under Subsection (b). The prepayment is in addition to the  
15 amount the permittee is otherwise required to remit during August.  
16 The permittee shall remit the additional payment in conjunction  
17 with the report and payment otherwise required during that month.

18 (d) A permittee who remits the additional payment as  
19 required by Subsection (c) may take a credit in the amount of the  
20 additional payment against the next payment due under Subsection  
21 (b).

22 (e) Subsections (c) and (d) and this subsection expire  
23 September 1, 2015.

24 SECTION 10.05. Section 203.03, Alcoholic Beverage Code, is  
25 amended by amending Subsection (b) and adding Subsections (c), (d),  
26 and (e) to read as follows:

27 (b) The tax is due and payable on the 15th day of the month

1 following the month in which the taxable first sale occurs,  
2 together with a report on the tax due.

3 (c) Each licensee who is liable for the tax imposed by this  
4 chapter shall remit a tax prepayment of taxes due to be remitted in  
5 September 2013 that is equal to 25 percent of the amount the  
6 licensee is otherwise required to remit during August 2013 under  
7 Subsection (b). The prepayment is in addition to the amount the  
8 licensee is otherwise required to remit during August. The  
9 licensee shall remit the additional payment in conjunction with the  
10 report and payment otherwise required during that month.

11 (d) A licensee who remits the additional payment as required  
12 by Subsection (c) may take a credit in the amount of the additional  
13 payment against the next payment due under Subsection (b).

14 (e) Subsections (c) and (d) and this subsection expire  
15 September 1, 2015.

16 SECTION 10.06. Section 183.023, Tax Code, is amended to  
17 read as follows:

18 Sec. 183.023. PAYMENT. (a) The tax due for the preceding  
19 month shall accompany the return and shall be payable to the state.

20 (b) The comptroller shall deposit the revenue received  
21 under this section in the general revenue fund.

22 (c) In August 2013, each permittee who is liable for the tax  
23 imposed by this subchapter shall remit a tax prepayment of taxes due  
24 to be remitted in September 2013 that is equal to 25 percent of the  
25 amount the permittee is otherwise required to remit during August  
26 2013 under Subsection (a). The prepayment is in addition to the  
27 amount the permittee is otherwise required to remit during August.

1 The permittee shall remit the additional payment in conjunction  
2 with the return and payment otherwise required during that month.

3 (d) A permittee who remits the additional payment as  
4 required by Subsection (c) may take a credit in the amount of the  
5 additional payment against the next payment due under Subsection  
6 (a).

7 (e) Subsections (c) and (d) and this subsection expire  
8 September 1, 2015.

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

16 ARTICLE 11. CIGARETTE TAX STAMPING ALLOWANCE

17 SECTION 11.01. Subsection (a), Section 154.052, Tax Code,  
18 is amended to read as follows:

19 (a) A distributor is, subject to the provisions of Section  
20 154.051, entitled to 2.5 [~~three~~] percent of the face value of stamps  
21 purchased as a stamping allowance for providing the service of  
22 affixing stamps to cigarette packages, except that an out-of-state  
23 distributor is entitled to receive only the same percentage of  
24 stamping allowance as that given to Texas distributors doing  
25 business in the state of the distributor.

26 SECTION 11.02. This article applies only to cigarette  
27 stamps purchased on or after the effective date of this article.

1 Cigarette stamps purchased before the effective date of this  
2 article are governed by the law in effect on the date the cigarette  
3 stamps were purchased, and that law is continued in effect for that  
4 purpose.

5 SECTION 11.03. This article takes effect October 1, 2011.

6 ARTICLE 12. SALES FOR RESALE

7 SECTION 12.01. Section 151.006, Tax Code, is amended by  
8 amending Subsection (a) and adding Subsection (c) to read as  
9 follows:

10 (a) "Sale for resale" means a sale of:

11 (1) tangible personal property or a taxable service to  
12 a purchaser who acquires the property or service for the purpose of  
13 reselling it with or as a taxable item in the United States of  
14 America or a possession or territory of the United States of America  
15 or in the United Mexican States in the normal course of business in  
16 the form or condition in which it is acquired or as an attachment to  
17 or integral part of other tangible personal property or taxable  
18 service;

19 (2) tangible personal property to a purchaser for the  
20 sole purpose of the purchaser's leasing or renting it in the United  
21 States of America or a possession or territory of the United States  
22 of America or in the United Mexican States in the normal course of  
23 business to another person, but not if incidental to the leasing or  
24 renting of real estate;

25 (3) tangible personal property to a purchaser who  
26 acquires the property for the purpose of transferring it in the  
27 United States of America or a possession or territory of the United

1 States of America or in the United Mexican States as an integral  
2 part of a taxable service; [~~or~~]

3 (4) a taxable service performed on tangible personal  
4 property that is held for sale by the purchaser of the taxable  
5 service; or

6 (5) except as provided by Subsection (c), tangible  
7 personal property to a purchaser who acquires the property for the  
8 purpose of transferring it as an integral part of performing a  
9 contract, or a subcontract of a contract, with the federal  
10 government only if the purchaser:

11 (A) allocates and bills to the contract the cost  
12 of the property as a direct or indirect cost; and

13 (B) transfers title to the property to the  
14 federal government under the contract and applicable federal  
15 acquisition regulations.

16 (c) A sale for resale does not include the sale of tangible  
17 personal property or a taxable service to a purchaser who acquires  
18 the property or service for the purpose of performing a service that  
19 is not taxed under this chapter, regardless of whether title  
20 transfers to the service provider's customer, unless the tangible  
21 personal property or taxable service is purchased for the purpose  
22 of reselling it to the United States in a contract, or a subcontract  
23 of a contract, with any branch of the Department of Defense,  
24 Department of Homeland Security, Department of Energy, National  
25 Aeronautics and Space Administration, Central Intelligence Agency,  
26 National Security Agency, National Oceanic and Atmospheric  
27 Administration, or National Reconnaissance Office to the extent

1 allocated and billed to the contract with the federal government.

2 SECTION 12.02. This article takes effect immediately if  
3 this Act receives a vote of two-thirds of all the members elected to  
4 each house, as provided by Section 39, Article III, Texas  
5 Constitution. If this Act does not receive the vote necessary for  
6 immediate effect, this article takes effect October 1, 2011.

7 ARTICLE 13. REMITTANCE OF SALES AND USE TAXES

8 SECTION 13.01. Section 151.401, Tax Code, is amended by  
9 adding Subsections (c), (d), and (e) to read as follows:

10 (c) In August 2013, a taxpayer who is required to pay the  
11 taxes imposed by this chapter on or before the 20th day of that  
12 month under Subsection (a), who pays the taxes imposed by this  
13 chapter by electronic funds transfer, and who does not prepay as  
14 provided by Section 151.424 shall remit to the comptroller a tax  
15 prepayment that is equal to 25 percent of the amount the taxpayer is  
16 otherwise required to remit during August 2013 under Subsection  
17 (a). The prepayment is in addition to the amount the taxpayer is  
18 otherwise required to remit during August. The taxpayer shall  
19 remit the additional payment in conjunction with the payment  
20 otherwise required during that month. Section 151.424 does not  
21 apply with respect to the additional payment required by this  
22 subsection.

23 (d) A taxpayer who remits the additional payment as required  
24 by Subsection (c) may take a credit in the amount of the additional  
25 payment against the next payment due under Subsection (a).

26 (e) Subsections (c) and (d) and this subsection expire  
27 September 1, 2015.

1 SECTION 13.02. Section 151.402, Tax Code, is amended to  
2 read as follows:

3 Sec. 151.402. TAX REPORT DATES. (a) A [~~Except as provided~~  
4 ~~by Subsection (b) of this section, a~~] tax report required by this  
5 chapter for a reporting period is due on the same date that the tax  
6 payment for the period is due as provided by Section 151.401.

7 (b) A taxpayer may report a credit in the amount of any tax  
8 prepayment remitted to the comptroller as required by Section  
9 151.401(c) on the tax report required by this chapter that is  
10 otherwise due in September 2013 [~~for taxes required by Section~~  
11 ~~151.401(a) to be paid on or before August 20 is due on or before the~~  
12 ~~20th day of the following month~~]. This subsection expires  
13 September 1, 2015.

14 SECTION 13.03. The expiration of the amendments made to the  
15 Tax Code in accordance with this article does not affect tax  
16 liability accruing before the expiration of those amendments. That  
17 liability continues in effect as if the amendments had not expired,  
18 and the former law is continued in effect for the collection of  
19 taxes due and for civil and criminal enforcement of the liability  
20 for those taxes.

21 ARTICLE 14. REPORTS REGARDING CERTAIN SALES OF ALCOHOLIC BEVERAGES

22 SECTION 14.01. Section 111.006, Tax Code, is amended by  
23 adding Subsections (h) and (i) to read as follows:

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

27 (1) the person requesting the information holds a

1 permit or license under Chapter 19, 20, 21, 37, 64, 65, or 66,  
2 Alcoholic Beverage Code; and

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

5 (i) A disclosure made under Subsection (h) is not considered  
6 a disclosure of competitively sensitive, proprietary, or  
7 confidential information.

8 SECTION 14.02. Chapter 151, Tax Code, is amended by adding  
9 Subchapter I-1, and a heading is added to that subchapter to read as  
10 follows:

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

13 SECTION 14.03. Subchapter I-1, Chapter 151, Tax Code, as  
14 added by this Act, is amended by adding Sections 151.462, 151.463,  
15 151.464, 151.465, 151.466, 151.467, 151.468, 151.469, 151.470, and  
16 151.471, and Section 151.433, Tax Code, is transferred to  
17 Subchapter I-1, Chapter 151, Tax Code, redesignated as Section  
18 151.461, Tax Code, and amended to read as follows:

19 Sec. 151.461 [~~151.433~~]. DEFINITIONS. [~~REPORTS BY~~  
20 ~~WHOLESALESALEERS AND DISTRIBUTORS OF BEER, WINE, AND MALT LIQUOR.~~

21 ~~(a)~~] In this subchapter [~~section~~]:

22 (1) "Brewer" means a person required to hold a brewer's  
23 permit under Chapter 12, Alcoholic Beverage Code.

24 (2) "Distributor" means a person required to hold:

25 (A) a general distributor's license under  
26 Chapter 64, Alcoholic Beverage Code;

27 (B) a local distributor's license under Chapter

1 65, Alcoholic Beverage Code; or

2 (C) a branch distributor's license under Chapter  
3 66, Alcoholic Beverage Code.

4 (3) "Manufacturer" means a person required to hold a  
5 manufacturer's license under Chapter 62, Alcoholic Beverage Code.

6 (4) "Package store local distributor" means a person  
7 required to hold:

8 (A) a package store permit under Chapter 22,  
9 Alcoholic Beverage Code; and

10 (B) a local distributor's permit under Chapter  
11 23, [a general, local, or branch distributor's license under the]  
12 Alcoholic Beverage Code.

13 (5) [~~2~~] "Retailer" means a person required to hold  
14 [~~the following~~]:

15 (A) a wine and beer retailer's permit under  
16 Chapter 25, Alcoholic Beverage Code;

17 (B) a wine and beer retailer's off-premise permit  
18 under Chapter 26, Alcoholic Beverage Code;

19 (C) a temporary wine and beer retailer's permit  
20 or special three-day wine and beer permit under Chapter 27,  
21 Alcoholic Beverage Code;

22 (D) a mixed beverage permit under Chapter 28,  
23 Alcoholic Beverage Code;

24 (E) a daily temporary mixed beverage permit under  
25 Chapter 30, Alcoholic Beverage Code;

26 (F) a private club registration permit under  
27 Chapter 32, Alcoholic Beverage Code;

1           (G) a certificate issued to a fraternal or  
2 veterans organization under Section 32.11, Alcoholic Beverage  
3 Code;

4           (H) a daily temporary private club permit under  
5 Subchapter B, Chapter 33, Alcoholic Beverage Code;

6           (I) a temporary charitable auction permit under  
7 Chapter 53, Alcoholic Beverage Code;

8           (J) a retail dealer's on-premise license under  
9 Chapter 69, Alcoholic Beverage Code;

10           (K) a temporary license under Chapter 72,  
11 Alcoholic Beverage Code; or

12           (L) [~~(D)~~] a retail dealer's off-premise license  
13 under Chapter 71, Alcoholic Beverage Code, except for a dealer who  
14 also holds a package store permit under Chapter 22, Alcoholic  
15 Beverage Code.

16           (6) [~~(3)~~] "Wholesaler" means a person required to hold  
17 [~~the following under the Alcoholic Beverage Code~~]:

18           (A) a winery permit under Chapter 16, Alcoholic  
19 Beverage Code;

20           (B) a wholesaler's permit under Chapter 19,  
21 Alcoholic Beverage Code;

22           (C) [~~(B)~~] a general Class B wholesaler's permit  
23 under Chapter 20, Alcoholic Beverage Code; or

24           (D) [~~(C)~~] a local Class B wholesaler's permit  
25 under Chapter 21, Alcoholic Beverage Code.

26           Sec. 151.462. REPORTS BY BREWERS, MANUFACTURERS,  
27 WHOLESALERS, AND DISTRIBUTORS. (a) [~~(b)~~] The comptroller shall

1 ~~[may, when considered necessary by the comptroller for the~~  
2 ~~administration of a tax under this chapter,]~~ require each brewer,  
3 manufacturer, wholesaler, ~~[or]~~ distributor, or package store local  
4 distributor ~~[of beer, wine, or malt liquor]~~ to file with the  
5 comptroller a report each month of alcoholic beverage sales to  
6 retailers in this state.

7       **(b)** Each brewer, manufacturer, ~~[-e-] The~~ wholesaler, ~~[or]~~  
8 distributor, or package store local distributor shall file a  
9 separate ~~[the]~~ report for each permit or license held on or before  
10 the 25th day of each month. The report must contain the following  
11 information for the preceding calendar month's sales in relation to  
12 each retailer:

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

18               **(2)** the retailer's:

19                       **(A)** name and address, including street name and  
20 number, city, and zip code;

21                       **(B)** taxpayer number assigned by the comptroller;  
22 and

23                       **(C)** alphanumeric permit or license number issued  
24 by the Texas Alcoholic Beverage Commission for each separate retail  
25 location or outlet to which the brewer, manufacturer, wholesaler,  
26 distributor, or package store local distributor sold the alcoholic  
27 beverages that are listed on the report ~~[the name of the retailer~~

1 ~~and the address of the retailer's outlet location to which the~~  
2 ~~wholesaler or distributor delivered beer, wine, or malt liquor,~~  
3 ~~including the city and zip code;~~

4 ~~[(2) the taxpayer number assigned by the comptroller~~  
5 ~~to the retailer, if the wholesaler or distributor is in possession~~  
6 ~~of the number;~~

7 ~~[(3) the permit or license number assigned to the~~  
8 ~~retailer by the Texas Alcoholic Beverage Commission]; and~~

9 (3) [(4)] the monthly net sales made by the brewer,  
10 manufacturer, wholesaler, distributor, or package store local  
11 distributor to the retailer for each [by] outlet or location  
12 covered by a separate retail permit or license issued by the Texas  
13 Alcoholic Beverage Commission, including separate line items for:

14 (A) the number of units of alcoholic beverages;

15 (B) the individual container size and pack of  
16 each unit;

17 (C) the brand name;

18 (D) the type of beverage, such as distilled  
19 spirits, wine, or malt beverage;

20 (E) the universal product code of the alcoholic  
21 beverage; and

22 (F) the net selling price of the alcoholic  
23 beverage [by the wholesaler or distributor, including the quantity  
24 and units of beer, wine, and malt liquor sold to the retailer].

25 (c) [(d)] Except as provided by this subsection, the  
26 brewer, manufacturer, wholesaler, [or] distributor, or package  
27 store local distributor shall file the report with the comptroller

1 electronically. The comptroller may establish procedures to  
2 temporarily postpone the electronic reporting requirement [~~for~~  
3 ~~allowing an alternative method of filing~~] for a brewer,  
4 manufacturer, wholesaler, [~~or~~] distributor, or package store local  
5 distributor who demonstrates to the comptroller an inability to  
6 comply because undue hardship would result if it were required to  
7 file the return electronically [~~with the electronic reporting~~  
8 ~~requirement~~]. If the comptroller determines that another  
9 technological method of filing the report is more efficient than  
10 electronic filing, the comptroller may establish procedures  
11 requiring its use by brewers, manufacturers, wholesalers, [~~and~~  
12 distributors, and package store local distributors.

13 Sec. 151.463. RULES. The comptroller may adopt rules to  
14 implement this subchapter.

15 Sec. 151.464. CONFIDENTIALITY. [~~(e)~~] Except as provided  
16 by Section 111.006, information contained in a report required to  
17 be filed by this subchapter [~~section~~] is confidential and not  
18 subject to disclosure under Chapter 552, Government Code.

19 Sec. 151.465. APPLICABILITY TO CERTAIN BREWERS. This  
20 subchapter applies only to a brewer whose annual production of malt  
21 liquor in this state, together with the annual production of beer at  
22 the same premises by the holder of a manufacturer's license under  
23 Section 62.12, Alcoholic Beverage Code, does not exceed 75,000  
24 barrels.

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

1        Sec. 151.467. SUSPENSION OR CANCELLATION OF PERMIT.

2    [~~(f)~~] If a person fails to file a report required by this  
3    subchapter [~~section~~] or fails to file a complete report, the  
4    comptroller may suspend or cancel one or more permits issued to the  
5    person under Section 151.203.

6        Sec. 151.468. CIVIL PENALTY; CRIMINAL PENALTY. (a) If a  
7    person fails to file a report required by this subchapter or fails  
8    to file a complete report, the comptroller [~~and~~] may impose a civil  
9    or criminal penalty, or both, under Section 151.7031 or 151.709.

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

16                (1) violates this subchapter; or

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

19        Sec. 151.469. ACTION BY TEXAS ALCOHOLIC BEVERAGE  
20    COMMISSION. [~~(g)~~] If a person fails to file a report required by

21    this subchapter [~~section~~] or fails to file a complete report, the  
22    comptroller may notify the Texas Alcoholic Beverage Commission of  
23    the failure and the commission may take administrative action  
24    against the person for the failure under the Alcoholic Beverage  
25    Code.

26        Sec. 151.470. AUDIT; INSPECTION. The comptroller may  
27    audit, inspect, or otherwise verify a brewer's, manufacturer's,

1 wholesaler's, distributor's, or package store local distributor's  
2 compliance with this subchapter.

3 Sec. 151.471. ACTION BY ATTORNEY GENERAL; VENUE; ATTORNEY'S  
4 FEES. (a) The comptroller may bring an action to enforce this  
5 subchapter and obtain any civil remedy authorized by this  
6 subchapter or any other law for the violation of this subchapter.  
7 The attorney general shall prosecute the action on the  
8 comptroller's behalf.

9 (b) Venue for and jurisdiction of an action under this  
10 section is exclusively conferred on the district courts in Travis  
11 County.

12 (c) If the comptroller prevails in an action under this  
13 section, the comptroller and attorney general are entitled to  
14 recover court costs and reasonable attorney's fees incurred in  
15 bringing the action.

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

22 SECTION 14.05. This article takes effect October 1, 2011.

23 ARTICLE 15. PENALTIES FOR FAILURE TO REPORT OR REMIT

24 CERTAIN TAXES OR FEES

25 SECTION 15.01. Subsection (b), Section 111.00455, Tax Code,  
26 is amended to read as follows:

27 (b) The following are not contested cases under Subsection

1 (a) and Section 2003.101, Government Code:

2 (1) a show cause hearing or any hearing not related to  
3 the collection, receipt, administration, or enforcement of the  
4 amount of a tax or fee imposed, or the penalty or interest  
5 associated with that amount, except for a hearing under Section  
6 151.157(f), 151.1575(c), 151.712(g), 154.1142, or 155.0592;

7 (2) a property value study hearing under Subchapter M,  
8 Chapter 403, Government Code;

9 (3) a hearing in which the issue relates to:

10 (A) Chapters 72-75, Property Code;

11 (B) forfeiture of a right to do business;

12 (C) a certificate of authority;

13 (D) articles of incorporation;

14 (E) a penalty imposed under Section 151.703(d)  
15 [~~151.7031~~];

16 (F) the refusal or failure to settle under  
17 Section 111.101; or

18 (G) a request for or revocation of an exemption  
19 from taxation; and

20 (4) any other hearing not related to the collection,  
21 receipt, administration, or enforcement of the amount of a tax or  
22 fee imposed, or the penalty or interest associated with that  
23 amount.

24 SECTION 15.02. Subsection (f), Section 151.433, Tax Code,  
25 is amended to read as follows:

26 (f) If a person fails to file a report required by this  
27 section or fails to file a complete report, the comptroller may

1 suspend or cancel one or more permits issued to the person under  
2 Section 151.203 and may impose a civil or criminal penalty, or both,  
3 under Section 151.703(d) [~~151.7031~~] or 151.709.

4 SECTION 15.03. Section 151.703, Tax Code, is amended by  
5 adding Subsection (d) to read as follows:

6 (d) In addition to any other penalty authorized by this  
7 section, a person who fails to file a report as required by this  
8 chapter shall pay a penalty of \$50. The penalty provided by this  
9 subsection is assessed without regard to whether the taxpayer  
10 subsequently files the report or whether any taxes were due from the  
11 taxpayer for the reporting period under the required report.

12 SECTION 15.04. Section 152.045, Tax Code, is amended by  
13 adding Subsection (d) to read as follows:

14 (d) In addition to any other penalty provided by law, the  
15 owner of a motor vehicle subject to the tax on gross rental receipts  
16 who is required to file a report as provided by this chapter and who  
17 fails to timely file the report shall pay a penalty of \$50. The  
18 penalty provided by this subsection is assessed without regard to  
19 whether the taxpayer subsequently files the report or whether any  
20 taxes were due from the taxpayer for the reporting period under the  
21 required report.

22 SECTION 15.05. Section 152.047, Tax Code, is amended by  
23 adding Subsection (j) to read as follows:

24 (j) In addition to any other penalty provided by law, the  
25 seller of a motor vehicle sold in a seller-financed sale who is  
26 required to file a report as provided by this chapter and who fails  
27 to timely file the report shall pay a penalty of \$50. The penalty

1 provided by this subsection is assessed without regard to whether  
2 the taxpayer subsequently files the report or whether any taxes  
3 were due from the taxpayer for the reporting period under the  
4 required report.

5 SECTION 15.06. Section 156.202, Tax Code, is amended by  
6 amending Subsection (c) and adding Subsection (d) to read as  
7 follows:

8 (c) The minimum penalty under Subsections (a) and (b) [~~this~~  
9 ~~section~~] is \$1.

10 (d) In addition to any other penalty authorized by this  
11 section, a person who fails to file a report as required by this  
12 chapter shall pay a penalty of \$50. The penalty provided by this  
13 subsection is assessed without regard to whether the taxpayer  
14 subsequently files the report or whether any taxes were due from the  
15 taxpayer for the reporting period under the required report.

16 SECTION 15.07. Section 162.401, Tax Code, is amended by  
17 adding Subsection (c) to read as follows:

18 (c) In addition to any other penalty authorized by this  
19 section, a person who fails to file a report as required by this  
20 chapter shall pay a penalty of \$50. The penalty provided by this  
21 subsection is assessed without regard to whether the taxpayer  
22 subsequently files the report or whether any taxes were due from the  
23 taxpayer for the reporting period under the required report.

24 SECTION 15.08. Section 171.362, Tax Code, is amended by  
25 amending Subsection (c) and adding Subsection (f) to read as  
26 follows:

27 (c) The minimum penalty under Subsections (a) and (b) [~~this~~

1 ~~section]~~ is \$1.

2 (f) In addition to any other penalty authorized by this  
3 section, a taxable entity who fails to file a report as required by  
4 this chapter shall pay a penalty of \$50. The penalty provided by  
5 this subsection is assessed without regard to whether the taxable  
6 entity subsequently files the report or whether any taxes were due  
7 from the taxable entity for the reporting period under the required  
8 report.

9 SECTION 15.09. Subchapter B, Chapter 183, Tax Code, is  
10 amended by adding Section 183.024 to read as follows:

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

18 (b) The minimum penalty under Subsection (a) is \$1.

19 (c) A delinquent tax draws interest beginning 60 days from  
20 the due date.

21 (d) In addition to any other penalty authorized by this  
22 section, a permittee who fails to file a report as required by this  
23 chapter shall pay a penalty of \$50. The penalty provided by this  
24 subsection is assessed without regard to whether the permittee  
25 subsequently files the report or whether any taxes were due from the  
26 permittee for the reporting period under the required report.

27 SECTION 15.10. Section 771.0712, Health and Safety Code, is

1 amended by adding Subsections (c) and (d) to read as follows:

2 (c) A seller who fails to file a report or remit a fee  
3 collected or payable as provided by this section and comptroller  
4 rules shall pay five percent of the amount due and payable as a  
5 penalty, and if the seller fails to file the report or remit the fee  
6 within 30 days after the day the fee or report is due, the seller  
7 shall pay an additional five percent of the amount due and payable  
8 as an additional penalty.

9 (d) In addition to any other penalty authorized by this  
10 section, a seller who fails to file a report as provided by this  
11 section shall pay a penalty of \$50. The penalty provided by this  
12 subsection is assessed without regard to whether the seller  
13 subsequently files the report or whether any taxes were due from the  
14 seller for the reporting period under the required report.

15 SECTION 15.11. Section 151.7031, Tax Code, is repealed.

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

22 SECTION 15.13. This article takes effect immediately if  
23 this Act receives a vote of two-thirds of all the members elected to  
24 each house, as provided by Section 39, Article III, Texas  
25 Constitution. If this Act does not receive the vote necessary for  
26 immediate effect, this article takes effect October 1, 2011.

ARTICLE 16. FISCAL MATTERS RELATED TO VOTER REGISTRATION

SECTION 16.01. Subsections (b), (c), and (d), Section 18.065, Election Code, are amended to read as follows:

(b) On determining that a registrar is not in substantial compliance, the secretary shall deliver written notice of the noncompliance to[+]

[~~(1)~~] the registrar and include[~~, including~~] in the notice a description of the violation and an explanation of the action necessary for substantial compliance and of the consequences of noncompliance[~~, and~~

[~~(2) the comptroller of public accounts, including in the notice the identity of the noncomplying registrar~~].

(c) On determining that a noncomplying registrar has corrected the violation and is in substantial compliance, the secretary shall deliver written notice to the registrar [~~and to the comptroller~~] that the registrar is in substantial compliance.

(d) [~~The comptroller shall retain a notice received under this section on file until July 1 following the voting year in which it is received.~~] The secretary shall retain a copy of each notice the secretary delivers under this section for two years after the date the notice is delivered.

SECTION 16.02. Subsection (a), Section 19.001, Election Code, is amended to read as follows:

(a) Before May 15 of each year, the registrar shall prepare and submit to the secretary of state [~~comptroller of public accounts~~] a statement containing:

(1) the total number of initial registrations for the

1 previous voting year;

2 (2) the total number of registrations canceled under  
3 Sections 16.031(a)(1), 16.033, and 16.0332 for the previous voting  
4 year; and

5 (3) the total number of registrations for which  
6 information was updated for the previous voting year.

7 SECTION 16.03. The heading to Section 19.002, Election  
8 Code, is amended to read as follows:

9 Sec. 19.002. PAYMENTS [~~ISSUANCE OF WARRANTS BY~~  
10 ~~COMPTROLLER~~].

11 SECTION 16.04. Subsections (b) and (d), Section 19.002,  
12 Election Code, are amended to read as follows:

13 (b) After June 1 of each year, the secretary of state  
14 [~~comptroller of public accounts~~] shall make payments [~~issue~~  
15 ~~warrants~~] pursuant to vouchers submitted by the registrar and  
16 approved by the secretary of state in amounts that in the aggregate  
17 do not exceed the registrar's entitlement. The secretary of state  
18 shall prescribe the procedures necessary to implement this  
19 subsection.

20 (d) The secretary of state [~~comptroller~~] may not make a  
21 payment under Subsection (b) [~~issue a warrant~~] if on June 1 of the  
22 year in which the payment [~~warrant~~] is to be made [~~issued the most~~  
23 ~~recent notice received by the comptroller from the secretary of~~  
24 ~~state under Section 18.065 indicates that~~] the registrar is not in  
25 substantial compliance with Section 15.083, 16.032, 18.042, or  
26 18.065 or with rules implementing the registration service program.

27 SECTION 16.05. The heading to Section 19.0025, Election



1 Federal Deposit Insurance Corporation or the National Credit Union  
2 Share Insurance Fund.

3 SECTION 17.03. Subsection (a), Section 411.109, Government  
4 Code, is amended to read as follows:

5 (a) The comptroller is entitled to obtain from the  
6 department criminal history record information maintained by the  
7 department that the comptroller believes is necessary for the  
8 enforcement or administration of Chapter 151, 152, [~~153,~~] 154, [~~or~~]  
9 155, or 162, Tax Code, including criminal history record  
10 information that relates to a person who is:

11 (1) an applicant for a permit under any of those  
12 chapters;

13 (2) a permit holder under any of those chapters;

14 (3) an officer, director, stockholder owning 10  
15 percent or more of the outstanding stock, partner, owner, or  
16 managing employee of an applicant or permit holder under any of  
17 those chapters that is a corporation, association, joint venture,  
18 syndicate, partnership, or proprietorship;

19 (4) believed to have violated any of those chapters;  
20 or

21 (5) being considered by the comptroller for employment  
22 as a peace officer.

23 SECTION 17.04. Subsection (d), Section 403.0551,  
24 Government Code, as amended by this article, applies to a deduction  
25 made on or after the effective date of this Act for an indebtedness  
26 to a state agency regardless of:

27 (1) the date the indebtedness accrued; or

1 (2) the dates of the pay period for which the  
2 compensation from which the indebtedness is deducted is earned.

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

5 SECTION 18.01. Subsection (c), Section 61.539, Education  
6 Code, is amended to read as follows:

7 (c) As soon as practicable after each state fiscal year, the  
8 board [~~comptroller~~] shall prepare a report for that fiscal year of  
9 the number of students registered in a medical branch, school, or  
10 college, the total amount of tuition charges collected by each  
11 institution, the total amount transferred to the comptroller under  
12 this section, and the total amount available in the physician  
13 education loan repayment program account for the repayment of  
14 student loans of physicians under this subchapter. The board  
15 [~~comptroller~~] shall deliver a copy of the report to [~~the board and~~  
16 ~~to~~] the governor, lieutenant governor, and speaker of the house of  
17 representatives not later than January 1 following the end of the  
18 fiscal year covered by the report.

19 SECTION 18.02. Subsection (c), Section 5.05, Tax Code, is  
20 amended to read as follows:

21 (c) The comptroller shall electronically publish all  
22 materials under this section [~~provide without charge one copy of~~  
23 ~~all materials to officials of local government who are responsible]~~  
24 for administering the property tax system. [~~If a local government~~  
25 ~~official requests more than one copy, the comptroller may charge a~~  
26 ~~reasonable fee to offset the costs of printing and distributing the~~  
27 ~~materials.~~] The comptroller shall make the materials available to

1 local governmental officials and members of the public but may  
2 charge a reasonable fee to offset the costs of preparing, printing,  
3 and distributing the materials.

4 SECTION 18.03. Section 5.06, Tax Code, is amended to read as  
5 follows:

6 Sec. 5.06. EXPLANATION OF TAXPAYER REMEDIES. [~~(a)~~] The  
7 comptroller shall prepare and electronically publish a pamphlet  
8 explaining the remedies available to dissatisfied taxpayers and the  
9 procedures to be followed in seeking remedial action. The  
10 comptroller shall include in the pamphlet advice on preparing and  
11 presenting a protest.

12 [~~(b) The comptroller shall provide without charge a  
13 reasonable number of copies of the pamphlet to any person on  
14 request. The comptroller may charge a person who requests multiple  
15 copies of the pamphlet a reasonable fee to offset the costs of  
16 printing and distributing those copies. The comptroller at its  
17 discretion shall determine the number of copies that a person may  
18 receive without charge.]~~

19 SECTION 18.04. Section 5.09, Tax Code, is amended to read as  
20 follows:

21 Sec. 5.09. BIENNIAL [~~ANNUAL~~] REPORTS. (a) The comptroller  
22 shall prepare a biennial [~~publish an annual~~] report of [~~the  
23 operations of the appraisal districts. The report shall include  
24 for each appraisal district, each county, and each school district  
25 and may include for other taxing units]~~ the total appraised  
26 values[~~, assessed values,~~] and taxable values of taxable property  
27 by category [~~class of property, the assessment ratio,~~] and the tax

1 rates of each county, municipality, and school district in effect  
2 for the two years preceding the year in which the report is prepared  
3 [rate].

4 (b) Not later than December 31 of each even-numbered year,  
5 the [The] comptroller shall:

6 (1) electronically publish on the comptroller's  
7 Internet website the [deliver a copy of each annual] report  
8 required by [published under] Subsection (a); and

9 (2) notify [of this section to] the governor, the  
10 lieutenant governor, and each member of the legislature that the  
11 report is available on the website.

12 SECTION 18.05. The following are repealed:

13 (1) Sections 403.030 and 552.143(e), Government Code;  
14 and

15 (2) Subchapter F, Chapter 379A, Local Government Code.

16 ARTICLE 19. SURPLUS LINES AND INDEPENDENTLY PROCURED INSURANCE

17 SECTION 19.01. Subsection (b), Section 101.053, Insurance  
18 Code, is amended to read as follows:

19 (b) Sections 101.051 and 101.052 do not apply to:

20 (1) the lawful transaction of surplus lines insurance  
21 under Chapter 981;

22 (2) the lawful transaction of reinsurance by insurers;

23 (3) a transaction in this state that:

24 (A) involves a policy that:

25 (i) is lawfully solicited, written, and  
26 delivered outside this state; and

27 (ii) covers, at the time the policy is

1 issued, only subjects of insurance that are not resident, located,  
2 or expressly to be performed in this state; and

3 (B) takes place after the policy is issued;

4 (4) a transaction:

5 (A) that involves an insurance contract  
6 independently procured by the insured from an insurance company not  
7 authorized to do insurance business in this state through  
8 negotiations occurring entirely outside this state;

9 (B) that is reported; and

10 (C) on which premium tax, if applicable, is paid  
11 in accordance with Chapter 226;

12 (5) a transaction in this state that:

13 (A) involves group life, health, or accident  
14 insurance, other than credit insurance, and group annuities in  
15 which the master policy for the group was lawfully issued and  
16 delivered in a state in which the insurer or person was authorized  
17 to do insurance business; and

18 (B) is authorized by a statute of this state;

19 (6) an activity in this state by or on the sole behalf  
20 of a nonadmitted captive insurance company that insures solely:

21 (A) directors' and officers' liability insurance  
22 for the directors and officers of the company's parent and  
23 affiliated companies;

24 (B) the risks of the company's parent and  
25 affiliated companies; or

26 (C) both the individuals and entities described  
27 by Paragraphs (A) and (B);

1 (7) the issuance of a qualified charitable gift  
2 annuity under Chapter 102; or

3 (8) a lawful transaction by a servicing company of the  
4 Texas workers' compensation employers' rejected risk fund under  
5 Section 4.08, Article 5.76-2, as that article existed before its  
6 repeal.

7 SECTION 19.02. Section 225.001, Insurance Code, is amended  
8 to read as follows:

9 Sec. 225.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

10 (1) "Affiliate" means, with respect to an insured, a  
11 person or entity that controls, is controlled by, or is under common  
12 control with the insured.

13 (2) "Affiliated group" means a group of entities whose  
14 members are all affiliated.

15 (3) "Control" means, with respect to determining the  
16 home state of an affiliated entity:

17 (A) to directly or indirectly, acting through one  
18 or more persons, own, control, or hold the power to vote at least 25  
19 percent of any class of voting security of the affiliated entity; or

20 (B) to control in any manner the election of the  
21 majority of directors or trustees of the affiliated entity.

22 (4) "Home state" means:

23 (A) for an insured that is not an affiliated  
24 group described by Paragraph (B):

25 (i) the state in which the insured  
26 maintains the insured's principal residence, if the insured is an  
27 individual;

1                    (ii) the state in which an insured that is  
2 not an individual maintains its principal place of business; or

3                    (iii) if 100 percent of the insured risk is  
4 located outside of the state in which the insured maintains the  
5 insured's principal residence or maintains the insured's principal  
6 place of business, as applicable, the state to which the largest  
7 percentage of the insured's taxable premium for the insurance  
8 contract that covers the risk is allocated; or

9                    (B) for an affiliated group with respect to which  
10 more than one member is a named insured on a single insurance  
11 contract subject to this chapter, the home state of the member, as  
12 determined under Paragraph (A), that has the largest percentage of  
13 premium attributed to it under the insurance contract.

14                    (5) "Premium" means any payment made in consideration  
15 for insurance and [~~,"premium"~~] includes:

16                    (A) [~~(1)~~] a premium;

17                    (B) premium deposits;

18                    (C) [~~(2)~~] a membership fee;

19                    (D) a registration fee;

20                    (E) [~~(3)~~] an assessment;

21                    (F) [~~(4)~~] dues; and

22                    (G) [~~(5)~~] any other compensation given in  
23 consideration for surplus lines insurance.

24                    SECTION 19.03. Section 225.002, Insurance Code, is amended  
25 to read as follows:

26                    Sec. 225.002. APPLICABILITY OF CHAPTER. This chapter  
27 applies to a surplus lines agent who collects gross premiums for

1 surplus lines insurance for any risk in which this state is the home  
2 state of the insured.

3 SECTION 19.04. Section 225.004, Insurance Code, is amended  
4 by adding Subsections (a-1) and (f) and amending Subsections (b),  
5 (c), and (e) to read as follows:

6 (a-1) Consistent with 15 U.S.C. Section 8201 et seq., this  
7 state may not impose a premium tax on nonadmitted insurance  
8 premiums other than premiums paid for insurance in which this state  
9 is the home state of the insured.

10 (b) Taxable gross premiums under this section are based on  
11 gross premiums written or received for surplus lines insurance  
12 placed through an eligible surplus lines insurer during a calendar  
13 year. Notwithstanding the tax basis described by this subsection,  
14 the comptroller by rule may establish an alternate basis for  
15 taxation for multistate and single-state policies for the purpose  
16 of achieving uniformity.

17 (c) If a surplus lines insurance policy covers risks or  
18 exposures only partially located in this state, and this state has  
19 not entered into a cooperative agreement, reciprocal agreement, or  
20 compact with another state for the collection of surplus lines tax  
21 as authorized by Chapter 229, the tax is computed on the entire  
22 policy [~~portion of the~~] premium for any policy in which this state  
23 is the home state of the insured [~~that is properly allocated to a~~  
24 ~~risk or exposure located in this state~~].

25 (e) Premiums [~~The following premiums are not taxable in~~  
26 ~~this state:~~

27 [~~(1) premiums properly allocated to another state that~~

1 ~~are specifically exempt from taxation in that state, and~~

2 [~~(2) premiums~~] on risks or exposures that are properly  
3 allocated to federal or international waters or are under the  
4 jurisdiction of a foreign government are not taxable in this state.

5 (f) If this state enters a cooperative agreement,  
6 reciprocal agreement, or compact with another state for the  
7 allocation of surplus lines tax as authorized by Chapter 229, taxes  
8 due on multistate policies shall be allocated and reported in  
9 accordance with the agreement or compact.

10 SECTION 19.05. Section 225.005, Insurance Code, is amended  
11 to read as follows:

12 Sec. 225.005. TAX EXCLUSIVE. The tax imposed by this  
13 chapter is a transaction tax collected by the surplus lines agent of  
14 record and is in lieu of any [all] other transaction [insurance]  
15 taxes on these premiums.

16 SECTION 19.06. Section 225.009, Insurance Code, is amended  
17 by adding Subsection (d) to read as follows:

18 (d) Notwithstanding Subsections (a), (b), and (c), if this  
19 state enters a cooperative agreement, reciprocal agreement, or  
20 compact with another state for the allocation of surplus lines tax  
21 as authorized by Chapter 229, the tax shall be allocated and  
22 reported in accordance with the terms of the agreement or compact.

23 SECTION 19.07. Section 226.051, Insurance Code, is amended  
24 to read as follows:

25 Sec. 226.051. DEFINITIONS [~~DEFINITION~~]. In this  
26 subchapter:

27 (1) "Affiliate" means, with respect to an insured, a

1 person or entity that controls, is controlled by, or is under common  
2 control with the insured.

3 (2) "Affiliated group" means a group of entities whose  
4 members are all affiliated.

5 (3) "Control" means, with respect to determining the  
6 home state of an affiliated entity:

7 (A) to directly or indirectly, acting through one  
8 or more persons, own, control, or hold the power to vote at least 25  
9 percent of any class of voting security of the affiliated entity; or

10 (B) to control in any manner the election of the  
11 majority of directors or trustees of the affiliated entity.

12 (4) "Home state" means:

13 (A) for an insured that is not an affiliated  
14 group described by Paragraph (B):

15 (i) the state in which the insured  
16 maintains the insured's principal residence, if the insured is an  
17 individual;

18 (ii) the state in which an insured that is  
19 not an individual maintains its principal place of business; or

20 (iii) if 100 percent of the insured risk is  
21 located outside of the state in which the insured maintains the  
22 insured's principal residence or maintains the insured's principal  
23 place of business, as applicable, the state to which the largest  
24 percentage of the insured's taxable premium for the insurance  
25 contract that covers the risk is allocated; or

26 (B) for an affiliated group with respect to which  
27 more than one member is a named insured on a single insurance

1 contract subject to this chapter, the home state of the member, as  
2 determined under Paragraph (A), that has the largest percentage of  
3 premium attributed to it under the insurance contract.

4 (5) "Independently procured insurance" means  
5 insurance procured directly by an insured from a nonadmitted  
6 insurer.

7 (6) "Premium" means any payment made in consideration  
8 for insurance and [~~,"premium"~~] includes [~~any consideration for~~  
9 insurance, including]:

- 10 (A) [~~(1)~~] a premium;
- 11 (B) premium deposits;
- 12 (C) [~~(2)~~] a membership fee; [~~or~~]
- 13 (D) a registration fee;
- 14 (E) an assessment;
- 15 (F) [~~(3)~~] dues; and
- 16 (G) any other compensation given in  
17 consideration for insurance.

18 SECTION 19.08. Section 226.052, Insurance Code, is amended  
19 to read as follows:

20 Sec. 226.052. APPLICABILITY OF SUBCHAPTER. This subchapter  
21 applies to an insured who procures an independently procured  
22 insurance contract for any risk in which this state is the home  
23 state of the insured [~~in accordance with Section 101.053(b)(4)].~~

24 SECTION 19.09. Section 226.053, Insurance Code, is amended  
25 by amending Subsections (a) and (b) and adding Subsection (d) to  
26 read as follows:

27 (a) A tax is imposed on each insured at the rate of 4.85

1 percent of the premium paid for the insurance contract procured in  
2 accordance with Section 226.052 [~~101.053(b)(4)~~].

3 (b) If an independently procured insurance policy  
4 [~~contract~~] covers risks or exposures only partially located in this  
5 state and this state has not joined a cooperative agreement,  
6 reciprocal agreement, or compact with another state for the  
7 allocation of nonadmitted insurance taxes as authorized by Chapter  
8 229, the tax is computed on the entire policy [~~portion of the~~]  
9 premium for any policy in which this state is the home state of the  
10 insured [~~that is properly allocated to a risk or exposure located in~~  
11 ~~this state~~].

12 (d) If this state enters into a cooperative agreement,  
13 reciprocal agreement, or compact with another state for the  
14 allocation of nonadmitted insurance taxes as authorized by Chapter  
15 229, the tax due on multistate policies shall be allocated and  
16 reported in accordance with the agreement or compact.

17 SECTION 19.10. Section 981.008, Insurance Code, is amended  
18 to read as follows:

19 Sec. 981.008. SURPLUS LINES INSURANCE PREMIUM TAX. The  
20 premiums charged for surplus lines insurance are subject to the  
21 premium tax, if applicable, imposed under Chapter 225.

22 SECTION 19.11. The following provisions are repealed:

23 (1) Sections 225.004(d) and (d-1), Insurance Code; and

24 (2) Section 226.053(b-1), Insurance Code.

25 SECTION 19.12. The changes in law made by this article to  
26 Chapters 225 and 226, Insurance Code, apply only to an insurance  
27 policy that is delivered, issued for delivery, or renewed on or

1 after July 21, 2011. A policy that is delivered, issued for  
2 delivery, or renewed before July 21, 2011, is governed by the law as  
3 it existed immediately before the effective date of this article,  
4 and that law is continued in effect for that purpose.

5 SECTION 19.13. This article takes effect immediately if  
6 this Act receives a vote of two-thirds of all the members elected to  
7 each house, as provided by Section 39, Article III, Texas  
8 Constitution. If this Act does not receive the vote necessary for  
9 immediate effect, this article takes effect on the 91st day after  
10 the last day of the legislative session.

11 ARTICLE 20. FISCAL MATTERS CONCERNING EARLY HIGH SCHOOL GRADUATION

12 SECTION 20.01. Subchapter K, Chapter 56, Education Code, is  
13 amended by adding Section 56.2012 to read as follows:

14 Sec. 56.2012. EXPIRATION OF SUBCHAPTER; ELIGIBILITY  
15 CLOSED. (a) This subchapter expires September 1, 2017.

16 (b) Notwithstanding Section 56.203, a person may not  
17 receive an award under this subchapter if the person graduates from  
18 high school on or after September 1, 2011.

19 SECTION 20.02. Subsection (b), Section 54.213, Education  
20 Code, is amended to read as follows:

21 ~~(b) [Savings to the foundation school fund that occur as a~~  
22 ~~result of the Early High School Graduation Scholarship program~~  
23 ~~created in Subchapter K, Chapter 56, and that are not required for~~  
24 ~~the funding of state credits for tuition and mandatory fees under~~  
25 ~~Section 56.204 or school district credits under Section 56.2075~~  
26 ~~shall be used first to provide tuition exemptions under Section~~  
27 ~~54.212. Any of those savings remaining after providing tuition~~

1 ~~exemptions under Section 54.212 shall be used to provide tuition~~  
2 ~~exemptions under Section 54.214.]~~ The Texas Education Agency shall  
3 ~~[also]~~ accept and make available to provide tuition exemptions  
4 under Section 54.214 gifts, grants, and donations made to the  
5 agency for that purpose. The commissioner of education shall  
6 transfer those funds to the Texas Higher Education Coordinating  
7 Board to distribute to institutions of higher education that  
8 provide exemptions under that section [~~Payment of funds under this~~  
9 ~~subsection shall be made in the manner provided by Section 56.207~~  
10 ~~for state credits under Subchapter K, Chapter 56].~~

11 SECTION 20.03. Section 56.210, Education Code, is repealed.

12 ARTICLE 21. FISCAL MATTERS CONCERNING RETIRED TEACHERS

13 SECTION 21.01. Notwithstanding Section 825.404(a),  
14 Government Code, for the state fiscal year ending August 31, 2012,  
15 only, the amount of the state contribution to the Teacher  
16 Retirement System of Texas under that section may be less than the  
17 amount contributed by members during that fiscal year.

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

23 ARTICLE 22. COASTAL EROSION

24 SECTION 22.01. Section 33.608, Natural Resources Code, is  
25 amended to read as follows:

26 Sec. 33.608. REPORT TO LEGISLATURE. (a) Each biennium, the  
27 commissioner shall submit to the legislature a report listing:

- 1 (1) each critical erosion area;
- 2 (2) each proposed erosion response study or project;
- 3 (3) an estimate of the cost of each proposed study or
- 4 project described by Subdivision (2);
- 5 (4) each coastal erosion response study or project
- 6 funded under this subchapter during the preceding biennium;
- 7 (5) the economic and natural resource benefits from
- 8 each coastal erosion response study or project described by
- 9 Subdivision (4);
- 10 (6) the financial status of the account; and
- 11 (7) an estimate of the cost of implementing this
- 12 subchapter during the succeeding biennium.

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

17 ARTICLE 23. FISCAL MATTERS CONCERNING PARKS AND WILDLIFE  
18 CONTRIBUTIONS

19 SECTION 23.01. Subchapter D, Chapter 502, Transportation  
20 Code, is amended by adding Sections 502.1747 and 502.1748 to read as  
21 follows:

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

26 (b) The department shall:

- 27 (1) include space on each motor vehicle registration

1 renewal notice, on the page that states the total fee for  
2 registration renewal, that allows a person renewing a registration  
3 to indicate the amount that the person is voluntarily contributing  
4 to the state parks account;

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

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

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

17 (d) The county assessor-collector shall send any  
18 contribution made under this section to the comptroller for deposit  
19 to the credit of the state parks account under Section 11.035, Parks  
20 and Wildlife Code. Money received by the Parks and Wildlife  
21 Department under this section may be used only for the operation and  
22 maintenance of state parks, historic sites, or natural areas under  
23 the jurisdiction of the Parks and Wildlife Department.

24 (e) The department shall consult with the Parks and Wildlife  
25 Department in performing the department's duties under this  
26 section.

27 Sec. 502.1748. DISPOSITION OF CERTAIN VOLUNTARY

1 CONTRIBUTIONS. If a person makes a voluntary contribution under  
2 Section 502.1746 or 502.1747 at the time the person registers or  
3 renews the registration of a motor vehicle under this chapter but  
4 the person does not clearly specify the entity to which the person  
5 intends to contribute, the county assessor-collector shall divide  
6 the contribution between the entities authorized to receive  
7 contributions under those sections.

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

12 ARTICLE 24. FISCAL MATTERS CONCERNING OIL AND GAS REGULATION

13 SECTION 24.01. Subsection (c), Section 81.0521, Natural  
14 Resources Code, is amended to read as follows:

15 (c) Two-thirds of the proceeds from this fee, excluding  
16 ~~[including]~~ any penalties collected in connection with the fee,  
17 shall be deposited to the oil and gas regulation and ~~[oil-field]~~  
18 cleanup fund as provided by Section 81.067 ~~[91.111]~~.

19 SECTION 24.02. Subchapter C, Chapter 81, Natural Resources  
20 Code, is amended by adding Sections 81.067 through 81.070 to read as  
21 follows:

22 Sec. 81.067. OIL AND GAS REGULATION AND CLEANUP FUND.

23 (a) The oil and gas regulation and cleanup fund is created as an  
24 account in the general revenue fund of the state treasury.

25 (b) The commission shall certify to the comptroller the date  
26 on which the balance in the fund equals or exceeds \$20 million. The  
27 oil-field cleanup regulatory fees on oil and gas shall not be

1 collected or required to be paid on or after the first day of the  
2 second month following the certification, except that the  
3 comptroller shall resume collecting the fees on receipt of a  
4 commission certification that the fund has fallen below \$10  
5 million. The comptroller shall continue collecting the fees until  
6 collections are again suspended in the manner provided by this  
7 subsection.

8 (c) The fund consists of:

9 (1) proceeds from bonds and other financial security  
10 required by this chapter and benefits under well-specific plugging  
11 insurance policies described by Section 91.104(c) that are paid to  
12 the state as contingent beneficiary of the policies, subject to the  
13 refund provisions of Section 91.1091, if applicable;

14 (2) private contributions, including contributions  
15 made under Section 89.084;

16 (3) expenses collected under Section 89.083;

17 (4) fees imposed under Section 85.2021;

18 (5) costs recovered under Section 91.457 or 91.459;

19 (6) proceeds collected under Sections 89.085 and  
20 91.115;

21 (7) interest earned on the funds deposited in the  
22 fund;

23 (8) oil and gas waste hauler permit application fees  
24 collected under Section 29.015, Water Code;

25 (9) costs recovered under Section 91.113(f);

26 (10) hazardous oil and gas waste generation fees  
27 collected under Section 91.605;

1           (11) oil-field cleanup regulatory fees on oil  
2 collected under Section 81.116;

3           (12) oil-field cleanup regulatory fees on gas  
4 collected under Section 81.117;

5           (13) fees for a reissued certificate collected under  
6 Section 91.707;

7           (14) fees collected under Section 91.1013;

8           (15) fees collected under Section 89.088;

9           (16) fees collected under Section 91.142;

10          (17) fees collected under Section 91.654;

11          (18) costs recovered under Sections 91.656 and 91.657;

12          (19) two-thirds of the fees collected under Section  
13 81.0521;

14          (20) fees collected under Sections 89.024 and 89.026;

15          (21) legislative appropriations; and

16          (22) any surcharges collected under Section 81.070.

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

25          Sec. 81.069. REPORTING ON PROGRESS IN MEETING PERFORMANCE  
26 GOALS FOR THE OIL AND GAS REGULATION AND CLEANUP FUND. (a) The  
27 commission, through the legislative appropriations request

1 process, shall establish specific performance goals for the oil and  
2 gas regulation and cleanup fund for the next biennium, including  
3 goals for each quarter of each state fiscal year of the biennium for  
4 the number of:

5 (1) orphaned wells to be plugged with state-managed  
6 funds;

7 (2) abandoned sites to be investigated, assessed, or  
8 cleaned up with state funds; and

9 (3) surface locations to be remediated.

10 (b) The commission shall provide quarterly reports to the  
11 Legislative Budget Board that include:

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

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

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

18 (C) the balance of the fund; and

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

27 (2) any additional information or data requested in

1 writing by the Legislative Budget Board.

2 (c) The commission shall submit to the legislature and make  
3 available to the public, annually, a report that reviews the extent  
4 to which money provided under Section 81.067 has enabled the  
5 commission to better protect the environment through oil-field  
6 cleanup activities. The report must include:

7 (1) the performance goals established under  
8 Subsection (a) for that state fiscal year, the commission's  
9 progress in meeting those performance goals, and, if the number of  
10 orphaned wells plugged with state-managed funds, abandoned sites  
11 investigated, assessed, or cleaned up with state funds, or surface  
12 locations remediated is at least five percent less than the number  
13 projected in the applicable goal established under Subsection (a),  
14 an explanation of the reason for the variance;

15 (2) the number of orphaned wells plugged with  
16 state-managed funds, by region;

17 (3) the number of wells orphaned, by region;

18 (4) the number of inactive wells not currently in  
19 compliance with commission rules, by region;

20 (5) the status of enforcement proceedings for all  
21 wells in violation of commission rules and the period during which  
22 the wells have been in violation, by region in which the wells are  
23 located;

24 (6) the number of surface locations remediated, by  
25 region;

26 (7) a detailed accounting of expenditures of money in  
27 the fund for oil-field cleanup activities, including expenditures

1 for plugging of orphaned wells, investigation, assessment, and  
2 cleaning up of abandoned sites, and remediation of surface  
3 locations;

4 (8) the method by which the commission sets priorities  
5 by which it determines the order in which orphaned wells are  
6 plugged;

7 (9) a projection of the amount of money needed for the  
8 next biennium for plugging orphaned wells, investigating,  
9 assessing, and cleaning up abandoned sites, and remediating surface  
10 locations; and

11 (10) the number of sites successfully remediated under  
12 the voluntary cleanup program under Subchapter O, Chapter 91, by  
13 region.

14 Sec. 81.070. ESTABLISHMENT OF SURCHARGES ON FEES.

15 (a) Except as provided by Subsection (b), the commission by rule  
16 shall provide for the imposition of reasonable surcharges as  
17 necessary on fees imposed by the commission that are required to be  
18 deposited to the credit of the oil and gas regulation and cleanup  
19 fund as provided by Section 81.067 in amounts sufficient to enable  
20 the commission to recover the costs of performing the functions  
21 specified by Section 81.068 from those fees and surcharges.

22 (b) The commission may not impose a surcharge on an  
23 oil-field cleanup regulatory fee on oil collected under Section  
24 81.116 or an oil-field cleanup regulatory fee on gas collected  
25 under Section 81.117.

26 (c) The commission by rule shall establish a methodology for  
27 determining the amount of a surcharge that takes into account:

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

4           (2) the number of individuals or entities from which  
5 the commission's costs may be recovered;

6           (3) the effect of the surcharge on operators of all  
7 sizes, as measured by the number of oil or gas wells operated;

8           (4) the balance in the oil and gas regulation and  
9 cleanup fund; and

10           (5) any other factors the commission determines to be  
11 important to the fair and equitable imposition of the surcharge.

12           (d) The commission shall collect a surcharge on a fee at the  
13 time the fee is collected.

14           (e) A surcharge collected under this section shall be  
15 deposited to the credit of the oil and gas regulation and cleanup  
16 fund as provided by Section 81.067.

17           (f) A surcharge collected under this section shall not  
18 exceed an amount equal to 185 percent of the fee on which it is  
19 imposed.

20           SECTION 24.03. Section 81.115, Natural Resources Code, is  
21 amended to read as follows:

22           Sec. 81.115. APPROPRIATIONS [PAYMENTS] TO COMMISSION FOR  
23 OIL AND GAS REGULATION AND CLEANUP PURPOSES [DIVISION]. Money  
24 appropriated to the [~~oil and gas division of the~~] commission under  
25 the General Appropriations Act for the purposes described by  
26 Section 81.068 shall be paid from the oil and gas regulation and  
27 cleanup fund [~~General Revenue Fund~~].

1 SECTION 24.04. Subsections (d) and (e), Section 81.116,  
2 Natural Resources Code, are amended to read as follows:

3 (d) The comptroller shall suspend collection of the fee in  
4 the manner provided by Section 81.067 [~~91.111~~]. The exemptions and  
5 reductions set out in Sections 202.052, 202.054, 202.056, 202.057,  
6 202.059, and 202.060, Tax Code, do not affect the fee imposed by  
7 this section.

8 (e) Proceeds from the fee, excluding [~~including~~] any  
9 penalties collected in connection with the fee, shall be deposited  
10 to the oil and gas regulation and [~~oil-field~~] cleanup fund as  
11 provided by Section 81.067 [~~91.111 of this code~~].

12 SECTION 24.05. Subsections (d) and (e), Section 81.117,  
13 Natural Resources Code, are amended to read as follows:

14 (d) The comptroller shall suspend collection of the fee in  
15 the manner provided by Section 81.067 [~~91.111~~]. The exemptions and  
16 reductions set out in Sections 201.053, 201.057, 201.058, and  
17 202.060, Tax Code, do not affect the fee imposed by this section.

18 (e) Proceeds from the fee, excluding [~~including~~] any  
19 penalties collected in connection with the fee, shall be deposited  
20 to the oil and gas regulation and [~~oil-field~~] cleanup fund as  
21 provided by Section 81.067 [~~91.111 of this code~~].

22 SECTION 24.06. Subsection (d), Section 85.2021, Natural  
23 Resources Code, is amended to read as follows:

24 (d) All fees collected under this section shall be deposited  
25 in the oil and gas regulation and [~~state oil-field~~] cleanup fund.

26 SECTION 24.07. Subsection (d), Section 89.024, Natural  
27 Resources Code, is amended to read as follows:

1 (d) An operator who files an abeyance of plugging report  
2 must pay an annual fee of \$100 for each well covered by the report.  
3 A fee collected under this section shall be deposited in the oil and  
4 gas regulation and [~~oil-field~~] cleanup fund.

5 SECTION 24.08. Subsection (d), Section 89.026, Natural  
6 Resources Code, is amended to read as follows:

7 (d) An operator who files documentation described by  
8 Subsection (a) must pay an annual fee of \$50 for each well covered  
9 by the documentation. A fee collected under this section shall be  
10 deposited in the oil and gas regulation and [~~oil-field~~] cleanup  
11 fund.

12 SECTION 24.09. Subsection (d), Section 89.048, Natural  
13 Resources Code, is amended to read as follows:

14 (d) On successful plugging of the well by the well plugger,  
15 the surface estate owner may submit documentation to the commission  
16 of the cost of the well-plugging operation. The commission shall  
17 reimburse the surface estate owner from money in the oil and gas  
18 regulation and [~~oil-field~~] cleanup fund in an amount not to exceed  
19 50 percent of the lesser of:

- 20 (1) the documented well-plugging costs; or  
21 (2) the average cost incurred by the commission in the  
22 preceding 24 months in plugging similar wells located in the same  
23 general area.

24 SECTION 24.10. Subsection (j), Section 89.083, Natural  
25 Resources Code, is amended to read as follows:

26 (j) Money collected in a suit under this section shall be  
27 deposited in the oil and gas regulation and [~~state oil-field~~]

1 cleanup fund.

2 SECTION 24.11. Subsection (d), Section 89.085, Natural  
3 Resources Code, is amended to read as follows:

4 (d) The commission shall deposit money received from the  
5 sale of well-site equipment or hydrocarbons under this section to  
6 the credit of the oil and gas regulation and [~~oil-field~~] cleanup  
7 fund. The commission shall separately account for money and credit  
8 received for each well.

9 SECTION 24.12. The heading to Section 89.086, Natural  
10 Resources Code, is amended to read as follows:

11 Sec. 89.086. CLAIMS AGAINST OIL AND GAS REGULATION AND [~~THE~~  
12 ~~OIL-FIELD~~] CLEANUP FUND.

13 SECTION 24.13. Subsections (a) and (h) through (k), Section  
14 89.086, Natural Resources Code, are amended to read as follows:

15 (a) A person with a legal or equitable ownership or security  
16 interest in well-site equipment or hydrocarbons disposed of under  
17 Section 89.085 [~~of this code~~] may make a claim against the oil and  
18 gas regulation and [~~oil-field~~] cleanup fund unless an element of  
19 the transaction giving rise to the interest occurs after the  
20 commission forecloses its statutory lien under Section 89.083.

21 (h) The commission shall suspend an amount of money in the  
22 oil and gas regulation and [~~oil-field~~] cleanup fund equal to the  
23 amount of the claim until the claim is finally resolved. If the  
24 provisions of Subsection (k) [~~of this section~~] prevent suspension  
25 of the full amount of the claim, the commission shall treat the  
26 claim as two consecutively filed claims, one in the amount of funds  
27 available for suspension and the other in the remaining amount of

1 the claim.

2 (i) A claim made by or on behalf of the operator or a  
3 nonoperator of a well or a successor to the rights of the operator  
4 or nonoperator is subject to a ratable deduction from the proceeds  
5 or credit received for the well-site equipment to cover the costs  
6 incurred by the commission in removing the equipment or  
7 hydrocarbons from the well or in transporting, storing, or  
8 disposing of the equipment or hydrocarbons. A claim made by a  
9 person who is not an operator or nonoperator is subject to a ratable  
10 deduction for the costs incurred by the commission in removing the  
11 equipment from the well. If a claimant is a person who is  
12 responsible under law or commission rules for plugging the well or  
13 cleaning up pollution originating on the lease or if the claimant  
14 owes a penalty assessed by the commission or a court for a violation  
15 of a commission rule or order, the commission may recoup from or  
16 offset against a valid claim an expense incurred by the oil and gas  
17 regulation and ~~oil-field~~ cleanup fund that is not otherwise  
18 reimbursed or any penalties owed. An amount recouped from,  
19 deducted from, or offset against a claim under this subsection  
20 shall be treated as an invalid portion of the claim and shall remain  
21 suspended in the oil and gas regulation and ~~oil-field~~ cleanup  
22 fund in the manner provided by Subsection (j) ~~[of this section]~~.

23 (j) If the commission finds that a claim is valid in whole or  
24 in part, the commission shall pay the valid portion of the claim  
25 from the suspended amount in the oil and gas regulation and  
26 ~~oil-field~~ cleanup fund not later than the 30th day after the date  
27 of the commission's decision. If the commission finds that a claim

1 is invalid in whole or in part, the commission shall continue to  
2 suspend in the oil and gas regulation and ~~oil-field~~ cleanup fund  
3 an amount equal to the invalid portion of the claim until the period  
4 during which the commission's decision may be appealed has expired  
5 or, if appealed, during the period the case is under judicial  
6 review. If on appeal the district court finds the claim valid in  
7 whole or in part, the commission shall pay the valid portion of the  
8 claim from the suspended amount in the oil and gas regulation and  
9 ~~oil-field~~ cleanup fund not later than 30 days after the date the  
10 court's judgment becomes unappealable. On the date the  
11 commission's decision is not subject to judicial review, the  
12 commission shall release from the suspended amount in the oil and  
13 gas regulation and ~~oil-field~~ cleanup fund the amount of the claim  
14 held to be invalid.

15 (k) If the aggregate of claims paid and money suspended that  
16 relates to well-site equipment or hydrocarbons from a particular  
17 well equals the total of the actual proceeds and credit realized  
18 from the disposition of that equipment or those hydrocarbons, the  
19 oil and gas regulation and ~~oil-field~~ cleanup fund is not liable  
20 for any subsequently filed claims that relate to the same equipment  
21 or hydrocarbons unless and until the commission releases from the  
22 suspended amount money derived from the disposition of that  
23 equipment or those hydrocarbons. If the commission releases money,  
24 then the commission shall suspend money in the amount of  
25 subsequently filed claims in the order of filing.

26 SECTION 24.14. Subsection (b), Section 89.121, Natural  
27 Resources Code, is amended to read as follows:

1 (b) Civil penalties collected for violations of this  
2 chapter or of rules relating to plugging that are adopted under this  
3 code shall be deposited in the general revenue [~~state oil-field~~  
4 ~~cleanup~~] fund.

5 SECTION 24.15. Subsection (c), Section 91.1013, Natural  
6 Resources Code, is amended to read as follows:

7 (c) Fees collected under this section shall be deposited in  
8 the oil and gas regulation and [~~state oil-field~~] cleanup fund.

9 SECTION 24.16. Section 91.108, Natural Resources Code, is  
10 amended to read as follows:

11 Sec. 91.108. DEPOSIT AND USE OF FUNDS. Subject to the  
12 refund provisions of Section 91.1091, if applicable, proceeds from  
13 bonds and other financial security required pursuant to this  
14 chapter and benefits under well-specific plugging insurance  
15 policies described by Section 91.104(c) that are paid to the state  
16 as contingent beneficiary of the policies shall be deposited in the  
17 oil and gas regulation and [~~oil-field~~] cleanup fund and,  
18 notwithstanding Sections 81.068 [~~91.112~~] and 91.113, may be used  
19 only for actual well plugging and surface remediation.

20 SECTION 24.17. Subsection (a), Section 91.109, Natural  
21 Resources Code, is amended to read as follows:

22 (a) A person applying for or acting under a commission  
23 permit to store, handle, treat, reclaim, or dispose of oil and gas  
24 waste may be required by the commission to maintain a performance  
25 bond or other form of financial security conditioned that the  
26 permittee will operate and close the storage, handling, treatment,  
27 reclamation, or disposal site in accordance with state law,

1 commission rules, and the permit to operate the site. However, this  
2 section does not authorize the commission to require a bond or other  
3 form of financial security for saltwater disposal pits, emergency  
4 saltwater storage pits (including blow-down pits), collecting  
5 pits, or skimming pits provided that such pits are used in  
6 conjunction with the operation of an individual oil or gas lease.  
7 Subject to the refund provisions of Section 91.1091 [~~of this code~~],  
8 proceeds from any bond or other form of financial security required  
9 by this section shall be placed in the oil and gas regulation and  
10 [~~oil-field~~] cleanup fund. Each bond or other form of financial  
11 security shall be renewed and continued in effect until the  
12 conditions have been met or release is authorized by the  
13 commission.

14 SECTION 24.18. Subsections (a) and (f), Section 91.113,  
15 Natural Resources Code, are amended to read as follows:

16 (a) If oil and gas wastes or other substances or materials  
17 regulated by the commission under Section 91.101 are causing or are  
18 likely to cause the pollution of surface or subsurface water, the  
19 commission, through its employees or agents, may use money in the  
20 oil and gas regulation and [~~oil-field~~] cleanup fund to conduct a  
21 site investigation or environmental assessment or control or clean  
22 up the oil and gas wastes or other substances or materials if:

23 (1) the responsible person has failed or refused to  
24 control or clean up the oil and gas wastes or other substances or  
25 materials after notice and opportunity for hearing;

26 (2) the responsible person is unknown, cannot be  
27 found, or has no assets with which to control or clean up the oil and

1 gas wastes or other substances or materials; or

2 (3) the oil and gas wastes or other substances or  
3 materials are causing the pollution of surface or subsurface water.

4 (f) If the commission conducts a site investigation or  
5 environmental assessment or controls or cleans up oil and gas  
6 wastes or other substances or materials under this section, the  
7 commission may recover all costs incurred by the commission from  
8 any person who was required by law, rules adopted by the commission,  
9 or a valid order of the commission to control or clean up the oil and  
10 gas wastes or other substances or materials. The commission by  
11 order may require the person to reimburse the commission for those  
12 costs or may request the attorney general to file suit against the  
13 person to recover those costs. At the request of the commission,  
14 the attorney general may file suit to enforce an order issued by the  
15 commission under this subsection. A suit under this subsection may  
16 be filed in any court of competent jurisdiction in Travis County.  
17 Costs recovered under this subsection shall be deposited to the oil  
18 and gas regulation and ~~oil-field~~ cleanup fund.

19 SECTION 24.19. Subsection (c), Section 91.264, Natural  
20 Resources Code, is amended to read as follows:

21 (c) A penalty collected under this section shall be  
22 deposited to the credit of the general revenue ~~[oil-field cleanup]~~  
23 fund ~~[account]~~.

24 SECTION 24.20. Subsection (b), Section 91.457, Natural  
25 Resources Code, is amended to read as follows:

26 (b) If a person ordered to close a saltwater disposal pit  
27 under Subsection (a) ~~[of this section]~~ fails or refuses to close the

1 pit in compliance with the commission's order and rules, the  
2 commission may close the pit using money from the oil and gas  
3 regulation and [oil-field] cleanup fund and may direct the attorney  
4 general to file suits in any courts of competent jurisdiction in  
5 Travis County to recover applicable penalties and the costs  
6 incurred by the commission in closing the saltwater disposal pit.

7 SECTION 24.21. Subsection (c), Section 91.459, Natural  
8 Resources Code, is amended to read as follows:

9 (c) Any [~~penalties or~~] costs recovered by the attorney  
10 general under this subchapter shall be deposited in the oil and gas  
11 regulation and [oil-field] cleanup fund.

12 SECTION 24.22. Subsection (e), Section 91.605, Natural  
13 Resources Code, is amended to read as follows:

14 (e) The fees collected under this section shall be deposited  
15 in the oil and gas regulation and [oil-field] cleanup fund.

16 SECTION 24.23. Subsection (e), Section 91.654, Natural  
17 Resources Code, is amended to read as follows:

18 (e) Fees collected under this section shall be deposited to  
19 the credit of the oil and gas regulation and [oil-field] cleanup  
20 fund under Section 81.067 [~~91.111~~].

21 SECTION 24.24. Subsection (b), Section 91.707, Natural  
22 Resources Code, is amended to read as follows:

23 (b) Fees collected under this section shall be deposited to  
24 the oil and gas regulation and [oil-field] cleanup fund.

25 SECTION 24.25. The heading to Section 121.211, Utilities  
26 Code, is amended to read as follows:

27 Sec. 121.211. PIPELINE SAFETY AND REGULATORY FEES.

1 SECTION 24.26. Subsections (a) through (e) and (h), Section  
2 121.211, Utilities Code, are amended to read as follows:

3 (a) The railroad commission by rule may adopt a [~~an~~  
4 ~~inspection~~] fee to be assessed annually against operators of  
5 natural gas distribution pipelines and their pipeline facilities  
6 and natural gas master metered pipelines and their pipeline  
7 facilities subject to this title [~~chapter~~].

8 (b) The railroad commission by rule shall establish the  
9 method by which the fee will be calculated and assessed. In  
10 adopting a fee structure, the railroad commission may consider any  
11 factors necessary to provide for the equitable allocation among  
12 operators of the costs of administering the railroad commission's  
13 pipeline safety and regulatory program under this title [~~chapter~~].

14 (c) The total amount of fees estimated to be collected under  
15 rules adopted by the railroad commission under this section may not  
16 exceed the amount estimated by the railroad commission to be  
17 necessary to recover the costs of administering the railroad  
18 commission's pipeline safety and regulatory program under this  
19 title [~~chapter~~], excluding costs that are fully funded by federal  
20 sources.

21 (d) The commission may assess each operator of a natural gas  
22 distribution system subject to this title [~~chapter~~] an annual  
23 [~~inspection~~] fee not to exceed one dollar for each service line  
24 reported by the system on the Distribution Annual Report, Form RSPA  
25 F7100.1-1, due on March 15 of each year. The fee is due March 15 of  
26 each year.

27 (e) The railroad commission may assess each operator of a

1 natural gas master metered system subject to this title [~~chapter~~]  
2 an annual [~~inspection~~] fee not to exceed \$100 for each master  
3 metered system. The fee is due June 30 of each year.

4 (h) A fee collected under this section shall be deposited to  
5 the credit of the general revenue fund to be used for the pipeline  
6 safety and regulatory program.

7 SECTION 24.27. Section 29.015, Water Code, is amended to  
8 read as follows:

9 Sec. 29.015. APPLICATION FEE. With each application for  
10 issuance, renewal, or material amendment of a permit, the applicant  
11 shall submit to the railroad commission a nonrefundable fee of  
12 \$100. Fees collected under this section shall be deposited in the  
13 oil and gas regulation and [~~oil-field~~] cleanup fund.

14 SECTION 24.28. The following provisions of the Natural  
15 Resources Code are repealed:

16 (1) Section 91.111; and

17 (2) Section 91.112.

18 SECTION 24.29. On the effective date of this article:

19 (1) the oil-field cleanup fund is abolished;

20 (2) any money remaining in the oil-field cleanup fund  
21 is transferred to the oil and gas regulation and cleanup fund;

22 (3) any claim against the oil-field cleanup fund is  
23 transferred to the oil and gas regulation and cleanup fund; and

24 (4) any amount required to be deposited to the credit  
25 of the oil-field cleanup fund shall be deposited to the credit of  
26 the oil and gas regulation and cleanup fund.

ARTICLE 25. FISCAL MATTERS REGARDING LEASING CERTAIN STATE  
FACILITIES

SECTION 25.01. The heading to Section 2165.2035, Government Code, is amended to read as follows:

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

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

Sec. 2165.204. LEASE OF SPACE IN STATE-OWNED PARKING LOTS AND GARAGES; EXCESS INDIVIDUAL PARKING SPACES. (a) The commission may lease to a private individual an individual parking space in a state-owned parking lot or garage located in the city of Austin that the commission 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) Money received from a lease under this section shall be deposited to the credit of the general revenue fund.

(c) In leasing a parking space under Subsection (a), the commission must 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) In leasing or renewing a lease for a parking space under Subsection (a), the commission shall give preference to an individual who is currently leasing or previously leased the parking space.

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

9       (b) Money received from a lease under this section shall be  
10 deposited to the credit of the general revenue fund.

11       (c) In leasing all or a block of a state-owned parking lot or  
12 garage under Subsection (a), the commission must ensure that the  
13 lease does not restrict uses for parking lots and garages developed  
14 under Section 2165.2035, including special event parking related to  
15 institutions of higher education.

16       (d) In leasing or renewing a lease for all or a block of a  
17 state-owned parking lot or garage under Subsection (a), the  
18 commission shall give preference to an entity that is currently  
19 leasing or previously leased the lot or garage or a block of the lot  
20 or garage.

21       Sec. 2165.2046. REPORTS ON PARKING PROGRAMS. On or before  
22 October 1 of each even-numbered year, the commission shall submit a  
23 report to the Legislative Budget Board describing the effectiveness  
24 of parking programs developed by the commission under this  
25 subchapter. The report must, at a minimum, include:

26               (1) the yearly revenue generated by the programs;

27               (2) the yearly administrative and enforcement costs of

1 each program;

2 (3) yearly usage statistics for each program; and

3 (4) initiatives and suggestions by the commission to:

4 (A) modify administration of the programs; and

5 (B) increase revenue generated by the programs.

6 SECTION 25.03. This article takes effect immediately if  
7 this Act receives a vote of two-thirds of all the members elected to  
8 each house, as provided by Section 39, Article III, Texas  
9 Constitution. If this Act does not receive the vote necessary for  
10 immediate effect, this article takes effect on the 91st day after  
11 the last day of the legislative session.

12 ARTICLE 26. FISCAL MATTERS RELATING TO SECRETARY OF STATE

13 SECTION 26.01. Section 405.014, Government Code, is amended  
14 to read as follows:

15 Sec. 405.014. ACTS OF THE LEGISLATURE. (a) At each  
16 session of the legislature the secretary of state shall obtain the  
17 bills that have become law. Immediately after the closing of each  
18 session of the legislature, the secretary of state shall bind all  
19 enrolled bills and resolutions in volumes on which the date of the  
20 session is placed.

21 (b) As soon as practicable after the closing of each session  
22 of the legislature, the secretary of state shall publish and  
23 maintain electronically the bills enacted at that session. The  
24 electronic publication must be:

25 (1) indexed by bill number and assigned chapter number  
26 for each bill; and

27 (2) made available by an electronic link on the

1 secretary of state's generally accessible Internet website.

2 SECTION 26.02. Subchapter B, Chapter 2158, Government Code,  
3 is repealed.

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

7 SECTION 26.04. This article takes effect immediately if  
8 this Act receives a vote of two-thirds of all the members elected to  
9 each house, as provided by Section 39, Article III, Texas  
10 Constitution. If this Act does not receive the vote necessary for  
11 immediate effect, this article takes effect on the 91st day after  
12 the last day of the legislative session.

13 ARTICLE 27. FISCAL MATTERS REGARDING ATTORNEY GENERAL

14 SECTION 27.01. Section 402.006, Government Code, is amended  
15 by adding Subsection (e) to read as follows:

16 (e) The attorney general may charge a reasonable fee for the  
17 electronic filing of a document.

18 SECTION 27.02. The heading to Section 402.0212, Government  
19 Code, is amended to read as follows:

20 Sec. 402.0212. PROVISION OF LEGAL SERVICES--OUTSIDE  
21 COUNSEL; FEEES.

22 SECTION 27.03. Section 402.0212, Government Code, is  
23 amended by amending Subsections (b) and (c) and adding Subsections  
24 (d), (e), and (f) to read as follows:

25 (b) An invoice submitted to a state agency under a contract  
26 for legal services as described by Subsection (a) must be reviewed  
27 by the attorney general to determine whether the invoice is

1 eligible for payment.

2 (c) An attorney or law firm must pay an administrative fee  
3 to the attorney general for the review described in Subsection (b)  
4 when entering into a contract to provide legal services to a state  
5 agency.

6 (d) For purposes of this section, the functions of a hearing  
7 examiner, administrative law judge, or other quasi-judicial  
8 officer are not considered legal services.

9 (e) [~~(c)~~] This section shall not apply to the Texas Turnpike  
10 Authority division of the Texas Department of Transportation.

11 (f) The attorney general may adopt rules as necessary to  
12 implement and administer this section.

13 SECTION 27.04. Section 371.051, Transportation Code, is  
14 amended to read as follows:

15 Sec. 371.051. ATTORNEY GENERAL REVIEW AND EXAMINATION FEE.

16 (a) A toll project entity may not enter into a comprehensive  
17 development agreement unless the attorney general reviews the  
18 proposed agreement and determines that it is legally sufficient.

19 (b) A toll project entity shall pay a nonrefundable  
20 examination fee to the attorney general on submitting a proposed  
21 comprehensive development agreement for review. At the time the  
22 examination fee is paid, the toll project entity shall also submit  
23 for review a complete transcript of proceedings related to the  
24 comprehensive development agreement.

25 (c) If the toll project entity submits multiple proposed  
26 comprehensive development agreements relating to the same toll  
27 project for review, the entity shall pay the examination fee under

1 Subsection (b) for each proposed comprehensive development  
2 agreement.

3 (d) The attorney general shall provide a legal sufficiency  
4 determination not later than the 60th business day after the date  
5 the examination fee and transcript of the proceedings required  
6 under Subsection (b) are received. If the attorney general cannot  
7 provide a legal sufficiency determination within the  
8 60-business-day period, the attorney general shall notify the toll  
9 project entity in writing of the reason for the delay and may extend  
10 the review period for not more than 30 business days.

11 (e) After the attorney general issues a legal sufficiency  
12 determination, a toll project entity may supplement the transcript  
13 of proceedings or amend the comprehensive development agreement to  
14 facilitate a redetermination by the attorney general of the prior  
15 legal sufficiency determination issued under this section.

16 (f) The toll project entity may collect or seek  
17 reimbursement of the examination fee under Subsection (b) from the  
18 private participant.

19 (g) The attorney general by rule shall set the examination  
20 fee required under Subsection (b) in a reasonable amount and may  
21 adopt other rules as necessary to implement this section. The fee  
22 may not be set in an amount that is determined by a percentage of the  
23 cost of the toll project. The amount of the fee may not exceed  
24 reasonable attorney's fees charged for similar legal services in  
25 the private sector.

26 SECTION 27.05. The fee prescribed by Section 402.006,  
27 Government Code, as amended by this article, applies only to a

1 document electronically submitted to the office of the attorney  
2 general on or after the effective date of this article.

3 SECTION 27.06. The fee prescribed by Section 402.0212,  
4 Government Code, as amended by this article, applies only to  
5 invoices for legal services submitted to the office of the attorney  
6 general for review on or after the effective date of this article.

7 SECTION 27.07. The fee prescribed by Section 371.051,  
8 Transportation Code, as amended by this article, applies only to a  
9 comprehensive development agreement submitted to the office of the  
10 attorney general on or after the effective date of this article.

11 SECTION 27.08. The changes in law made by this article apply  
12 only to a contract for legal services between a state agency and a  
13 private attorney or law firm entered into on or after the effective  
14 date of this article. A contract for legal services between a state  
15 agency and a private attorney or law firm entered into before the  
16 effective date of this article is governed by the law in effect at  
17 the time the contract was entered into, and the former law is  
18 continued in effect for that purpose.

19 SECTION 27.09. Except as otherwise provided by this  
20 article, this article takes effect immediately if this Act receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 article takes effect on the 91st day after the last day of the  
25 legislative session.

26 ARTICLE 28. TEXAS PRESERVATION TRUST FUND ACCOUNT

27 SECTION 28.01. Subsections (a), (b), and (f), Section

1 442.015, Government Code, are amended to read as follows:

2 (a) Notwithstanding Section [~~Sections 403.094 and~~] 403.095,  
3 the Texas preservation trust fund account is a separate account in  
4 the general revenue fund. The account consists of transfers made to  
5 the account, loan repayments, grants and donations made for the  
6 purposes of this program, proceeds of sales, income earned  
7 [~~earnings~~] on money in the account, and any other money received  
8 under this section. Money in [~~Distributions from~~] the account may  
9 be used only for the purposes of this section and [~~may not be used~~]  
10 to pay operating expenses of the commission. Money allocated to the  
11 commission's historic preservation grant program shall be  
12 deposited to the credit of the account. Income earned [~~Earnings~~] on  
13 money in the account shall be deposited to the credit of the  
14 account.

15 (b) The commission may use money in [~~distributions from~~] the  
16 Texas preservation trust fund account to provide financial  
17 assistance to public or private entities for the acquisition,  
18 survey, restoration, or preservation, or for planning and  
19 educational activities leading to the preservation, of historic  
20 property in the state that is listed in the National Register of  
21 Historic Places or designated as a State Archeological Landmark or  
22 Recorded Texas Historic Landmark, or that the commission determines  
23 is eligible for such listing or designation. The financial  
24 assistance may be in the amount and form and according to the terms  
25 that the commission by rule determines. The commission shall give  
26 priority to property the commission determines to be endangered by  
27 demolition, neglect, underuse, looting, vandalism, or other threat

1 to the property. Gifts and grants deposited to the credit of the  
2 account specifically for any eligible projects may be used only for  
3 the type of projects specified. If such a specification is not  
4 made, the gift or grant shall be unencumbered and accrue to the  
5 benefit of the Texas preservation trust fund account. If such a  
6 specification is made, the entire amount of the gift or grant may be  
7 used during any period for the project or type of project specified.

8 (f) The advisory board shall recommend to the commission  
9 rules for administering this section [~~Subsections (a)-(e)~~].

10 SECTION 28.02. Subsections (h), (i), (j), (k), and (l),  
11 Section 442.015, Government Code, are repealed.

12 SECTION 28.03. The comptroller of public accounts and the  
13 Texas Historical Commission shall enter into a memorandum of  
14 understanding to facilitate the conversion of assets of the Texas  
15 preservation trust fund account into cash for deposit into the  
16 state treasury using a method that provides for the lowest amount of  
17 revenue loss to the state.

18 SECTION 28.04. This article takes effect November 1, 2011.

19 ARTICLE 29. FISCAL MATTERS CONCERNING INFORMATION TECHNOLOGY

20 SECTION 29.01. Section 2054.380, Government Code, is  
21 amended to read as follows:

22 Sec. 2054.380. FEES. (a) The department shall set and  
23 charge a fee to each state agency that receives a service from a  
24 statewide technology center in an amount sufficient to cover the  
25 direct and indirect cost of providing the service.

26 (b) Revenue derived from the collection of fees imposed  
27 under Subsection (a) may be appropriated to the department for:

1           (1) developing statewide information resources  
2 technology policies and planning under this chapter and Chapter  
3 2059; and

4           (2) providing shared information resources technology  
5 services under this chapter.

6           SECTION 29.02. Subsection (d), Section 2157.068,  
7 Government Code, is amended to read as follows:

8           (d) The department may charge a reasonable administrative  
9 fee to a state agency, political subdivision of this state, or  
10 governmental entity of another state that purchases commodity items  
11 through the department in an amount that is sufficient to recover  
12 costs associated with the administration of this section. Revenue  
13 derived from the collection of fees imposed under this subsection  
14 may be appropriated to the department for:

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

17           (2) providing shared information resources technology  
18 services under Chapter 2054.

19           SECTION 29.03. Subsections (a) and (d), Section 2170.057,  
20 Government Code, are amended to read as follows:

21           (a) The department shall develop a system of billings and  
22 charges for services provided in operating and administering the  
23 consolidated telecommunications system that allocates the total  
24 state cost to each entity served by the system based on  
25 proportionate usage. The department shall set and charge a fee to  
26 each entity that receives services provided under this chapter in  
27 an amount sufficient to cover the direct and indirect costs of

1 providing the service. Revenue derived from the collection of fees  
2 imposed under this subsection may be appropriated to the department  
3 for:

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

6 (2) providing:

7 (A) shared information resources technology  
8 services under Chapter 2054; and

9 (B) network security services under Chapter  
10 2059.

11 (d) The department shall maintain in the revolving fund  
12 account sufficient amounts to pay the bills of the consolidated  
13 telecommunications system and the centralized capitol complex  
14 telephone system. ~~[The department shall certify amounts that~~  
15 ~~exceed this amount to the comptroller, and the comptroller shall~~  
16 ~~transfer the excess amounts to the credit of the statewide network~~  
17 ~~applications account established by Section 2054.011.]~~

18 SECTION 29.04. This article takes effect immediately if  
19 this Act receives a vote of two-thirds of all the members elected to  
20 each house, as provided by Section 39, Article III, Texas  
21 Constitution. If this Act does not receive the vote necessary for  
22 immediate effect, this article takes effect on the 91st day after  
23 the last day of the legislative session.

24 ARTICLE 30. STATE DEBT

25 SECTION 30.01. Chapter 1231, Government Code, is amended by  
26 adding Subchapter G to read as follows:

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

2 Sec. 1231.151. DEFINITIONS. In this subchapter:

3 (1) "Maximum annual debt service" means the limitation  
4 on annual debt service imposed by Section 49-j(a), Article III,  
5 Texas Constitution.

6 (2) "State debt payable from the general revenue fund"  
7 has the meaning assigned by Section 49-j(b), Article III, Texas  
8 Constitution.

9 (3) "Unissued debt" means state debt payable from the  
10 general revenue fund that has been authorized but not issued.

11 Sec. 1231.152. COMPUTATION OF DEBT LIMIT. In computing the  
12 annual debt service in a state fiscal year on state debt payable  
13 from the general revenue fund for purposes of determining whether  
14 additional state debt may be authorized without exceeding the  
15 maximum annual debt service, the board may employ any assumptions  
16 related to unissued debt that the board determines are necessary to  
17 reflect common or standard debt issuance practices authorized by  
18 law, including assumptions regarding:

19 (1) interest rates;

20 (2) debt maturity; and

21 (3) debt service payment structures.

22 Sec. 1231.153. REPORT ON COMPUTATION. (a) The board shall  
23 publish during each state fiscal year a report providing a detailed  
24 description of the method used to compute the annual debt service in  
25 that fiscal year on state debt payable from the general revenue fund  
26 for purposes of determining whether additional state debt may be  
27 authorized. The report must describe:



1 requirements of the state bar for a reporting year if during the  
2 reporting year the attorney is employed full-time as an attorney by  
3 the office of the attorney general. An attorney credited for  
4 continuing legal education under this subsection must meet the  
5 continuing legal education requirements of the state bar in legal  
6 ethics or professional responsibility. This subsection expires  
7 January 1, 2014.

8 SECTION 31.02. Subchapter A, Chapter 402, Government Code,  
9 is amended by adding Section 402.010 to read as follows:

10 Sec. 402.010. CONTINUING LEGAL EDUCATION PROGRAMS. The  
11 office of the attorney general shall recognize, prepare, or  
12 administer continuing legal education programs that meet  
13 continuing legal education requirements imposed under Section  
14 81.113(c) for the attorneys employed by the office. This section  
15 expires January 1, 2014.

16 SECTION 31.03. Section 81.113, Government Code, as amended  
17 by this article, applies only to the requirements for a continuing  
18 legal education compliance year that ends on or after October 1,  
19 2011. The requirements for continuing legal education for a  
20 compliance year that ends before October 1, 2011, are covered by the  
21 law and rules in effect when the compliance year ended, and that law  
22 and those rules are continued in effect for that purpose.

23 ARTICLE 32. REGISTRATION FEE AND REGISTRATION RENEWAL FEE FOR  
24 LOBBYISTS

25 SECTION 32.01. Subsection (c), Section 305.005, Government  
26 Code, is amended to read as follows:

27 (c) The registration fee and registration renewal fee are:



1 state contribution may not be:

2 (1) made for coverages under this chapter selected by  
3 an individual who receives a state contribution, other than as a  
4 spouse, dependent, or beneficiary, for coverages under a group  
5 benefits program provided by an institution of higher education, as  
6 defined by Section 61.003, Education Code; or

7 (2) made for or used to pay a tobacco user premium  
8 differential assessed under Section 1551.3075.

9 SECTION 33.03. The board of trustees of the Employees  
10 Retirement System of Texas shall implement the tobacco user premium  
11 differential required under Section 1551.3075, Insurance Code, as  
12 added by this article, not later than January 1, 2012.

13 ARTICLE 34. PUBLIC ASSISTANCE REPORTING INFORMATION SYSTEM

14 SECTION 34.01. Subsection (c), Section 434.017, Government  
15 Code, is amended to read as follows:

16 (c) Money in the fund may be appropriated to the Texas  
17 Veterans Commission to:

18 (1) enhance or improve veterans' assistance programs,  
19 including veterans' representation and counseling;

20 (2) make grants to address veterans' needs; ~~and~~

21 (3) administer the fund; and

22 (4) analyze and investigate data received from the  
23 federal Public Assistance Reporting Information System (PARIS)  
24 that is administered by the Administration for Children and  
25 Families of the United States Department of Health and Human  
26 Services.

27 SECTION 34.02. The comptroller shall credit to the fund for

1 veterans' assistance established under Section 434.017, Government  
2 Code, as amended by this article, the savings generated from the use  
3 of the federal Public Assistance Reporting Information System  
4 (PARIS) under that section.

5 ARTICLE 35. REGIONAL POISON CONTROL CENTER MANAGEMENT CONTROLS AND  
6 EFFICIENCY

7 SECTION 35.01. Section 777.001, Health and Safety Code, is  
8 amended by amending Subsection (c) and adding Subsection (d) to  
9 read as follows:

10 (c) The Commission on State Emergency Communications may  
11 standardize the operations of and implement management controls to  
12 improve the efficiency of regional poison control centers [~~vote to~~  
13 ~~designate a seventh regional or satellite poison control center in~~  
14 ~~Harris County. That poison control center is subject to all~~  
15 ~~provisions of this chapter and other law relating to regional~~  
16 ~~poison control centers~~].

17 (d) If the Commission on State Emergency Communications  
18 implements management controls under Subsection (c), the  
19 commission shall submit to the governor and the Legislative Budget  
20 Board a plan for implementing the controls not later than October  
21 31, 2011. This subsection expires January 1, 2013.

22 ARTICLE 36. AUTHORIZED USES FOR CERTAIN DEDICATED PERMANENT FUNDS

23 SECTION 36.01. Section 403.105, Government Code, is amended  
24 by amending Subsection (b) and adding Subsection (b-1) to read as  
25 follows:

26 (b) Except as provided by Subsections (b-1), (c), (e), (f),  
27 and (h), money in the fund may not be appropriated for any purpose.

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

11        SECTION 36.02. Section 403.1055, Government Code, is  
12 amended by amending Subsection (b) and adding Subsection (b-1) to  
13 read as follows:

14        (b) Except as provided by Subsections (b-1), (c), (e), (f),  
15 and (h), money in the fund may not be appropriated for any purpose.

16        (b-1) Notwithstanding the limitations and requirements of  
17 Section 403.1068, the legislature may appropriate money in the  
18 fund, including the corpus and available earnings of the fund  
19 determined under Section 403.1068, to pay the principal of or  
20 interest on a bond issued for the purposes of Section 67, Article  
21 III, Texas Constitution. This subsection does not authorize the  
22 appropriation under this subsection of money subject to a  
23 limitation or requirement as described by Subsection (e) that is  
24 not consistent with the use of the money in accordance with this  
25 subsection.

26        SECTION 36.03. Section 403.106, Government Code, is amended  
27 by amending Subsection (b) and adding Subsection (b-1) to read as

1 follows:

2 (b) Except as provided by Subsections (b-1), (c), (e), (f),  
3 and (h), money in the fund may not be appropriated for any purpose.

4 (b-1) Notwithstanding the limitations and requirements of  
5 Section 403.1068, the legislature may appropriate money in the  
6 fund, including the corpus and available earnings of the fund  
7 determined under Section 403.1068, to pay the principal of or  
8 interest on a bond issued for the purposes of Section 67, Article  
9 III, Texas Constitution. This subsection does not authorize the  
10 appropriation under this subsection of money subject to a  
11 limitation or requirement as described by Subsection (e) that is  
12 not consistent with the use of the money in accordance with this  
13 subsection.

14 SECTION 36.04. This article takes effect immediately if  
15 this Act receives a vote of two-thirds of all the members elected to  
16 each house, as provided by Section 39, Article III, Texas  
17 Constitution. If this Act does not receive the vote necessary for  
18 immediate effect, this article takes effect on the 91st day after  
19 the last day of the legislative session.

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

22 SECTION 37.01. Subchapter G, Chapter 1551, Insurance Code,  
23 is amended by adding Section 1551.3076 to read as follows:

24 Sec. 1551.3076. EMPLOYER ENROLLMENT FEE. (a) The board of  
25 trustees shall assess each employer whose employees participate in  
26 the group benefits program an employer enrollment fee in an amount  
27 not to exceed a percentage of the employer's total payroll, as

1 determined by the General Appropriations Act.

2 (b) The board of trustees shall deposit the enrollment fees  
3 to the credit of the employees life, accident, and health insurance  
4 and benefits fund to be used for the purposes specified by Section  
5 1551.401.

6 ARTICLE 38. FISCAL MATTERS CONCERNING SURPLUS AND SALVAGE PROPERTY

7 SECTION 38.01. Subchapter C, Chapter 2175, Government Code,  
8 is repealed.

9 SECTION 38.02. Subsection (a), Section 32.102, Education  
10 Code, is amended to read as follows:

11 (a) As provided by this subchapter, a school district or  
12 open-enrollment charter school may transfer to a student enrolled  
13 in the district or school:

14 (1) any data processing equipment donated to the  
15 district or school, including equipment donated by:

16 (A) a private donor; or

17 (B) a state eleemosynary institution or a state  
18 agency under Section 2175.905 [~~2175.128~~], Government Code;

19 (2) any equipment purchased by the district or school,  
20 to the extent consistent with Section 32.105; and

21 (3) any surplus or salvage equipment owned by the  
22 district or school.

23 SECTION 38.03. Section 2175.002, Government Code, is  
24 amended to read as follows:

25 Sec. 2175.002. ADMINISTRATION OF CHAPTER. The commission is  
26 responsible for the disposal of surplus and salvage property of the  
27 state. The commission's surplus and salvage property division shall

1 administer this chapter.

2 SECTION 38.04. Section 2175.065, Government Code, is  
3 amended by amending Subsection (a) and adding Subsections (c) and  
4 (d) to read as follows:

5 (a) The commission may authorize a state agency to dispose  
6 of surplus or salvage property if the agency demonstrates to the  
7 commission its ability to dispose of the property under this  
8 chapter [~~Subchapters C and E~~] in a manner that results in cost  
9 savings to the state, under commission rules adopted under this  
10 chapter.

11 (c) If property is disposed of under this section, the  
12 disposing state agency shall report the transaction to the  
13 commission. The report must include a description of the property  
14 disposed of, the reasons for disposal, the price paid for the  
15 property disposed of, and the recipient of the property disposed  
16 of.

17 (d) If the commission determines that a violation of a state  
18 law or rule has occurred based on the report under Subsection (c),  
19 the commission shall report the violation to the Legislative Budget  
20 Board.

21 SECTION 38.05. The heading to Subchapter D, Chapter 2175,  
22 Government Code, is amended to read as follows:

23 SUBCHAPTER D. DISPOSITION OF SURPLUS OR SALVAGE PROPERTY [~~BY~~  
24 ~~COMMISSION~~]

25 SECTION 38.06. Section 2175.181, Government Code, is  
26 amended to read as follows:

27 Sec. 2175.181. APPLICABILITY. [~~(a) This subchapter applies~~

1 ~~only to surplus and salvage property located in:~~

2 ~~(1) Travis County,~~

3 ~~(2) a county in which federal surplus property is~~  
4 ~~warehoused by the commission under Subchapter C; or~~

5 ~~(3) a county for which the commission determines that~~  
6 ~~it is cost-effective to follow the procedures created under this~~  
7 ~~subchapter and informs affected state agencies of that~~  
8 ~~determination.~~

9 ~~(b)]~~ This subchapter applies ~~[does not apply]~~ to a state  
10 agency delegated the authority to dispose of surplus or salvage  
11 property under Section 2175.065.

12 SECTION 38.07. Section 2175.182, Government Code, is  
13 amended to read as follows:

14 Sec. 2175.182. STATE AGENCY TRANSFER OF PROPERTY ~~[TO~~  
15 ~~COMMISSION]~~. (a) A state agency that determines it has surplus or  
16 salvage property shall inform the commission of that fact for the  
17 purpose of determining the method of disposal of the property. ~~[The~~  
18 ~~commission is responsible for the disposal of surplus or salvage~~  
19 ~~property under this subchapter.]~~ The commission may take physical  
20 possession of the property.

21 (b) Based on the condition of the property, the commission,  
22 in conjunction with the state agency, shall determine whether the  
23 property is:

24 (1) surplus property that should be offered for  
25 transfer under Section 2175.184 or sold to the public; or

26 (2) salvage property.

27 (c) Following the determination in Subsection (b), the

1 ~~[The]~~ commission shall direct the state agency to inform the  
2 comptroller's office of the property's kind, number, location,  
3 condition, original cost or value, and date of acquisition.

4 SECTION 38.08. Section 2175.1825, Government Code, is  
5 amended to read as follows:

6 Sec. 2175.1825. ADVERTISING ON COMPTROLLER WEBSITE. (a) Not  
7 later than the second day after the date the comptroller receives  
8 notice from a state agency ~~[the commission]~~ under Section  
9 2175.182(c), the comptroller shall advertise the property's kind,  
10 number, location, and condition on the comptroller's website.

11 (b) The comptroller shall provide the commission access to  
12 all records in the state property accounting system related to  
13 surplus and salvage property.

14 SECTION 38.09. Section 2175.183, Government Code, is  
15 amended to read as follows:

16 Sec. 2175.183. COMMISSION NOTICE TO OTHER ENTITIES. The ~~[On~~  
17 ~~taking responsibility for surplus property under this subchapter,~~  
18 ~~the]~~ commission shall inform other state agencies, political  
19 subdivisions, and assistance organizations of the comptroller's  
20 website that lists surplus property that is available for sale.

21 SECTION 38.10. Section 2175.184, Government Code, is  
22 amended to read as follows:

23 Sec. 2175.184. DIRECT TRANSFER. During the 10 business  
24 days after the date the property is posted on the comptroller's  
25 website, a state agency, political subdivision, or assistance  
26 organization shall ~~[may]~~ coordinate with the commission for a  
27 transfer of the property at a price established by the commission

1 ~~[in cooperation with the transferring agency]~~. A transfer to a  
2 state agency has priority over any other transfer during this  
3 period.

4 SECTION 38.11. Subsection (a), Section 2175.186,  
5 Government Code, is amended to read as follows:

6 (a) If a disposition of a state agency's surplus property is  
7 not made under Section 2175.184, the commission shall sell the  
8 property by competitive bid, auction, or direct sale to the public,  
9 including a sale using an Internet auction site. The commission may  
10 contract with a private vendor to assist with the sale of the  
11 property.

12 SECTION 38.12. Section 2175.189, Government Code, is  
13 amended to read as follows:

14 Sec. 2175.189. ADVERTISEMENT OF SALE. If the value of an  
15 item or a lot of property to be sold is estimated to be more than  
16 \$25,000 [~~\$5,000~~], the commission shall advertise the sale at least  
17 once in at least one newspaper of general circulation in the  
18 vicinity in which the property is located.

19 SECTION 38.13. Subsection (a), Section 2175.191,  
20 Government Code, is amended to read as follows:

21 (a) Proceeds from the sale of surplus or salvage property,  
22 less the cost of advertising the sale, the cost of selling the  
23 surplus or salvage property, including the cost of auctioneer  
24 services or assistance from a private vendor, and the amount of the  
25 fee collected under Section 2175.188, shall be deposited to the  
26 credit of the general revenue fund of the state treasury.

27 SECTION 38.14. Section 2175.302, Government Code, is

1 amended to read as follows:

2           Sec. 2175.302. EXCEPTION FOR ELEEMOSYNARY INSTITUTIONS.  
3 Except as provided by Section 2175.905(b) [~~2175.128(b)~~], this  
4 chapter does not apply to the disposition of surplus or salvage  
5 property by a state eleemosynary institution.

6           SECTION 38.15. Section 2175.904, Government Code, is  
7 amended by amending Subsections (a) and (c) and adding Subsection  
8 (d) to read as follows:

9           (a) The commission shall establish a program for the sale of  
10 gambling equipment received from a municipality, from a  
11 commissioners court under Section 263.152(a)(5), Local Government  
12 Code, or from a state agency under this chapter.

13           (c) Proceeds from the sale of gambling equipment from a  
14 municipality or commissioners court, less the costs of the sale,  
15 including costs of advertising, storage, shipping, and auctioneer  
16 or broker services, and the amount of the fee collected under  
17 Section 2175.188 [~~2175.131~~], shall be divided according to an  
18 agreement between the commission and the municipality or  
19 commissioners court that provided the equipment for sale. The  
20 agreement must provide that:

21                   (1) not less than 50 percent of the net proceeds be  
22 remitted to the commissioners court; and

23                   (2) the remainder of the net proceeds retained by the  
24 commission be deposited to the credit of the general revenue fund.

25           (d) Proceeds from the sale of gambling equipment from a  
26 state agency, less the costs of the sale, including costs of  
27 advertising, storage, shipping, and auctioneer or broker services,

1 and the amount of the fee collected under Section 2175.188, shall be  
2 deposited to the credit of the general revenue fund of the state  
3 treasury.

4 SECTION 38.16. Subchapter Z, Chapter 2175, Government Code,  
5 is amended by adding Sections 2175.905 and 2175.906 to read as  
6 follows:

7 Sec. 2175.905. DISPOSITION OF DATA PROCESSING EQUIPMENT.

8 (a) If a disposition of a state agency's surplus or salvage data  
9 processing equipment is not made under Section 2175.184, the state  
10 agency shall transfer the equipment to:

11 (1) a school district or open-enrollment charter  
12 school in this state under Subchapter C, Chapter 32, Education  
13 Code;

14 (2) an assistance organization specified by the school  
15 district; or

16 (3) the Texas Department of Criminal Justice.

17 (b) If a disposition of the surplus or salvage data  
18 processing equipment of a state eleemosynary institution or an  
19 institution or agency of higher education is not made under other  
20 law, the institution or agency shall transfer the equipment to:

21 (1) a school district or open-enrollment charter  
22 school in this state under Subchapter C, Chapter 32, Education  
23 Code;

24 (2) an assistance organization specified by the school  
25 district; or

26 (3) the Texas Department of Criminal Justice.

27 (c) The state eleemosynary institution or institution or

1 agency of higher education or other state agency may not collect a  
2 fee or other reimbursement from the district, the school, the  
3 assistance organization, or the Texas Department of Criminal  
4 Justice for the surplus or salvage data processing equipment  
5 transferred under this section.

6 Sec. 2175.906. ABOLISHED AGENCIES. On abolition of a state  
7 agency, in accordance with Chapter 325, the commission shall take  
8 custody of all of the agency's property or other assets as surplus  
9 property unless other law or the legislature designates another  
10 appropriate governmental entity to take custody of the property or  
11 assets.

12 ARTICLE 39. LAW ENFORCEMENT AND CUSTODIAL OFFICER SUPPLEMENTAL  
13 RETIREMENT FUND

14 SECTION 39.01. Section 815.317, Government Code, is amended  
15 by adding Subsection (a-1) to read as follows:

16 (a-1) The comptroller shall deposit fees collected under  
17 Section 133.102(e)(7), Local Government Code, to the credit of the  
18 law enforcement and custodial officer supplemental retirement  
19 fund.

20 SECTION 39.02. Subsection (e), Section 133.102, Local  
21 Government Code, is amended to read as follows:

22 (e) The comptroller shall allocate the court costs received  
23 under this section to the following accounts and funds so that each  
24 receives to the extent practicable, utilizing historical data as  
25 applicable, the same amount of money the account or fund would have  
26 received if the court costs for the accounts and funds had been  
27 collected and reported separately, except that the account or fund

- 1 may not receive less than the following percentages:
- 2 (1) abused children's counseling 0.0088 percent;
- 3 (2) crime stoppers assistance 0.2581 percent;
- 4 (3) breath alcohol testing 0.5507 percent;
- 5 (4) Bill Blackwood Law Enforcement Management  
6 Institute 2.1683 percent;
- 7 (5) law enforcement officers standards and  
8 education 5.0034 percent;
- 9 (6) comprehensive rehabilitation 5.3218 percent;
- 10 (7) law enforcement and custodial officer  
11 supplemental retirement fund [~~operator's and chauffeur's~~  
12 ~~license~~] 11.1426 percent;
- 13 (8) criminal justice planning 12.5537 percent;
- 14 (9) an account in the state treasury to be used only  
15 for the establishment and operation of the Center for the Study and  
16 Prevention of Juvenile Crime and Delinquency at Prairie View A&M  
17 University 1.2090 percent;
- 18 (10) compensation to victims of crime fund 37.6338  
19 percent;
- 20 (11) fugitive apprehension account 12.0904 percent;
- 21 (12) judicial and court personnel training fund 4.8362  
22 percent;
- 23 (13) an account in the state treasury to be used for  
24 the establishment and operation of the Correctional Management  
25 Institute of Texas and Criminal Justice Center Account 1.2090  
26 percent; and
- 27 (14) fair defense account 6.0143 percent.

1 SECTION 39.03. This article takes effect September 1, 2013.

2 ARTICLE 40. SALES AND USE TAX COLLECTION AND ALLOCATION

3 SECTION 40.01. Subsection (b), Section 151.008, Tax Code,  
4 is amended to read as follows:

5 (b) "Seller" and "retailer" include:

6 (1) a person in the business of making sales at auction  
7 of tangible personal property owned by the person or by another;

8 (2) a person who makes more than two sales of taxable  
9 items during a 12-month period, including sales made in the  
10 capacity of an assignee for the benefit of creditors or receiver or  
11 trustee in bankruptcy;

12 (3) a person regarded by the comptroller as a seller or  
13 retailer under Section 151.024 [~~of this code~~];

14 (4) a hotel, motel, or owner or lessor of an office or  
15 residential building or development that contracts and pays for  
16 telecommunications services for resale to guests or tenants; [~~and~~]

17 (5) a person who engages in regular or systematic  
18 solicitation of sales of taxable items in this state by the  
19 distribution of catalogs, periodicals, advertising flyers, or  
20 other advertising, by means of print, radio, or television media,  
21 or by mail, telegraphy, telephone, computer data base, cable,  
22 optic, microwave, or other communication system for the purpose of  
23 effecting sales of taxable items; and

24 (6) a person who, under an agreement with another  
25 person, is:

26 (A) entrusted with possession of tangible  
27 personal property with respect to which the other person has title

1 or another ownership interest; and

2 (B) authorized to sell, lease, or rent the  
3 property without additional action by the person having title to or  
4 another ownership interest in the property.

5 SECTION 40.02. Section 151.107, Tax Code, is amended by  
6 amending Subsection (a) and adding Subsection (d) to read as  
7 follows:

8 (a) For the purpose of this subchapter and in relation to  
9 the use tax, a retailer is engaged in business in this state if the  
10 retailer:

11 (1) maintains, occupies, or uses in this state  
12 permanently, temporarily, directly, or indirectly or through a  
13 subsidiary or agent by whatever name, an office, ~~[place of]~~  
14 distribution center, sales or sample room or place, warehouse,  
15 storage place, or any other physical location where ~~[place of]~~  
16 business is conducted;

17 (2) has a representative, agent, salesman, canvasser,  
18 or solicitor operating in this state under the authority of the  
19 retailer or its subsidiary for the purpose of selling or delivering  
20 or the taking of orders for a taxable item;

21 (3) derives receipts ~~[rentals]~~ from the sale, [a]  
22 lease, or rental of tangible personal property situated in this  
23 state;

24 (4) engages in regular or systematic solicitation of  
25 sales of taxable items in this state by the distribution of  
26 catalogs, periodicals, advertising flyers, or other advertising,  
27 by means of print, radio, or television media, or by mail,

1 telegraphy, telephone, computer data base, cable, optic,  
2 microwave, or other communication system for the purpose of  
3 effecting sales of taxable items;

4 (5) solicits orders for taxable items by mail or  
5 through other media and under federal law is subject to or permitted  
6 to be made subject to the jurisdiction of this state for purposes of  
7 collecting the taxes imposed by this chapter;

8 (6) has a franchisee or licensee operating under its  
9 trade name if the franchisee or licensee is required to collect the  
10 tax under this section; ~~or~~

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

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

19 (B) the facilities or employees of the person  
20 with the location in this state are used to:

21 (i) advertise, promote, or facilitate sales  
22 by the retailer to consumers; or

23 (ii) perform any other activity on behalf  
24 of the retailer that is intended to establish or maintain a  
25 marketplace for the retailer in this state, including receiving or  
26 exchanging returned merchandise;

27 (8) holds a substantial ownership interest in, or is

1 owned in whole or substantial part by, a person that:

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

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

6 (9) otherwise does business in this state.

7 (d) In this section:

8 (1) "Ownership" includes:

9 (A) direct ownership;

10 (B) common ownership; and

11 (C) indirect ownership through a parent entity,  
12 subsidiary, or affiliate.

13 (2) "Substantial" means, with respect to an ownership  
14 interest, an interest in an entity that is:

15 (A) if the entity is a corporation, at least 50  
16 percent, directly or indirectly, of:

17 (i) the total combined voting power of all  
18 classes of stock of the corporation; or

19 (ii) the beneficial ownership interest in  
20 the voting stock of the corporation;

21 (B) if the entity is a trust, at least 50 percent,  
22 directly or indirectly, of the current beneficial interest in the  
23 trust corpus or income;

24 (C) if the entity is a limited liability company,  
25 at least 50 percent, directly or indirectly, of:

26 (i) the total membership interest of the  
27 limited liability company; or

1                    (ii) the beneficial ownership interest in  
2 the membership interest of the limited liability company; or

3                    (D) for any entity, including a partnership or  
4 association, at least 50 percent, directly or indirectly, of the  
5 capital or profits interest in the entity.

6            SECTION 40.03. Subchapter M, Chapter 151, Tax Code, is  
7 amended by adding Section 151.802 to read as follows:

8            Sec. 151.802. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX  
9 RELIEF FUND. (a) This section applies only:

10                    (1) during the state fiscal years beginning September  
11 1 of 2012, 2013, 2014, 2015, and 2016; and

12                    (2) with respect to unused franchise tax credits  
13 described by Sections 18(e) and (f), Chapter 1 (H.B. 3), Acts of the  
14 79th Legislature, 3rd Called Session, 2006.

15                    (b) Notwithstanding Section 151.801, the comptroller shall  
16 deposit to the credit of the property tax relief fund under Section  
17 403.109, Government Code, an amount of the proceeds from the  
18 collection of the taxes imposed by this chapter equal to the amount  
19 of revenue the state does not receive from the tax imposed under  
20 Chapter 171 because taxable entities, as defined by that chapter,  
21 that are corporations are entitled to claim unused franchise tax  
22 credits after December 31, 2012, and during that state fiscal year.

23                    (c) This section expires September 1, 2017.

24            SECTION 40.04. The change in law made by this article does  
25 not affect tax liability accruing before the effective date of this  
26 article. That liability continues in effect as if this article had  
27 not been enacted, and the former law is continued in effect for the

1 collection of taxes due and for civil and criminal enforcement of  
2 the liability for those taxes.

3 SECTION 40.05. This article takes effect January 1, 2012.

4 ARTICLE 41. CARRYFORWARD OF CERTAIN FRANCHISE TAX CREDITS

5 SECTION 41.01. Subsections (e) and (f), Section 18, Chapter  
6 1 (H.B. 3), Acts of the 79th Legislature, 3rd Called Session, 2006,  
7 are amended to read as follows:

8 (e) A corporation that has any unused credits established  
9 before the effective date of this Act under Subchapter P, Chapter  
10 171, Tax Code, may claim those unused credits on or with the tax  
11 report for the period in which the credit was established. However,  
12 if the corporation was allowed to carry forward unused credits  
13 under that subchapter, the corporation may continue to apply those  
14 credits on or with each consecutive report until the earlier of the  
15 date the credit would have expired under the terms of Subchapter P,  
16 Chapter 171, Tax Code, had it continued in existence, or December  
17 31, 2016 [~~2012~~], and the former law under which the corporation  
18 established the credits is continued in effect for purposes of  
19 determining the amount of the credits the corporation may claim and  
20 the manner in which the corporation may claim the credits.

21 (f) A corporation that has any unused credits established  
22 before the effective date of this Act under Subchapter Q, Chapter  
23 171, Tax Code, may claim those unused credits on or with the tax  
24 report for the period in which the credit was established. However,  
25 if the corporation was allowed to carry forward unused credits  
26 under that subchapter, the corporation may continue to apply those  
27 credits on or with each consecutive report until the earlier of the

1 date the credit would have expired under the terms of Subchapter Q,  
2 Chapter 171, Tax Code, had it continued in existence, or December  
3 31, 2016 [~~2012~~], and the former law under which the corporation  
4 established the credits is continued in effect for purposes of  
5 determining the amount of the credits the corporation may claim and  
6 the manner in which the corporation may claim the credits.

7 ARTICLE 42. STATE PURCHASING

8 SECTION 42.01. Section 2155.082, Government Code, is  
9 amended to read as follows:

10 Sec. 2155.082. PROVIDING CERTAIN PURCHASING SERVICES ON  
11 FEE-FOR-SERVICE BASIS OR THROUGH BENEFIT FUNDING. (a) The  
12 comptroller [~~commission~~] may provide open market purchasing  
13 services on a fee-for-service basis for state agency purchases that  
14 are delegated to an agency under Section 2155.131, 2155.132,  
15 [~~2155.133~~] or 2157.121 or that are exempted from the purchasing  
16 authority of the comptroller [~~commission~~]. The comptroller  
17 [~~commission~~] shall set the fees in an amount that recovers the  
18 comptroller's [~~commission's~~] costs in providing the services.

19 (b) The comptroller [~~commission~~] shall publish a schedule  
20 of [~~its~~] fees for services that are subject to this section. The  
21 schedule must include the comptroller's [~~commission's~~] fees for:

22 (1) reviewing bid and contract documents for clarity,  
23 completeness, and compliance with laws and rules;

24 (2) developing and transmitting invitations to bid;

25 (3) receiving and tabulating bids;

26 (4) evaluating and determining which bidder offers the  
27 best value to the state;

1           (5) creating and transmitting purchase orders; and  
2           (6) participating in agencies' request for proposal  
3 processes.

4           (c) If the state agency on behalf of which the procurement  
5 is to be made agrees, the comptroller may engage a consultant to  
6 assist with a particular procurement on behalf of a state agency and  
7 pay the consultant from the cost savings realized by the state  
8 agency.

9           ARTICLE 43. PERIOD FOR SALES AND USE TAX HOLIDAY

10          SECTION 43.01. Subsection (a), Section 151.326, Tax Code,  
11 is amended to read as follows:

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

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

17           (2) the sale takes place during a period beginning at  
18 12:01 a.m. on the ~~third~~ Friday before the eighth day preceding the  
19 earliest date on which any school district, other than a district  
20 operating a year-round system, may begin instruction for the school  
21 year as prescribed by Section 25.0811(a), Education Code, [~~in~~  
22 August] and ending at 12 midnight on the following Sunday.

23          SECTION 43.02. Subsection (a), Section 151.326, Tax Code,  
24 as amended by this article, does not affect tax liability accruing  
25 before the effective date of this article. That liability  
26 continues in effect as if this article had not been enacted, and the  
27 former law is continued in effect for the collection of taxes due

1 and for civil and criminal enforcement of the liability for those  
2 taxes.

3 SECTION 43.03. This article takes effect immediately if  
4 this Act receives a vote of two-thirds of all the members elected to  
5 each house, as provided by Section 39, Article III, Texas  
6 Constitution. If this Act does not receive the vote necessary for  
7 immediate effect, this article takes effect on the 91st day after  
8 the last day of the legislative session.

9 ARTICLE 44. LEGISLATIVE BUDGET BOARD MEETINGS

10 SECTION 44.01. Section 322.003, Government Code, is amended  
11 by adding Subsection (f) to read as follows:

12 (f) The board shall hold a public hearing each state fiscal  
13 year to receive a report from the comptroller and receive invited  
14 testimony regarding the financial condition of this state. The  
15 report from the comptroller shall include, to the extent  
16 practicable:

17 (1) information on each revenue source included in  
18 determining the estimate of anticipated revenue for purposes of the  
19 most recent statement required by Section 49a, Article III, Texas  
20 Constitution, and the total net revenue actually collected from  
21 that source for the state fiscal year as of the end of the most  
22 recent state fiscal quarter;

23 (2) a comparison for the period described by  
24 Subdivision (1) of the total net revenue collected from each  
25 revenue source required to be specified under that subdivision with  
26 the anticipated revenue from that source that was included for  
27 purposes of determining the estimate of anticipated revenue in the

1 statement required by Section 49a, Article III, Texas Constitution;

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

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

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

13 SECTION 44.02. Chapter 322, Government Code, is amended by  
14 adding Section 322.0081 to read as follows:

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

20 (b) The board shall post a document to which this section  
21 applies as soon as practicable after the document is provided to a  
22 committee, subcommittee, or conference committee.

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

26 (d) The requirement under Subsection (a) does not supersede  
27 any exceptions provided under Chapter 552.

1       (e) The board shall promulgate rules to implement the  
2 provisions of this section.

3       SECTION 44.03. Chapter 322, Government Code, is amended by  
4 adding Section 322.022 to read as follows:

5       Sec. 322.022. PUBLIC HEARING ON INTERIM BUDGET REDUCTION  
6 REQUEST. (a) In this section:

7           (1) "Interim budget reduction request" means a request  
8 communicated in any manner for a state agency to make adjustments to  
9 the strategies, methods of finance, performance measures, or riders  
10 applicable to the agency through the state budget in effect on the  
11 date the request is communicated that, if implemented, would reduce  
12 the agency's total expenditures for the current state fiscal  
13 biennium to an amount less than the total amount that otherwise  
14 would be permissible based on the appropriations made to the agency  
15 in the budget.

16           (2) "State agency" means an office, department, board,  
17 commission, institution, or other entity to which a legislative  
18 appropriation is made.

19       (b) A state agency shall provide to the board a detailed  
20 report of any expenditure reduction plan that:

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

25           (2) if implemented, would reduce the agency's total  
26 expenditures for the current state fiscal biennium to an amount  
27 less than the total amount that otherwise would be permissible

1 based on the appropriations made to the agency in the state budget  
2 for the biennium.

3 (c) The board shall hold a public hearing to solicit  
4 testimony on an expenditure reduction plan a state agency reports  
5 to the board as required by Subsection (b) as soon as practicable  
6 after receiving the report. The agency may not implement any  
7 element of the plan until the conclusion of the hearing.

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

13 SECTION 44.04. Subchapter B, Chapter 403, Government Code,  
14 is amended by adding Section 403.0145 to read as follows:

15 Sec. 403.0145. PUBLICATION OF FEES SCHEDULE. As soon as  
16 practicable after the end of each state fiscal year, the  
17 comptroller shall publish online a schedule of all revenue to the  
18 state from fees authorized by statute. For each fee, the schedule  
19 must specify:

- 20 (1) the statutory authority for the fee;  
21 (2) if the fee has been increased during the most  
22 recent legislative session, the amount of the increase;  
23 (3) into which fund the fee revenue will be deposited;

24 and

- 25 (4) the amount of the fee revenue that will be  
26 considered available for general governmental purposes and  
27 accordingly considered available for the purpose of certification

1 under Section 403.121.

2 SECTION 44.05. Section 404.124, Government Code, is amended  
3 by amending Subsections (a) and (b) and adding Subsection (b-1) to  
4 read as follows:

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

15 (b) Based on the forecast and testimony provided at the  
16 hearing required by Subsection (a), the committee may approve the  
17 issuance of notes, subject to Subsections (b-1) and (c), and the  
18 maximum outstanding balance of notes in any fiscal year. The  
19 outstanding balance may not exceed the maximum temporary cash  
20 shortfall forecast by the comptroller for any period in the fiscal  
21 year. The comptroller may not issue notes in excess of the amount  
22 approved.

23 (b-1) The committee's approval of the issuance of notes  
24 granted under Subsection (b) expires on the 91st day after the date  
25 the hearing conducted under Subsection (a) concludes. The  
26 comptroller may not issue notes on or after the 91st day unless the  
27 comptroller submits another general revenue cash flow shortfall

1 forecast to the committee and the committee subsequently grants  
2 approval for the issuance of the notes in accordance with the  
3 procedure required by Subsections (a) and (b). Each subsequent  
4 approval expires on the 61st day after the date the hearing on which  
5 the approval was based concludes.

6 ARTICLE 45. ECONOMIC AND WORKFORCE DEVELOPMENT PROGRAMS

7 SECTION 45.01. Section 481.078, Government Code, is amended  
8 by adding Subsection (m) to read as follows:

9 (m) Notwithstanding Subsections (e) and (e-1), during the  
10 state fiscal biennium that begins on September 1, 2011, the  
11 governor may transfer money from the fund to the Texas Workforce  
12 Commission to fund the Texas Back to Work Program established under  
13 Chapter 313, Labor Code. This subsection expires September 1,  
14 2013.

15 SECTION 45.02. Subtitle B, Title 4, Labor Code, is amended  
16 by adding Chapter 313 to read as follows:

17 CHAPTER 313. TEXAS BACK TO WORK PROGRAM

18 Sec. 313.001. DEFINITION. In this chapter, "qualified  
19 applicant" means a person who made less than \$40 per hour at the  
20 person's last employment before becoming unemployed.

21 Sec. 313.002. INITIATIVE ESTABLISHED. (a) The Texas Back  
22 to Work Program is established within the commission.

23 (b) The purpose of the program is to establish  
24 public-private partnerships with employers to transition residents  
25 of this state from receiving unemployment compensation to becoming  
26 employed as members of the workforce.

27 (c) An employer that participates in the initiative may

1 receive a wage subsidy for hiring one or more qualified applicants  
2 who are unemployed at the time of hire.

3 Sec. 313.003. RULES. The commission may adopt rules as  
4 necessary to implement this chapter.

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

7 SECTION 46.01. Section 31.031, Tax Code, is amended by  
8 amending Subsection (a) and adding Subsection (a-1) to read as  
9 follows:

10 (a) This section applies only to:

11 (1) [If before the delinquency date] an individual who  
12 is:

13 (A) disabled or at least 65 years of age; and

14 (B) [is] qualified for an exemption under Section  
15 11.13(c); or

16 (2) an individual who is:

17 (A) the unmarried surviving spouse of a disabled  
18 veteran; and

19 (B) qualified for an exemption under Section  
20 11.22.

21 (a-1) If before the delinquency date an individual to whom  
22 this section applies pays at least one-fourth of a taxing unit's  
23 taxes imposed on property that the person owns and occupies as a  
24 residence homestead, accompanied by notice to the taxing unit that  
25 the person will pay the remaining taxes in installments, the person  
26 may pay the remaining taxes without penalty or interest in three  
27 equal installments. The first installment must be paid before

1 April 1, the second installment before June 1, and the third  
2 installment before August 1.

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

5 SECTION 46.03. This article takes effect January 1, 2012.

6 ARTICLE 47. EXTENSION OF FRANCHISE TAX EXEMPTION

7 SECTION 47.01. Subsection (c), Section 1, Chapter 286 (H.B.  
8 4765), Acts of the 81st Legislature, Regular Session, 2009, is  
9 amended to read as follows:

10 (c) This [~~If this section takes effect, this~~] section  
11 expires December 31, 2013 [~~2011~~].

12 SECTION 47.02. Subsection (b), Section 2, Chapter 286 (H.B.  
13 4765), Acts of the 81st Legislature, Regular Session, 2009, is  
14 amended to read as follows:

15 (b) This section takes effect January 1, 2014 [~~2012, if H.B.~~  
16 ~~No. 2154, Acts of the 81st Legislature, Regular Session, 2009,~~  
17 ~~amends Section 155.0211, Tax Code, in a manner that results in an~~  
18 ~~increase in the revenue from the tax under that section during the~~  
19 ~~state fiscal biennium beginning September 1, 2009, that is~~  
20 ~~attributable to that change, and that Act is enacted and becomes~~  
21 ~~law. If H.B. No. 2154, Acts of the 81st Legislature, Regular~~  
22 ~~Session, 2009, does not amend Section 155.0211, Tax Code, in that~~  
23 ~~manner or is not enacted or does not become law, this section takes~~  
24 ~~effect January 1, 2010~~].

25 SECTION 47.03. Subsection (b), Section 3, Chapter 286 (H.B.  
26 4765), Acts of the 81st Legislature, Regular Session, 2009, is  
27 amended to read as follows:

1           (b) This section takes effect January 1, 2014 [~~2012, if H.B.~~  
2 ~~No. 2154, Acts of the 81st Legislature, Regular Session, 2009,~~  
3 ~~amends Section 155.0211, Tax Code, in a manner that results in an~~  
4 ~~increase in the revenue from the tax under that section during the~~  
5 ~~state fiscal biennium beginning September 1, 2009, that is~~  
6 ~~attributable to that change, and that Act is enacted and becomes~~  
7 ~~law. If H.B. No. 2154, Acts of the 81st Legislature, Regular~~  
8 ~~Session, 2009, does not amend Section 155.0211, Tax Code, in that~~  
9 ~~manner or is not enacted or does not become law, this section takes~~  
10 ~~effect January 1, 2010].~~

11           SECTION 47.04. This article takes effect immediately if  
12 this Act receives a vote of two-thirds of all the members elected to  
13 each house, as provided by Section 39, Article III, Texas  
14 Constitution. If this Act does not receive the vote necessary for  
15 this article to have immediate effect, this article takes effect on  
16 the 91st day after the last day of the legislative session.

17           ARTICLE 48. FISCAL MATTERS REGARDING ASSISTANT PROSECUTORS

18           SECTION 48.01. Subsection (f), Section 41.255, Government  
19 Code, is amended to read as follows:

20           (f) A county is not required to pay longevity supplements if  
21 the county does not receive funds from the comptroller as provided  
22 by Subsection (d). If sufficient funds are not available to meet  
23 the requests made by counties for funds for payment of assistant  
24 prosecutors qualified for longevity supplements:

25           (1) [~~7~~] the comptroller shall apportion the available  
26 funds to the eligible counties by reducing the amount payable to  
27 each county on an equal percentage basis;

1           (2) a county is not entitled to receive the balance of  
2 the funds at a later date; and

3           (3) the longevity pay program under this chapter is  
4 suspended to the extent of the insufficiency. [A county that  
5 receives from the comptroller an amount less than the amount  
6 certified by the county to the comptroller under Subsection (d)  
7 shall apportion the funds received by reducing the amount payable  
8 to eligible assistant prosecutors on an equal percentage basis, but  
9 is not required to use county funds to make up any difference  
10 between the amount certified and the amount received.]

11           SECTION 48.02. Subsection (g), Section 41.255, Government  
12 Code, is repealed.

13           ARTICLE 49. FISCAL MATTERS REGARDING PROCESS SERVERS

14           SECTION 49.01. Subchapter B, Chapter 72, Government Code,  
15 is amended by adding Sections 72.013 and 72.014 to read as follows:

16           Sec. 72.013. PROCESS SERVER REVIEW BOARD. A person  
17 appointed to the process server review board established by supreme  
18 court order serves without compensation but is entitled to  
19 reimbursement for actual and necessary expenses incurred in  
20 traveling and performing official board duties.

21           Sec. 72.014. CERTIFICATION DIVISION. The office shall  
22 establish a certification division to oversee the regulatory  
23 programs assigned to the office by law or by the supreme court.

24           ARTICLE 50. FISCAL MATTERS REGARDING REIMBURSEMENT OF JURORS

25           SECTION 50.01. Section 61.001, Government Code, is amended  
26 by adding Subsections (a-1) and (a-2) to read as follows:

27           (a-1) Notwithstanding Subsection (a), and except as

1 provided by Subsection (c), during the state fiscal biennium  
2 beginning September 1, 2011, a person who reports for jury service  
3 in response to the process of a court is entitled to receive as  
4 reimbursement for travel and other expenses an amount:

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

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

12 (a-2) This subsection and Subsection (a-1) expire September  
13 1, 2013.

14 SECTION 50.02. Section 61.0015, Government Code, is amended  
15 by adding Subsections (a-1), (a-2), and (e-1) to read as follows:

16 (a-1) Notwithstanding Subsection (a), during the state  
17 fiscal biennium beginning September 1, 2011, the state shall  
18 reimburse a county the appropriate amount as provided in the  
19 General Appropriations Act for the reimbursement paid under Section  
20 61.001 to a person who reports for jury service in response to the  
21 process of a court for each day or fraction of each day after the  
22 first day in attendance in court in response to the process.

23 (a-2) This subsection and Subsections (a-1) and (e-1)  
24 expire September 1, 2013.

25 (e-1) Notwithstanding Subsection (e), during the state  
26 fiscal biennium beginning September 1, 2011, if a payment on a  
27 county's claim for reimbursement is reduced under Subsection (d),

1 or if a county fails to file the claim for reimbursement in a timely  
2 manner, the comptroller may, as provided by rule, apportion the  
3 payment of the balance owed the county. The comptroller's rules may  
4 permit a different rate of reimbursement for each quarterly payment  
5 under Subsection (c).

6 ARTICLE 51. COLLECTION IMPROVEMENT PROGRAM

7 SECTION 51.01. Subsections (f), (h), (i), and (j), Article  
8 103.0033, Code of Criminal Procedure, are amended to read as  
9 follows:

10 (f) The [~~comptroller, in cooperation with the~~] office[~~,~~]  
11 shall develop a methodology for determining the collection rate of  
12 counties and municipalities described by Subsection (e) before  
13 implementation of a program. The office [~~comptroller~~] shall  
14 determine the rate for each county and municipality not later than  
15 the first anniversary of the county's or municipality's adoption of  
16 a program.

17 (h) The office[~~, in consultation with the comptroller,~~]  
18 may:

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

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

25 (i) Each county and municipality shall at least annually  
26 submit to the office [~~and the comptroller~~] a written report that  
27 includes updated information regarding the program, as determined

1 by the office [~~in cooperation with the comptroller~~]. The report  
2 must be in a form approved by the office [~~in cooperation with the~~  
3 ~~comptroller~~].

4 (j) The office [~~comptroller~~] shall periodically audit  
5 counties and municipalities to verify information reported under  
6 Subsection (i) and confirm that the county or municipality is  
7 conforming with requirements relating to the program. [~~The~~  
8 ~~comptroller shall consult with the office in determining how~~  
9 ~~frequently to conduct audits under this section.~~]

10 SECTION 51.02. Subsection (e), Section 133.058, Local  
11 Government Code, is amended to read as follows:

12 (e) A municipality or county may not retain a service fee  
13 if, during an audit under [~~Section 133.059 of this code or~~] Article  
14 103.0033(j), Code of Criminal Procedure, the Office of Court  
15 Administration of the Texas Judicial System [~~comptroller~~]  
16 determines that the municipality or county is not in compliance  
17 with Article 103.0033, Code of Criminal Procedure. The  
18 municipality or county may continue to retain a service fee under  
19 this section on receipt of a written confirmation from the Office of  
20 Court Administration of the Texas Judicial System [~~comptroller~~]  
21 that the municipality or county is in compliance with Article  
22 103.0033, Code of Criminal Procedure.

23 SECTION 51.03. Subsection (c-1), Section 133.103, Local  
24 Government Code, is amended to read as follows:

25 (c-1) The treasurer shall send 100 percent of the fees  
26 collected under this section to the comptroller if, during an audit  
27 under [~~Section 133.059 of this code or~~] Article 103.0033(j), Code

1 of Criminal Procedure, the Office of Court Administration of the  
2 Texas Judicial System [~~comptroller~~] determines that the  
3 municipality or county is not in compliance with Article 103.0033,  
4 Code of Criminal Procedure. The municipality or county shall  
5 continue to dispose of fees as otherwise provided by this section on  
6 receipt of a written confirmation from the Office of Court  
7 Administration of the Texas Judicial System [~~comptroller~~] that the  
8 municipality or county is in compliance with Article 103.0033, Code  
9 of Criminal Procedure.

10 ARTICLE 52. CORRECTIONAL MANAGED HEALTH CARE

11 SECTION 52.01. Subsection (a), Section 501.133, Government  
12 Code, is amended to read as follows:

13 (a) The committee consists of five voting [~~nine~~] members and  
14 one nonvoting member [~~appointed~~] as follows:

15 (1) one member [~~two members~~] employed full-time by the  
16 department, [~~at least one of whom is a physician,~~] appointed by the  
17 executive director;

18 (2) one member who is a physician and [~~two members~~]  
19 employed full-time by The University of Texas Medical Branch at  
20 Galveston, [~~at least one of whom is a physician,~~] appointed by the  
21 president of the medical branch;

22 (3) one member who is a physician and [~~two members~~]  
23 employed full-time by the Texas Tech University Health Sciences  
24 Center, [~~at least one of whom is a physician,~~] appointed by the  
25 president of the university; [~~and~~]

26 (4) two [~~three~~] public members appointed by the  
27 governor who are not affiliated with the department or with any

1 entity with which the committee has contracted to provide health  
2 care services under this chapter, at least one [~~two~~] of whom is  
3 [~~are~~] licensed to practice medicine in this state; and  
4 (5) the state Medicaid director, to serve ex officio  
5 as a nonvoting member.

6 SECTION 52.02. Subsection (b), Section 501.135, Government  
7 Code, is amended to read as follows:

8 (b) A person may not be an appointed [~~a~~] member of the  
9 committee and may not be a committee employee employed in a "bona  
10 fide executive, administrative, or professional capacity," as that  
11 phrase is used for purposes of establishing an exemption to the  
12 overtime provisions of the federal Fair Labor Standards Act of 1938  
13 (29 U.S.C. Section 201 et seq.) and its subsequent amendments if:

14 (1) the person is an officer, employee, or paid  
15 consultant of a Texas trade association in the field of health care  
16 or health care services; or

17 (2) the person's spouse is an officer, manager, or paid  
18 consultant of a Texas trade association in the field of health care  
19 or health care services.

20 SECTION 52.03. Section 501.136, Government Code, is amended  
21 to read as follows:

22 Sec. 501.136. TERMS OF OFFICE FOR PUBLIC MEMBERS.  
23 Committee members appointed by the governor serve staggered  
24 four-year [~~six-year~~] terms, with the term of one of those members  
25 expiring on February 1 of each odd-numbered year. Other committee  
26 members serve at the will of the appointing official or until  
27 termination of the member's employment with the entity the member

1 represents.

2 SECTION 52.04. Section 501.147, Government Code, is amended  
3 to read as follows:

4 Sec. 501.147. DEPARTMENT [~~COMMITTEE~~] AUTHORITY TO  
5 CONTRACT. (a) The department [~~committee~~] may enter into a contract  
6 [~~on behalf of the department~~] to fully implement the managed health  
7 care plan under this subchapter. A contract entered into under this  
8 subsection must include provisions necessary to ensure that The  
9 University of Texas Medical Branch at Galveston is eligible for and  
10 makes reasonable efforts to participate in the purchase of  
11 prescription drugs under Section 340B, Public Health Service Act  
12 (42 U.S.C. Section 256b).

13 (b) The department [~~committee~~] may [~~, in addition to~~  
14 ~~providing services to the department,~~] contract with other  
15 governmental entities for similar health care services and  
16 integrate those services into the managed health care provider  
17 network.

18 (c) In contracting for implementation of the managed health  
19 care plan, the department [~~committee~~], to the extent possible,  
20 shall integrate the managed health care provider network with the  
21 public medical schools of this state and the component and  
22 affiliated hospitals of those medical schools. The contract must  
23 authorize The University of Texas Medical Branch at Galveston to  
24 contract directly with the Texas Tech University Health Sciences  
25 Center for the provision of health care services. The Texas Tech  
26 University Health Sciences Center shall cooperate with The  
27 University of Texas Medical Branch at Galveston in its efforts to

1 participate in the purchase of prescription drugs under Section  
2 340B, Public Health Service Act (42 U.S.C. Section 256b).

3 (d) For services that the public medical schools and their  
4 components and affiliates cannot provide, the department  
5 ~~[committee]~~ shall initiate a competitive bidding process for  
6 contracts with other providers for medical care to persons confined  
7 by the department.

8 (e) The department, in cooperation with the committee, may  
9 contract with an individual or firm for a biennial review of, and  
10 report concerning, expenditures under the managed health care plan.  
11 The review must be conducted by an individual or firm experienced in  
12 auditing the state's Medicaid expenditures and other medical  
13 expenditures. Not later than September 1 of each even-numbered  
14 year, the department shall submit a copy of a report under this  
15 section to the health care providers that are part of the managed  
16 health care provider network established under this subchapter, the  
17 Legislative Budget Board, the governor, the lieutenant governor,  
18 and the speaker of the house of representatives.

19 SECTION 52.05. Subsection (a), Section 501.148, Government  
20 Code, is amended to read as follows:

21 (a) The committee may ~~[shall]~~:

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

24 (2) ~~[maintain contracts for health care services in~~  
25 ~~consultation with the department and the health care providers,~~

26 ~~[(3)]~~ communicate with the department and the  
27 legislature regarding the financial needs of the correctional

1 health care system;

2 (3) in conjunction with the department,  
3 ~~[(4) allocate funding made available through legislative~~  
4 ~~appropriations for correctional health care,~~

5 ~~[(5)]~~ monitor the expenditures of The University of  
6 Texas Medical Branch at Galveston and the Texas Tech University  
7 Health Sciences Center to ensure that those expenditures comply  
8 with applicable statutory and contractual requirements;

9 (4) ~~[(6)]~~ serve as a dispute resolution forum in the  
10 event of a disagreement relating to inmate health care services  
11 between:

12 (A) the department and the health care providers;

13 or

14 (B) The University of Texas Medical Branch at  
15 Galveston and the Texas Tech University Health Sciences Center;

16 (5) ~~[(7)]~~ address problems found through monitoring  
17 activities by the department and health care providers, including  
18 requiring corrective action if care does not meet expectations as  
19 determined by those monitoring activities;

20 (6) ~~[(8)]~~ identify and address long-term needs of the  
21 correctional health care system; and

22 (7) ~~[(9)]~~ report to the Texas Board of Criminal  
23 Justice at the board's regularly scheduled meeting each quarter on  
24 the committee's policy recommendations ~~[decisions]~~, the financial  
25 status of the correctional health care system, and corrective  
26 actions taken by or required of the department or the health care  
27 providers.

1 SECTION 52.06. (a) The Correctional Managed Health Care  
2 Committee established under Section 501.133, Government Code, as  
3 that section existed before amendment by this article, is abolished  
4 effective November 30, 2011.

5 (b) An appointing official under Section 501.133,  
6 Government Code, shall appoint the members of the Correctional  
7 Managed Health Care Committee under Section 501.133, Government  
8 Code, as amended by this Act, not later than November 30, 2011. The  
9 governor shall appoint one public member to serve a term that  
10 expires February 1, 2013, and one public member to serve a term that  
11 expires February 1, 2015.

12 (c) The term of a person who is serving as a member of the  
13 Correctional Managed Health Care Committee immediately before the  
14 abolition of that committee under Subsection (a) of this section  
15 expires on November 30, 2011. Such a person is eligible for  
16 appointment by an appointing official to the new committee under  
17 Section 501.133, Government Code, as amended by this article.

18 ARTICLE 53. GENERAL HOUSING MATTERS

19 SECTION 53.01. Section 481.078, Government Code, is amended  
20 by amending Subsection (c) and adding Subsection (d-1) to read as  
21 follows:

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

26 (d-1) The fund may be used for the Texas homeless housing  
27 and services program administered by the Texas Department of

1 Housing and Community Affairs. Subsections (e-1), (f), (g), (h),  
2 (i), and (j) and Section 481.080 do not apply to a grant awarded for  
3 a purpose specified by this subsection.

4 SECTION 53.02. Section 481.079, Government Code, is amended  
5 by adding Subsection (a-1) to read as follows:

6 (a-1) For grants awarded for a purpose specified by Section  
7 481.078(d-1), the report must include only the amount and purpose  
8 of each grant.

9 SECTION 53.03. Subchapter K, Chapter 2306, Government Code,  
10 is amended by adding Section 2306.2585 to read as follows:

11 Sec. 2306.2585. HOMELESS HOUSING AND SERVICES PROGRAM. (a)  
12 The department may administer a homeless housing and services  
13 program in each municipality in this state with a population of  
14 285,500 or more to:

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

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

19 (b) The department may adopt rules to govern the  
20 administration of the program, including rules that:

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

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

25 (c) The department may use any available revenue, including  
26 legislative appropriations, and shall solicit and accept gifts and  
27 grants for the purposes of this section. The department shall use

1 gifts and grants received for the purposes of this section before  
2 using any other revenue.

3 SECTION 53.04. This article takes effect immediately if  
4 this Act receives a vote of two-thirds of all the members elected to  
5 each house, as provided by Section 39, Article III, Texas  
6 Constitution. If this Act does not receive the vote necessary for  
7 immediate effect, this article takes effect on the 91st day after  
8 the last day of the legislative session.

9 ARTICLE 54. UNIFORM GRANT AND CONTRACT MANAGEMENT

10 SECTION 54.01. Section 783.004, Government Code, is amended  
11 to read as follows:

12 Sec. 783.004. OFFICE OF THE COMPTROLLER [~~GOVERNOR'S~~  
13 ~~OFFICE~~]. The office of the comptroller [~~governor's office~~] is the  
14 state agency for uniform grant and contract management.

15 SECTION 54.02. Subsections (a) and (b), Section 783.005,  
16 Government Code, are amended to read as follows:

17 (a) The comptroller [~~governor's office~~] shall develop  
18 uniform and concise language for any assurances that a local  
19 government is required to make to a state agency.

20 (b) The comptroller [~~governor's office~~] may:

21 (1) categorize assurances according to the type of  
22 grant or contract;

23 (2) designate programs to which the assurances are  
24 applicable; and

25 (3) revise the assurances.

26 SECTION 54.03. Section 783.006, Government Code, is amended  
27 to read as follows:

1           Sec. 783.006. STANDARD FINANCIAL MANAGEMENT CONDITIONS.

2       (a)     The comptroller [~~governor's office~~] shall compile and  
3     distribute to each state agency an official compilation of standard  
4     financial management conditions.

5       (b)     The comptroller [~~governor's office~~] shall develop the  
6     compilation from Federal Management Circular A-102 or from a  
7     revision of that circular and from other applicable statutes and  
8     regulations.

9       (c)     The comptroller [~~governor's office~~] shall include in  
10    the compilation official commentary regarding administrative or  
11    judicial interpretations that affect the application of financial  
12    management standards.

13       (d)     The comptroller [~~governor's office~~] may:

14             (1)    categorize the financial management conditions  
15    according to the type of grant or contract;

16             (2)    designate programs to which the conditions are  
17    applicable; and

18             (3)    revise the conditions.

19       SECTION 54.04. Subsection (d), Section 783.007, Government  
20    Code, is amended to read as follows:

21       (d)     The agency shall file a notice of each proposed rule  
22    that establishes a variation from uniform assurances or standard  
23    conditions with the comptroller [~~governor's office~~].

24       SECTION 54.05. Subsection (b), Section 783.008, Government  
25    Code, is amended to read as follows:

26       (b)     On receipt of a request for a single audit or audit  
27    coordination, the comptroller [~~governor's office~~] in consultation

1 with the state auditor shall not later than the 30th day after the  
2 date of the request designate a single state agency to coordinate  
3 state audits of the local government.

4 ARTICLE 55. FRANCHISE TAX APPLICABILITY AND EXCLUSIONS

5 SECTION 55.01. Section 171.0001, Tax Code, is amended by  
6 adding Subdivisions (1-a), (10-a), (10-b), and (11-b) to read as  
7 follows:

8 (1-a) "Artist" means a natural person or an entity that  
9 contracts to perform or entertain at a live entertainment event.

10 (10-a) "Live entertainment event" means an event that  
11 occurs on a specific date to which tickets are sold in advance by a  
12 third-party vendor and at which:

13 (A) a natural person or a group of natural  
14 persons, physically present at the venue, performs for the purpose  
15 of entertaining a ticket holder who is present at the event;

16 (B) a traveling circus or animal show performs  
17 for the purpose of entertaining a ticket holder who is present at  
18 the event; or

19 (C) a historical, museum-quality artifact is on  
20 display in an exhibition.

21 (10-b) "Live event promotion services" means services  
22 related to the promotion, coordination, operation, or management of  
23 a live entertainment event. The term includes services related to:

24 (A) the provision of staff for the live  
25 entertainment event; or

26 (B) the scheduling and promotion of an artist  
27 performing or entertaining at the live entertainment event.

1           (11-b) "Qualified live event promotion company" means  
2 a taxable entity that:

3           (A) receives at least 60 percent of the entity's  
4 annual total revenue from the provision or arrangement for the  
5 provision of three or more live event promotion services;

6           (B) maintains a permanent nonresidential office  
7 from which the live event promotion services are provided or  
8 arranged;

9           (C) employs 10 or more full-time employees during  
10 all or part of the period for which taxable margin is calculated;

11           (D) does not provide services for a wedding or  
12 carnival; and

13           (E) is not a movie theater.

14           SECTION 55.02. Subsection (c), Section 171.0002, Tax Code,  
15 is amended to read as follows:

16           (c) "Taxable entity" does not include an entity that is:

17           (1) a grantor trust as defined by Sections 671 and  
18 7701(a)(30)(E), Internal Revenue Code, all of the grantors and  
19 beneficiaries of which are natural persons or charitable entities  
20 as described in Section 501(c)(3), Internal Revenue Code, excluding  
21 a trust taxable as a business entity pursuant to Treasury  
22 Regulation Section 301.7701-4(b);

23           (2) an estate of a natural person as defined by Section  
24 7701(a)(30)(D), Internal Revenue Code, excluding an estate taxable  
25 as a business entity pursuant to Treasury Regulation Section  
26 301.7701-4(b);

27           (3) an escrow;

1           (4) a real estate investment trust (REIT) as defined  
2 by Section 856, Internal Revenue Code, and its "qualified REIT  
3 subsidiary" entities as defined by Section 856(i)(2), Internal  
4 Revenue Code, provided that:

5           (A) a REIT with any amount of its assets in direct  
6 holdings of real estate, other than real estate it occupies for  
7 business purposes, as opposed to holding interests in limited  
8 partnerships or other entities that directly hold the real estate,  
9 is a taxable entity; and

10           (B) a limited partnership or other entity that  
11 directly holds the real estate as described in Paragraph (A) is not  
12 exempt under this subdivision, without regard to whether a REIT  
13 holds an interest in it;

14           (5) a real estate mortgage investment conduit (REMIC),  
15 as defined by Section 860D, Internal Revenue Code;

16           (6) a nonprofit self-insurance trust created under  
17 Chapter 2212, Insurance Code, or a predecessor statute;

18           (7) a trust qualified under Section 401(a), Internal  
19 Revenue Code; ~~or~~

20           (8) a trust or other entity that is exempt under  
21 Section 501(c)(9), Internal Revenue Code; or

22           (9) an unincorporated entity organized as a political  
23 committee under the Election Code or the provisions of the Federal  
24 Election Campaign Act of 1971 (2 U.S.C. Section 431 et seq.).

25           SECTION 55.03. Section 171.1011, Tax Code, is amended by  
26 adding Subsections (g-5) and (g-7) to read as follows:

27           (g-5) A taxable entity that is a qualified live event

1 promotion company shall exclude from its total revenue, to the  
2 extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), a  
3 payment made to an artist in connection with the provision of a live  
4 entertainment event or live event promotion services.

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

12 (1) receives at least 80 percent of the taxable  
13 entity's annual total revenue from its entire business from a  
14 combination of at least two of the following courier and logistics  
15 services:

16 (A) expedited same-day delivery of an envelope,  
17 package, parcel, roll of architectural drawings, box, or pallet;

18 (B) temporary storage and delivery of the  
19 property of another entity, including an envelope, package, parcel,  
20 roll of architectural drawings, box, or pallet; and

21 (C) brokerage of same-day or expedited courier  
22 and logistics services to be completed by a person or entity under a  
23 contract that includes a contractual obligation by the taxable  
24 entity to make payments to the person or entity for those services;

25 (2) during the period on which margin is based, is  
26 registered as a motor carrier under Chapter 643, Transportation  
27 Code, and if the taxable entity operates on an interstate basis, is

1 registered as a motor carrier or broker under the unified carrier  
2 registration system, as defined by Section 643.001, Transportation  
3 Code, during that period;

4 (3) maintains an automobile liability insurance  
5 policy covering individuals operating vehicles owned, hired, or  
6 otherwise used in the taxable entity's business, with a combined  
7 single limit for each occurrence of at least \$1 million;

8 (4) maintains at least \$25,000 of cargo insurance;

9 (5) maintains a permanent nonresidential office from  
10 which the courier and logistics services are provided or arranged;

11 (6) has at least five full-time employees during the  
12 period on which margin is based;

13 (7) is not doing business as a livery service, floral  
14 delivery service, motor coach service, taxicab service, building  
15 supply delivery service, water supply service, fuel or energy  
16 supply service, restaurant supply service, commercial moving and  
17 storage company, or overnight delivery service; and

18 (8) is not delivering items that the taxable entity or  
19 an affiliated entity sold.

20 SECTION 55.04. This article applies only to a report  
21 originally due on or after January 1, 2012.

22 SECTION 55.05. This article takes effect January 1, 2012.

23 ARTICLE 56. ENTERPRISE AND EMERGING TECHNOLOGY FUNDS

24 SECTION 56.01. Section 481.078, Government Code, is amended  
25 by amending Subsections (e) and (j) and adding Subsections (f-1),  
26 (f-2), and (h-1) to read as follows:

27 (e) The administration of the fund is considered to be a

1 trustee program within the office of the governor. The governor  
2 may negotiate on behalf of the state regarding awarding, by grant,  
3 money appropriated from the fund. The governor may award money  
4 appropriated from the fund only with the [~~express written~~] prior  
5 approval of the lieutenant governor and speaker of the house of  
6 representatives. For purposes of this subsection, an award of  
7 money appropriated from the fund is considered disapproved by the  
8 lieutenant governor or speaker of the house of representatives if  
9 that officer does not approve the proposal to award the grant before  
10 the 91st day after the date of receipt of the proposal from the  
11 governor. The lieutenant governor or the speaker of the house of  
12 representatives may extend the review deadline applicable to that  
13 officer for an additional 14 days by submitting a written notice to  
14 that effect to the governor before the expiration of the initial  
15 review period.

16 (f-1) A grant agreement must contain a provision:

17 (1) requiring the creation of a minimum number of jobs  
18 in this state; and

19 (2) specifying the date by which the recipient intends  
20 to create those jobs.

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

25 (h-1) At least 14 days before the date the governor intends  
26 to amend a grant agreement, the governor shall notify and provide a  
27 copy of the proposed amendment to the speaker of the house of

1 representatives and the lieutenant governor.

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

6 SECTION 56.02. Subsections (a) and (b), Section 490.005,  
7 Government Code, are amended to read as follows:

8 (a) Not later than January 31 ~~[1]~~ of each year, the governor  
9 shall submit to the lieutenant governor, the speaker of the house of  
10 representatives, and the standing committee of each house of the  
11 legislature with primary jurisdiction over economic development  
12 matters and post on the office of the governor's Internet website a  
13 report that includes the following information regarding awards  
14 made under the fund during each ~~[for the]~~ preceding ~~[three]~~ state  
15 fiscal year ~~[years]~~:

16 (1) the total number and amount of awards made;

17 (2) the number and amount of awards made under  
18 Subchapters D, E, and F;

19 (3) the aggregate total of private sector investment,  
20 federal government funding, and contributions from other sources  
21 obtained in connection with awards made under each of the  
22 subchapters listed in Subdivision (2);

23 (4) the name of each award recipient and the amount of  
24 the award made to the recipient; and

25 (5) a brief description of the equity position that  
26 the governor, on behalf of the state, may take in companies  
27 receiving awards and the names of the companies in which the state

1 has taken an equity position.

2 (b) The annual report must also contain:

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

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

7 (3) a brief description regarding:

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

11 (B) [~~(1)~~] the intended outcomes of projects  
12 funded under Subchapter D during each [~~the~~] preceding [~~two~~] state  
13 fiscal year [~~years~~]; and

14 (C) [~~(2)~~] the actual outcomes of all projects  
15 funded under Subchapter D during each preceding state fiscal year  
16 [~~the fund's existence~~], including any financial impact on the state  
17 resulting from a liquidity event involving a company whose project  
18 was funded under that subchapter.

19 SECTION 56.03. Subchapter A, Chapter 490, Government Code,  
20 is amended by adding Section 490.006 to read as follows:

21 Sec. 490.006. VALUATION OF INVESTMENTS; INCLUSION IN ANNUAL  
22 REPORT. To the maximum extent practicable, the office of the  
23 governor shall annually perform a valuation of the equity positions  
24 taken by the governor, on behalf of the state, in companies  
25 receiving awards under the fund and of other investments made by the  
26 governor, on behalf of the state, in connection with an award under  
27 the fund. The valuation must:

1           (1) be based on a methodology that:

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

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

6           (2) be included with the annual report required under  
7 Section 490.005.

8           SECTION 56.04. The heading to Section 490.052, Government  
9 Code, is amended to read as follows:

10           Sec. 490.052. APPOINTMENT TO COMMITTEE [~~BY GOVERNOR~~];  
11 NOMINATIONS.

12           SECTION 56.05. Section 490.052, Government Code, is amended  
13 by amending Subsection (a) and adding Subsections (a-1) and (a-2)  
14 to read as follows:

15           (a) The governor shall appoint to the committee 13  
16 individuals nominated as provided by Subsection (b).

17           (a-1) The lieutenant governor shall appoint two individuals  
18 to the committee.

19           (a-2) The speaker of the house of representatives shall  
20 appoint two individuals to the committee.

21           SECTION 56.06. Subchapter B, Chapter 490, Government Code,  
22 is amended by adding Section 490.0521 to read as follows:

23           Sec. 490.0521. FINANCIAL STATEMENT REQUIRED. (a) Each  
24 member of the committee shall file with the office of the governor a  
25 verified financial statement complying with Sections 572.022  
26 through 572.0252 as is required of a state officer by Section  
27 572.021.

1       (b) All information obtained and maintained pursuant to  
2 Subsection (a), including information derived from the financial  
3 statements, is confidential and is not subject to disclosure under  
4 Chapter 552.

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

8       (d) This section does not affect release of information for  
9 legislative purposes pursuant to Section 552.008.

10       SECTION 56.07. Section 490.054, Government Code, is amended  
11 to read as follows:

12       Sec. 490.054. TERMS.     (a) Members of the committee  
13 appointed by the governor serve staggered two-year terms, subject  
14 to the pleasure of the governor.

15       (b) Members of the committee appointed by the lieutenant  
16 governor or the speaker of the house of representatives serve  
17 two-year terms.

18       SECTION 56.08. Section 490.056, Government Code, is amended  
19 by adding Subsections (c), (d), and (e) to read as follows:

20       (c) Each entity recommended by the committee for an award of  
21 money from the fund as provided by this chapter shall obtain and  
22 provide the following information to the office of the governor:

23             (1) a federal criminal history background check for  
24 each principal of the entity;

25             (2) a state criminal history background check for each  
26 principal of the entity;

27             (3) a credit check for each principal of the entity;

1           (4) a copy of a government-issued form of photo  
2 identification for each principal of the entity; and

3           (5) information regarding whether the entity or a  
4 principal of the entity has ever been subject to a sanction imposed  
5 by the Securities and Exchange Commission for a violation of  
6 applicable federal law.

7           (d) For purposes of Subsection (c), "principal" means:

8                 (1) an officer of an entity; or

9                 (2) a person who has at least a 10 percent ownership  
10 interest in an entity.

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

16           SECTION 56.09. Section 490.057, Government Code, is amended  
17 to read as follows:

18           Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by  
19 Subsection (b), information [~~Information~~] collected by the  
20 governor's office, the committee, or the committee's advisory  
21 panels concerning the identity, background, finance, marketing  
22 plans, trade secrets, or other commercially or academically  
23 sensitive information of an individual or entity being considered  
24 for, receiving, or having received an award from the fund is  
25 confidential unless the individual or entity consents to disclosure  
26 of the information.

27           (b) The following information collected by the governor's

1 office, the committee, or the committee's advisory panels under  
2 this chapter is public information and may be disclosed under  
3 Chapter 552:

4 (1) the name and address of an individual or entity  
5 receiving or having received an award from the fund;

6 (2) the amount of funding received by an award  
7 recipient;

8 (3) a brief description of the project that is funded  
9 under this chapter;

10 (4) if applicable, a brief description of the equity  
11 position that the governor, on behalf of the state, has taken in an  
12 entity that has received an award from the fund; and

13 (5) any other information designated by the committee  
14 with the consent of:

15 (A) the individual or entity receiving or having  
16 received an award from the fund, as applicable;

17 (B) the governor;

18 (C) the lieutenant governor; and

19 (D) the speaker of the house of representatives.

20 SECTION 56.10. Section 490.101, Government Code, is amended  
21 by amending Subsection (f) and adding Subsection (f-1) to read as  
22 follows:

23 (f) The administration of the fund is considered to be a  
24 trustee program within the office of the governor. The governor  
25 may negotiate on behalf of the state regarding awards from the  
26 fund. The governor may award money appropriated from the fund only  
27 with the [~~express written~~] prior approval of the lieutenant

1 governor and speaker of the house of representatives.

2 (f-1) For purposes of Subsection (f), an award of money  
3 appropriated from the fund is considered disapproved by the  
4 lieutenant governor or speaker of the house of representatives if  
5 that officer does not approve the proposal to award funding before  
6 the 91st day after the date of receipt of the proposal from the  
7 governor. The lieutenant governor or the speaker of the house of  
8 representatives may extend the review deadline applicable to that  
9 officer for an additional 14 days by submitting a written notice to  
10 that effect to the governor before the expiration of the initial  
11 review period.

12 SECTION 56.11. Subchapter D, Chapter 490, Government Code,  
13 is amended by adding Section 490.1521 to read as follows:

14 Sec. 490.1521. MINUTES OF CERTAIN MEETINGS. (a) Each  
15 regional center of innovation and commercialization established  
16 under Section 490.152, including the Texas Life Science Center for  
17 Innovation and Commercialization, shall keep minutes of each  
18 meeting at which applications for funding under this subchapter are  
19 evaluated. The minutes must:

20 (1) include the name of each applicant recommended by  
21 the regional center of innovation and commercialization to the  
22 committee for funding; and

23 (2) indicate the vote of each member of the governing  
24 body of the regional center of innovation and commercialization,  
25 including any recusal by a member and the member's reason for  
26 recusal, with regard to each application reviewed.

27 (b) Each regional center of innovation and

1 commercialization shall retain a copy of the minutes of each  
2 meeting to which this section applies for at least three years.

3 SECTION 56.12. Section 203.021, Labor Code, is amended by  
4 adding Subsection (e) to read as follows:

5 (e) Money in the compensation fund may not be transferred to  
6 the:

7 (1) Texas Enterprise Fund created under Section  
8 481.078, Government Code; or

9 (2) Texas emerging technology fund established under  
10 Section 490.101, Government Code.

11 SECTION 56.13. Section 204.123, Labor Code, is amended to  
12 read as follows:

13 Sec. 204.123. TRANSFER TO [~~TEXAS ENTERPRISE FUND,~~] SKILLS  
14 DEVELOPMENT FUND, TRAINING STABILIZATION FUND, AND COMPENSATION  
15 FUND. (a) If, on September 1 of a year, the commission determines  
16 that the amount in the compensation fund will exceed 100 percent of  
17 its floor as computed under Section 204.061 on the next October 1  
18 computation date, the commission shall transfer from the holding  
19 fund created under Section 204.122:

20 (1) [~~from the first \$160 million deposited in the~~  
21 ~~holding fund in any state fiscal biennium:~~

22 [~~(A) during the state fiscal biennium ending~~  
23 ~~August 31, 2007:~~

24 [~~(i) 67 percent to the Texas Enterprise~~  
25 ~~Fund created under Section 481.078, Government Code, except that~~  
26 ~~the amount transferred under this paragraph may not exceed the~~  
27 ~~amount appropriated by the legislature to the Texas Enterprise Fund~~

1 ~~in that biennium; and~~

2 ~~[(ii) 33 percent to the skills development~~  
3 ~~fund created under Section 303.003, except that the amount~~  
4 ~~transferred under this paragraph may not exceed the amount~~  
5 ~~appropriated by the legislature to the skills development program~~  
6 ~~strategies and activities in that biennium; and~~

7 ~~[(B)]~~ during any state fiscal biennium beginning  
8 on or after September 1, 2007, 100 ~~[+]~~

9 ~~[(i) 75 percent to the Texas Enterprise~~  
10 ~~Fund created under Section 481.078, Government Code, except that~~  
11 ~~the amount transferred under this paragraph may not exceed the~~  
12 ~~amount appropriated by the legislature to the Texas Enterprise Fund~~  
13 ~~in that biennium; and~~

14 ~~[(ii) 25]~~ percent to the skills development  
15 fund created under Section 303.003, except that the amount  
16 transferred under this subdivision ~~[paragraph]~~ may not exceed the  
17 amount appropriated by the legislature to the skills development  
18 program strategies and activities in that biennium; and

19 (2) any remaining amount in the holding fund after the  
20 distribution under Subdivision (1) to the training stabilization  
21 fund created under Section 302.101.

22 (b) If, on September 1 of a year, the commission determines  
23 that the amount in the compensation fund will be at or below 100  
24 percent of its floor as computed under Section 204.061 on the next  
25 October 1 computation date, the commission shall transfer to the  
26 compensation fund as much of the amount in the holding fund as is  
27 necessary to raise the amount in the compensation fund to 100

1 percent of its floor, up to and including the entire amount in the  
2 holding fund. The commission shall transfer any remaining balance  
3 in the holding fund to the [~~Texas Enterprise Fund, the~~] skills  
4 development fund[~~7~~] and the training stabilization fund in the  
5 manner [~~in the percentages~~] prescribed by Subsection (a).

6 SECTION 56.14. Subsections (b) and (c), Section 302.101,  
7 Labor Code, are amended to read as follows:

8 (b) Money in the training stabilization fund may be used in  
9 a year in which the amounts in the employment and training  
10 investment holding fund are insufficient to meet the legislative  
11 appropriation for that fiscal year for [~~either the Texas Enterprise~~  
12 ~~Fund or~~] the skills development program strategies and activities.

13 (c) Money in the training stabilization fund shall be  
14 transferred to the [~~Texas Enterprise Fund and the~~] skills  
15 development fund under Subsection (b) not later than September  
16 30. [~~The transfer under Subsection (b) shall consist of~~  
17 ~~transferring 67 percent of the money in the training stabilization~~  
18 ~~fund to the Texas Enterprise Fund and 33 percent of the money in the~~  
19 ~~training stabilization fund to the skills development fund.] The  
20 amount transferred from the training stabilization fund may not  
21 exceed the amounts appropriated to the [~~Texas Enterprise Fund and~~  
22 skills development program strategies and activities in the fiscal  
23 year in which the transfer is made.~~

24 SECTION 56.15. Sections 481.078(e) and 490.101(f),  
25 Government Code, as amended by this article, and Section  
26 490.101(f-1), Government Code, as added by this article, apply only  
27 to a proposal for an award from the Texas Enterprise Fund or Texas

1 emerging technology fund submitted by the governor to the  
2 lieutenant governor or speaker of the house of representatives for  
3 prior approval on or after the effective date of this article. A  
4 proposal submitted by the governor for prior approval before the  
5 effective date of this article is governed by the law in effect on  
6 the date the proposal was submitted for that approval, and the  
7 former law is continued in effect for that purpose.

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

16 SECTION 56.17. (a) The terms of the members of the Texas  
17 Emerging Technology Advisory Committee serving immediately before  
18 the effective date of this article expire on the 91st day after the  
19 last day of the legislative session.

20 (b) As soon as practicable after this article takes effect,  
21 the governor, lieutenant governor, and speaker of the house of  
22 representatives shall appoint members to the Texas Emerging  
23 Technology Advisory Committee established under Subchapter B,  
24 Chapter 490, Government Code, in a manner that complies with that  
25 subchapter, as amended by this article.

26 (c) At the first meeting of members of the Texas Emerging  
27 Technology Advisory Committee established under Subchapter B,

1 Chapter 490, Government Code, as amended by this article, occurring  
2 on or after the 91st day after the last day of the legislative  
3 session, the members appointed by the governor shall draw lots to  
4 determine which six members will serve a term expiring September 1,  
5 2012, and which seven members will serve a term expiring September  
6 1, 2013.

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

8 SECTION 57.01. Subdivision (2), Section 23.51, Tax Code, is  
9 amended to read as follows:

10 (2) "Agricultural use" includes but is not limited to  
11 the following activities: cultivating the soil, producing crops for  
12 human food, animal feed, or planting seed or for the production of  
13 fibers; floriculture, viticulture, and horticulture; raising or  
14 keeping livestock; raising or keeping exotic animals for the  
15 production of human food or of fiber, leather, pelts, or other  
16 tangible products having a commercial value; planting cover crops  
17 or leaving land idle for the purpose of participating in a  
18 governmental program, provided the land is not used for residential  
19 purposes or a purpose inconsistent with agricultural use; and  
20 planting cover crops or leaving land idle in conjunction with  
21 normal crop or livestock rotation procedure. The term also  
22 includes the use of land to produce or harvest logs and posts for  
23 the use in constructing or repairing fences, pens, barns, or other  
24 agricultural improvements on adjacent qualified open-space land  
25 having the same owner and devoted to a different agricultural use.  
26 The term also includes the use of land for wildlife management. The  
27 term also includes the use of land to raise or keep bees for

1 pollination or for the production of human food or other tangible  
2 products having a commercial value, provided that the land used is  
3 not less than 5 or more than 20 acres.

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

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

8 SECTION 58.01. Subdivision (3), Subsection (a), Section  
9 321.002, Tax Code, is amended to read as follows:

10 (3) "Place of business of the retailer" means an  
11 established outlet, office, or location operated by the retailer or  
12 the retailer's agent or employee for the purpose of receiving  
13 orders for taxable items and includes any location at which three or  
14 more orders are received by the retailer during a calendar year. A  
15 warehouse, storage yard, or manufacturing plant is not a "place of  
16 business of the retailer" unless at least three orders are received  
17 by the retailer during the calendar year at the warehouse, storage  
18 yard, or manufacturing plant. An outlet, office, facility, or any  
19 location that contracts with a retail or commercial business  
20 [~~engaged in activities to which this chapter applies~~] to process  
21 for that business invoices, purchase orders, [~~or~~] bills of lading,  
22 or other equivalent records onto which sales tax is added,  
23 including an office operated for the purpose of buying and selling  
24 taxable goods to be used or consumed by the retail or commercial  
25 business, is not a "place of business of the retailer" if the  
26 comptroller determines that the outlet, office, facility, or  
27 location functions or exists to avoid the tax imposed by this

1 chapter or to rebate a portion of the tax imposed by this chapter to  
2 the contracting business. Notwithstanding any other provision of  
3 this subdivision, a kiosk is not a "place of business of the  
4 retailer." In this subdivision, "kiosk" means a small stand-alone  
5 area or structure that:

6 (A) is used solely to display merchandise or to  
7 submit orders for taxable items from a data entry device, or both;

8 (B) is located entirely within a location that is  
9 a place of business of another retailer, such as a department store  
10 or shopping mall; and

11 (C) at which taxable items are not available for  
12 immediate delivery to a customer.

13 SECTION 58.02. This article takes effect October 1, 2011.

14 ARTICLE 59. TEXAS FARM AND RANCH LANDS CONSERVATION PROGRAM

15 SECTION 59.01. Subsection (b), Section 183.059, Natural  
16 Resources Code, is amended to read as follows:

17 (b) To receive a grant from the fund under this subchapter,  
18 an applicant who is qualified to be an easement holder under this  
19 subchapter must submit an application to the council. The  
20 application must:

21 (1) set out the parties' clear conservation goals  
22 consistent with the program;

23 (2) include a site-specific estimate-of-value  
24 appraisal by a licensed appraiser qualified to determine the market  
25 value of the easement; and

26 (3) ~~[demonstrate that the applicant is able to match~~  
27 ~~50 percent of the amount of the grant being sought, considering that~~

1 ~~the council may choose to allow a donation of part of the appraised~~  
2 ~~value of the easement to be considered as in-kind matching funds,~~  
3 ~~and~~

4 [~~4~~] include a memorandum of understanding signed by  
5 the landowner and the applicant indicating intent to sell an  
6 agricultural conservation easement and containing the terms of the  
7 contract for the sale of the easement.

8 ARTICLE 60. CERTAIN CONTRIBUTION RATE COMPUTATIONS

9 SECTION 60.01. Section 815.402, Government Code, is amended  
10 by adding Subsections (a-1) and (h-1) to read as follows:

11 (a-1) Notwithstanding Subsection (a)(1), if the state  
12 contribution to the retirement system is computed using a  
13 percentage less than 6.5 percent for the state fiscal year  
14 beginning September 1, 2011, the member's contribution is not  
15 required to be computed using a percentage equal to the percentage  
16 used to compute the state contribution for that biennium. This  
17 subsection expires September 1, 2012.

18 (h-1) Notwithstanding Subsection (h), if the state  
19 contribution to the law enforcement and custodial officer  
20 supplemental retirement fund is computed using a percentage less  
21 than 0.5 percent for the state fiscal year beginning September 1,  
22 2011, the member's contribution is not required to be computed  
23 using a percentage equal to the percentage used to compute the state  
24 contribution for that biennium. This subsection expires September  
25 1, 2012.

1 ARTICLE 61. QUINQUENNIAL REPORTING OF CERTAIN INFORMATION FOR

2 UNCLAIMED PROPERTY

3 SECTION 61.01. Subsection (a), Section 411.0111,  
4 Government Code, is amended to read as follows:

5 (a) Not later than June 1 of every fifth ~~[each]~~ year, the  
6 department shall provide to the comptroller, for the purpose of  
7 assisting the comptroller in the identification of persons entitled  
8 to unclaimed property reported to the comptroller, the name,  
9 address, social security number, date of birth, and driver's  
10 license or state identification number of each person about whom  
11 the department has such information in its records.

12 SECTION 61.02. Subsection (a), Section 811.010, Government  
13 Code, as added by Chapter 232 (S.B. 1589), Acts of the 81st  
14 Legislature, Regular Session, 2009, is amended to read as follows:

15 (a) Not later than June 1 of every fifth ~~[each]~~ year, the  
16 retirement system shall provide to the comptroller, for the purpose  
17 of assisting the comptroller in the identification of persons  
18 entitled to unclaimed property reported to the comptroller, the  
19 name, address, social security number, and date of birth of each  
20 member, retiree, and beneficiary from the retirement system's  
21 records.

22 SECTION 61.03. Subsection (a), Section 821.010, Government  
23 Code, is amended to read as follows:

24 (a) Not later than June 1 of every fifth ~~[each]~~ year, the  
25 retirement system shall provide to the comptroller, for the purpose  
26 of assisting the comptroller in the identification of persons  
27 entitled to unclaimed property reported to the comptroller, the

1 name, address, social security number, and date of birth of each  
2 member, retiree, and beneficiary from the retirement system's  
3 records.

4 SECTION 61.04. Subsection (a), Section 301.086, Labor Code,  
5 is amended to read as follows:

6 (a) Not later than June 1 of every fifth [~~each~~] year, the  
7 commission shall provide to the comptroller, for the purpose of  
8 assisting the comptroller in the identification of persons entitled  
9 to unclaimed property reported to the comptroller, the name,  
10 address, social security number, and date of birth of each person  
11 about whom the commission has such information in its records.

12 SECTION 61.05. The Department of Public Safety, the  
13 Employees Retirement System of Texas, the Teacher Retirement System  
14 of Texas, and the Texas Workforce Commission shall provide  
15 information to the comptroller as required by Sections 411.0111(a),  
16 811.010(a), and 821.010(a), Government Code, and Section  
17 301.086(a), Labor Code, as amended by this article, beginning in  
18 2016.

19 ARTICLE 62. AD VALOREM TAXATION OF CERTAIN STORED PROPERTY

20 SECTION 62.01. Subsection (a), Section 11.253, Tax Code, is  
21 amended by amending Subdivision (2) and adding Subdivisions (5) and  
22 (6) to read as follows:

23 (2) "Goods-in-transit" means tangible personal  
24 property that:

25 (A) is acquired in or imported into this state to  
26 be forwarded to another location in this state or outside this  
27 state;

1 (B) is stored under a contract of bailment by a  
2 public warehouse operator [~~detained~~] at one or more public  
3 warehouse facilities [~~a location~~] in this state that are not in any  
4 way owned or controlled by [~~in which~~] the owner of the personal  
5 property [~~does not have a direct or indirect ownership interest~~]  
6 for the account of [~~assembling, storing, manufacturing,~~  
7 ~~processing, or fabricating purposes by~~] the person who acquired or  
8 imported the property;

9 (C) is transported to another location in this  
10 state or outside this state not later than 175 days after the date  
11 the person acquired the property in or imported the property into  
12 this state; and

13 (D) does not include oil, natural gas, petroleum  
14 products, aircraft, dealer's motor vehicle inventory, dealer's  
15 vessel and outboard motor inventory, dealer's heavy equipment  
16 inventory, or retail manufactured housing inventory.

17 (5) "Bailee" and "warehouse" have the meanings  
18 assigned by Section 7.102, Business & Commerce Code.

19 (6) "Public warehouse operator" means a person that:

20 (A) is both a bailee and a warehouse; and

21 (B) stores under a contract of bailment, at one  
22 or more public warehouse facilities, tangible personal property  
23 that is owned by other persons solely for the account of those  
24 persons and not for the operator's account.

25 SECTION 62.02. Section 11.253, Tax Code, is amended by  
26 amending Subsections (e) and (h) and adding Subsections (j-1) and  
27 (j-2) to read as follows:

1           (e) In determining the market value of goods-in-transit  
2 that in the preceding year were [~~assembled,~~] stored[~~, manufactured,~~  
3 ~~processed, or fabricated~~] in this state, the chief appraiser shall  
4 exclude the cost of equipment, machinery, or materials that entered  
5 into and became component parts of the goods-in-transit but were  
6 not themselves goods-in-transit or that were not transported to  
7 another location in this state or outside this state before the  
8 expiration of 175 days after the date they were brought into this  
9 state by the property owner or acquired by the property owner in  
10 this state. For component parts held in bulk, the chief appraiser  
11 may use the average length of time a component part was held by the  
12 owner of the component parts during the preceding year at a location  
13 in this state that was not owned by or under the control of the owner  
14 of the component parts in determining whether the component parts  
15 were transported to another location in this state or outside this  
16 state before the expiration of 175 days.

17           (h) The chief appraiser by written notice delivered to a  
18 property owner who claims an exemption under this section may  
19 require the property owner to provide copies of property records so  
20 the chief appraiser can determine the amount and value of  
21 goods-in-transit and that the location in this state where the  
22 goods-in-transit were detained for storage [~~assembling, storing,~~  
23 ~~manufacturing, processing, or fabricating purposes~~] was not owned  
24 by or under the control of the owner of the goods-in-transit. If  
25 the property owner fails to deliver the information requested in  
26 the notice before the 31st day after the date the notice is  
27 delivered to the property owner, the property owner forfeits the

1 right to claim or receive the exemption for that year.

2 (j-1) Notwithstanding Subsection (j) or official action  
3 that was taken under that subsection before October 1, 2011, to tax  
4 goods-in-transit exempt under Subsection (b) and not exempt under  
5 other law, a taxing unit may not tax such goods-in-transit in a tax  
6 year that begins on or after January 1, 2012, unless the governing  
7 body of the taxing unit takes action on or after October 1, 2011, in  
8 the manner required for official action by the governing body, to  
9 provide for the taxation of the goods-in-transit. The official  
10 action to tax the goods-in-transit must be taken before January 1 of  
11 the first tax year in which the governing body proposes to tax  
12 goods-in-transit. Before acting to tax the exempt property, the  
13 governing body of the taxing unit must conduct a public hearing as  
14 required by Section 1-n(d), Article VIII, Texas Constitution. If  
15 the governing body of a taxing unit provides for the taxation of the  
16 goods-in-transit as provided by this subsection, the exemption  
17 prescribed by Subsection (b) does not apply to that unit. The  
18 goods-in-transit remain subject to taxation by the taxing unit  
19 until the governing body of the taxing unit, in the manner required  
20 for official action, rescinds or repeals its previous action to tax  
21 goods-in-transit or otherwise determines that the exemption  
22 prescribed by Subsection (b) will apply to that taxing unit.

23 (j-2) Notwithstanding Subsection (j-1), if under Subsection  
24 (j) the governing body of a taxing unit, before October 1, 2011,  
25 took action to provide for the taxation of goods-in-transit and  
26 pledged the taxes imposed on the goods-in-transit for the payment  
27 of a debt of the taxing unit, the tax officials of the taxing unit

1 may continue to impose the taxes against the goods-in-transit until  
2 the debt is discharged, if cessation of the imposition would impair  
3 the obligation of the contract by which the debt was created.

4 SECTION 62.03. Subdivision (2), Subsection (a), Section  
5 11.253, Tax Code, as amended by this article, applies only to an ad  
6 valorem tax year that begins on or after January 1, 2012.

7 SECTION 62.04. (a) Except as provided by Subsection (b) of  
8 this section, this article takes effect January 1, 2012.

9 (b) Section 63.02 of this article takes effect October 1,  
10 2011.

11 ARTICLE 63. FISCAL MATTERS CONCERNING ADVANCED PLACEMENT

12 SECTION 63.01. Subsection (h), Section 28.053, Education  
13 Code, is amended to read as follows:

14 (h) The commissioner may enter into agreements with the  
15 college board and the International Baccalaureate Organization to  
16 pay for all examinations taken by eligible public school students.  
17 An eligible student is a student ~~[one]~~ who:

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

22 (2) demonstrates financial need as determined in  
23 accordance with guidelines adopted by the board that are consistent  
24 with the definition of financial need adopted by the college board  
25 or the International Baccalaureate Organization.

26 ARTICLE 64. FISCAL MATTERS CONCERNING TUITION EXEMPTIONS

27 SECTION 64.01. Subsection (c), Section 54.214, Education

1 Code, is amended to read as follows:

2 (c) To be eligible for an exemption under this section, a  
3 person must:

4 (1) be a resident of this state;

5 (2) be a school employee serving in any capacity;

6 (3) for the initial term or semester for which the  
7 person receives an exemption under this section, have worked as an  
8 educational aide for at least one school year during the five years  
9 preceding that term or semester;

10 (4) establish financial need as determined by  
11 coordinating board rule;

12 (5) be enrolled at the institution of higher education  
13 granting the exemption in courses required for teacher  
14 certification in one or more subject areas determined by the Texas  
15 Education Agency to be experiencing a critical shortage of teachers  
16 at the public schools in this state [~~at the institution of higher~~  
17 ~~education granting the exemption~~];

18 (6) maintain an acceptable grade point average as  
19 determined by coordinating board rule; and

20 (7) comply with any other requirements adopted by the  
21 coordinating board under this section.

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

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

3 SECTION 65.01. Subsection (c), Section 130.008, Education  
4 Code, is amended to read as follows:

5 (c) The contact hours attributable to the enrollment of a  
6 high school student in a course offered for joint high school and  
7 junior college credit under this section, excluding a course for  
8 which the student attending high school may receive course credit  
9 toward the physical education curriculum requirement under Section  
10 28.002(a)(2)(C), shall be included in the contact hours used to  
11 determine the junior college's proportionate share of the state  
12 money appropriated and distributed to public junior colleges under  
13 Sections 130.003 and 130.0031, even if the junior college waives  
14 all or part of the tuition or fees for the student under Subsection  
15 (b).

16 SECTION 65.02. This article applies beginning with funding  
17 for the 2011 fall semester.

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

20 SECTION 66.01. Subdivision (12), Section 171.0001, Tax  
21 Code, is amended to read as follows:

22 (12) "Retail trade" means:

23 (A) the activities described in Division G of the  
24 1987 Standard Industrial Classification Manual published by the  
25 federal Office of Management and Budget; and

26 (B) apparel rental activities classified as  
27 Industry 5999 or 7299 of the 1987 Standard Industrial

1 Classification Manual published by the federal Office of Management  
2 and Budget.

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

5 SECTION 66.03. This article takes effect January 1, 2012.

6 ARTICLE 67. RETENTION OF CERTAIN FOUNDATION SCHOOL FUND PAYMENTS

7 SECTION 67.01. Subchapter E, Chapter 42, Education Code, is  
8 amended by adding Section 42.2511 to read as follows:

9 Sec. 42.2511. AUTHORIZATION FOR CERTAIN DISTRICTS TO RETAIN  
10 ADDITIONAL STATE AID. (a) This section applies only to a school  
11 district that was provided with state aid under former Section  
12 42.2516 for the 2009-2010 or 2010-2011 school year based on the  
13 amount of aid to which the district would have been entitled under  
14 that section if Section 42.2516(g), as it existed on January 1,  
15 2009, applied to determination of the amount to which the district  
16 was entitled for that school year.

17 (b) Notwithstanding any other law, a district to which this  
18 section applies may retain the state aid provided to the district as  
19 described by Subsection (a).

20 (c) This section expires September 1, 2013.

21 SECTION 67.02. It is the intent of the legislature that the  
22 authorization provided by Section 42.2511, Education Code, as added  
23 by this article, to retain state aid described by that section is  
24 not affected by the expiration of that provision on September 1,  
25 2013.

26 ARTICLE 68. THE STATE COMPRESSION PERCENTAGE

27 SECTION 68.01. Section 42.2516, Education Code, is amended

1 by adding Subsection (b-2) to read as follows:

2 (b-2) If a school district adopts a maintenance and  
3 operations tax rate that is below the rate equal to the product of  
4 the state compression percentage multiplied by the maintenance and  
5 operations tax rate adopted by the district for the 2005 tax year,  
6 the commissioner shall reduce the district's entitlement under this  
7 section in proportion to the amount by which the adopted rate is  
8 less than the rate equal to the product of the state compression  
9 percentage multiplied by the rate adopted by the district for the  
10 2005 tax year. The reduction required by this subsection applies  
11 beginning with the maintenance and operations tax rate adopted for  
12 the 2009 tax year.

13 ARTICLE 69. TEXAS GUARANTEED STUDENT LOAN CORPORATION; BOARD OF  
14 DIRECTORS

15 SECTION 69.01. Subsections (a) and (b), Section 57.13,  
16 Education Code, are amended to read as follows:

17 (a) The corporation is governed by a board of nine [~~11~~]  
18 directors in accordance with this section.

19 (b) The governor, with the advice and consent of the senate,  
20 shall appoint the [~~10~~] members of [~~to~~] the board as follows:

21 (1) four [~~five~~] members who must have knowledge of or  
22 experience in finance, including management of funds or business  
23 operations;

24 (2) one member who must be a student enrolled at a  
25 postsecondary educational institution for the number of credit  
26 hours required by the institution to be classified as a full-time  
27 student of the institution; and



1 showing the gross amount of oil, gas, sulphur, mineral ore, and  
2 other minerals produced and saved since the last report, the amount  
3 of oil, gas, sulphur, mineral ore, and other minerals produced and  
4 sold off the premises, and the market value of the oil, gas,  
5 sulphur, mineral ore, and other minerals, together with a copy of  
6 all daily gauges, or vats, tanks, gas meter readings, pipeline  
7 receipts, gas line receipts and other checks and memoranda of the  
8 amounts produced and put into pipelines, tanks, vats, or pool and  
9 gas lines, gas storage, other places of storage, and other means of  
10 transportation.

11 (c) The commissioner of the general land office shall tender  
12 to the board on or before the 10th day of each month a report of all  
13 receipts that are collected from the lease or sale of oil, gas,  
14 sulphur, mineral ore, and other minerals and that are deposited  
15 ~~[turned into the state treasury,]~~ as provided by Section 85.70  
16 during ~~[of this code, of]~~ the preceding month.

17 SECTION 70.02. Section 85.69, Education Code, is amended to  
18 read as follows:

19 Sec. 85.69. PAYMENTS; DISPOSITION. Payments under this  
20 subchapter shall be made to the commissioner of the general land  
21 office at Austin, who shall transmit to the board ~~[comptroller]~~ all  
22 royalties, lease fees, rentals for delay in drilling or mining, and  
23 all other payments, including all filing assignments and  
24 relinquishment fees, to be deposited ~~[in the state treasury]~~ as  
25 provided by Section 85.70 ~~[of this code]~~.

26 SECTION 70.03. Section 85.70, Education Code, is amended to  
27 read as follows:

1           Sec. 85.70. CERTAIN MINERAL LEASES; DISPOSITION OF MONEY;  
2 SPECIAL FUNDS; INVESTMENT. (a) Except as provided by Subsection  
3 (c) [~~of this section~~], all money received under and by virtue of  
4 this subchapter shall be deposited in [~~the state treasury to the~~  
5 ~~credit of~~] a special fund managed by the board to be known as The  
6 Texas A&M University System Special Mineral Investment Fund. Money  
7 in the fund is considered to be institutional funds, as defined by  
8 Section 51.009, of the system and its component institutions. The  
9 [~~With the approval of the comptroller, the board of regents of The~~  
10 ~~Texas A&M University System may appoint one or more commercial~~  
11 ~~banks, depository trust companies, or other entities to serve as~~  
12 ~~custodian or custodians of the Special Mineral Investment Fund's~~  
13 ~~securities with authority to hold the money realized from those~~  
14 ~~securities pending completion of an investment transaction if the~~  
15 ~~money held is reinvested within one business day of receipt in~~  
16 ~~investments determined by the board of regents. Money not~~  
17 ~~reinvested within one business day of receipt shall be deposited in~~  
18 ~~the state treasury not later than the fifth day after the date of~~  
19 ~~receipt. In the judgment of the board, this]~~ special fund may be  
20 invested so as to produce [~~an~~] income which may be expended under  
21 the direction of the board for the general use of any component of  
22 The Texas A&M University System, including erecting permanent  
23 improvements and in payment of expenses incurred in connection with  
24 the administration of this subchapter. The unexpended income  
25 likewise may be invested as [~~herein~~] provided by this section.

26           (b) The income from the investment of the special mineral  
27 investment fund created by [~~under~~] Subsection (a) [~~of this section~~]

1 shall be deposited in [~~to the credit of~~] a fund managed by the board  
2 to be known as The Texas A&M University System Special Mineral  
3 Income Fund, and is considered to be institutional funds, as  
4 defined by Section 51.009, of the system and its component  
5 institutions [~~shall be appropriated by the legislature exclusively~~  
6 ~~for the university system for the purposes herein provided~~].

7 (c) The board shall lease for oil, gas, sulphur, or other  
8 mineral development, as prescribed by this subchapter, all or part  
9 of the land under the exclusive control of the board owned by the  
10 State of Texas and acquired for the use of Texas A&M  
11 University--Kingsville and its divisions. Any money received by  
12 the board concerning such land under this subchapter shall be  
13 deposited in [~~the state treasury to the credit of~~] a special fund  
14 managed by the board to be known as the Texas A&M  
15 University--Kingsville special mineral fund. Money in the fund is  
16 considered to be institutional funds, as defined by Section 51.009,  
17 of the university and is[~~7~~] to be used exclusively for the  
18 university [~~Texas A&M University--Kingsville~~] and its branches and  
19 divisions. [~~Money may not be expended from this fund except as~~  
20 ~~authorized by the general appropriations act.~~]

21 (d) All deposits in and investments of the fund under this  
22 section shall be made in accordance with Section 51.0031.

23 (e) Section 34.017, Natural Resources Code, does not apply  
24 to funds created by this section.

25 SECTION 70.04. Subsection (b), Section 95.36, Education  
26 Code, is amended to read as follows:

27 (b) Except as provided in Subsection (c) of this section,

1 any money received by virtue of this section and the income from the  
2 investment of such money shall be deposited in [~~the State Treasury~~  
3 ~~to the credit of~~] a special fund managed by the board to be known as  
4 the Texas State University System special mineral fund. Money in  
5 the fund is considered to be institutional funds, as defined by  
6 Section 51.009, of the system and its component institutions and  
7 is[7] to be used exclusively for those entities. All deposits in and  
8 investments of the fund shall be made in accordance with Section  
9 51.0031. Section 34.017, Natural Resources Code, does not apply to  
10 the fund [~~the university system and the universities in the system.~~  
11 ~~However, no money shall ever be expended from this fund except as~~  
12 ~~authorized by the General Appropriations Act].~~

13 SECTION 70.05. Subsection (b), Section 109.61, Education  
14 Code, is amended to read as follows:

15 (b) Any money received by virtue of this section shall be  
16 deposited in [~~the state treasury to the credit of~~] a special fund  
17 managed by the board to be known as the Texas Tech University  
18 special mineral fund. Money in the fund is considered to be  
19 institutional funds, as defined by Section 51.009, of the  
20 university and is[7] to be used exclusively for the university and  
21 its branches and divisions. All deposits in and investments of the  
22 fund shall be made in accordance with Section 51.0031. Section  
23 34.017, Natural Resources Code, does not apply to the fund.  
24 [~~However, no money shall ever be expended from this fund except as~~  
25 ~~authorized by the general appropriations act.~~]

26 SECTION 70.06. Subsections (a) and (c), Section 109.75,  
27 Education Code, are amended to read as follows:

1 (a) If oil or other minerals are developed on any of the  
2 lands leased by the board, the royalty as stipulated in the sale  
3 shall be paid to the general land office in Austin on or before the  
4 last day of each month for the preceding month during the life of  
5 the rights purchased. The royalty payments shall be set aside [~~in~~  
6 ~~the state treasury~~] as specified in Section 109.61 [~~of this code~~]  
7 and used as provided in that section.

8 (c) The commissioner of the general land office shall tender  
9 to the board on or before the 10th day of each month a report of all  
10 receipts that are collected from the lease or sale of oil, gas,  
11 sulphur, or other minerals and that are deposited in [~~turned into~~]  
12 the special fund as provided by Section 109.61 [~~in the state~~  
13 ~~treasury~~] during the preceding month.

14 SECTION 70.07. Subsection (b), Section 109.78, Education  
15 Code, is amended to read as follows:

16 (b) Payment of all royalties, lease fees, rentals for delay  
17 in drilling or mining, filing fees for assignments and  
18 relinquishments, and all other payments shall be made to the  
19 commissioner of the general land office at Austin. The  
20 commissioner shall transmit all payments received to the board  
21 [~~comptroller~~] for deposit to the credit of the Texas Tech  
22 University special mineral fund as provided by Section 109.61.

23 SECTION 70.08. Section 85.72, Education Code, is repealed.

24 SECTION 70.09. This article takes effect September 1, 2011.

25 ARTICLE 71. FOUNDATION SCHOOL PROGRAM FINANCING; CERTAIN TAX

26 INCREMENT FUND REPORTING MATTERS

27 SECTION 71.01. (a) This section applies only to a school

1 district that, before May 1, 2011, received from the commissioner  
2 of education a notice of a reduction in state funding for the  
3 2004-2005, 2005-2006, 2006-2007, 2007-2008, and 2008-2009 school  
4 years based on the district's reporting related to deposits of  
5 taxes into a tax increment fund under Chapter 311, Tax Code.

6 (b) Notwithstanding any other law, including Section  
7 42.302(b)(2), Education Code, the commissioner of education shall  
8 reduce by one-half the amounts of the reduction of entitlement  
9 amounts computed for purposes of adjusting entitlement amounts to  
10 account for taxes deposited into a tax increment fund for any of the  
11 school years described by Subsection (a) of this section.

12 (c) This section expires September 1, 2013.

13 ARTICLE 72. FISCAL MATTERS RELATING TO PUBLIC SCHOOL FINANCE

14 SECTION 72.01. Effective September 1, 2011, Section 12.106,  
15 Education Code, is amended by amending Subsection (a) and adding  
16 Subsection (a-3) to read as follows:

17 (a) A charter holder is entitled to receive for the  
18 open-enrollment charter school funding under Chapter 42 equal to  
19 the greater of:

20 (1) the percentage specified by Section 42.2516(i)  
21 multiplied by the amount of funding per student in weighted average  
22 daily attendance, excluding enrichment funding under Sections  
23 42.302(a-1)(2) and (3), as they existed on January 1, 2009, that  
24 would have been received for the school during the 2009-2010 school  
25 year under Chapter 42 as it existed on January 1, 2009, and an  
26 additional amount of the percentage specified by Section 42.2516(i)  
27 multiplied by \$120 for each student in weighted average daily

1 attendance; or

2 (2) the amount of funding per student in weighted  
3 average daily attendance, excluding enrichment funding under  
4 Section 42.302(a), to which the charter holder would be entitled  
5 for the school under Chapter 42 if the school were a school district  
6 without a tier one local share for purposes of Section 42.253 and  
7 without any local revenue for purposes of Section 42.2516.

8 (a-3) In determining funding for an open-enrollment charter  
9 school under Subsection (a), the commissioner shall apply the  
10 regular program adjustment factor provided under Section 42.101 to  
11 calculate the regular program allotment to which a charter school  
12 is entitled.

13 SECTION 72.02. Effective September 1, 2017, Subsection (a),  
14 Section 12.106, Education Code, is amended to read as follows:

15 (a) A charter holder is entitled to receive for the  
16 open-enrollment charter school funding under Chapter 42 equal to  
17 ~~[the greater of:~~

18 ~~[(1) the amount of funding per student in weighted~~  
19 ~~average daily attendance, excluding enrichment funding under~~  
20 ~~Sections 42.302(a-1)(2) and (3), as they existed on January 1,~~  
21 ~~2009, that would have been received for the school during the~~  
22 ~~2009-2010 school year under Chapter 42 as it existed on January 1,~~  
23 ~~2009, and an additional amount of \$120 for each student in weighted~~  
24 ~~average daily attendance; or~~

25 ~~[(2)]~~ the amount of funding per student in weighted  
26 average daily attendance, excluding enrichment funding under  
27 Section 42.302(a), to which the charter holder would be entitled

1 for the school under Chapter 42 if the school were a school district  
2 without a tier one local share for purposes of Section 42.253 [~~and~~  
3 ~~without any local revenue for purposes of Section 42.2516~~].

4 SECTION 72.03. Effective September 1, 2011, Section 21.402,  
5 Education Code, is amended by amending Subsections (a), (b), (c),  
6 and (c-1) and adding Subsection (i) to read as follows:

7 (a) Except as provided by Subsection (d)[~~, (e),~~] or (f), a  
8 school district must pay each classroom teacher, full-time  
9 librarian, full-time counselor certified under Subchapter B, or  
10 full-time school nurse not less than the minimum monthly salary,  
11 based on the employee's level of experience in addition to other  
12 factors, as determined by commissioner rule, determined by the  
13 following formula:

$$14 \qquad \qquad \qquad MS = SF \times FS$$

15 where:

16 "MS" is the minimum monthly salary;

17 "SF" is the applicable salary factor specified by Subsection  
18 (c); and

19 "FS" is the amount, as determined by the commissioner under  
20 Subsection (b), of the basic allotment as provided by Section  
21 42.101 (a) or (b) for a school district with a maintenance and  
22 operations tax rate at least equal to the state maximum compressed  
23 tax rate, as defined by Section 42.101 (a) [state and local funds  
24 per weighted student, including funds provided under Section  
25 42.2516, available to a district eligible to receive state  
26 assistance under Section 42.302 with a maintenance and operations  
27 tax rate per \$100 of taxable value equal to the product of the state

1 ~~compression percentage, as determined under Section 42.2516,~~  
 2 ~~multiplied by \$1.50, except that the amount of state and local funds~~  
 3 ~~per weighted student does not include the amount attributable to~~  
 4 ~~the increase in the guaranteed level made by Chapter 1187, Acts of~~  
 5 ~~the 77th Legislature, Regular Session, 2001].~~

6 (b) Not later than June 1 of each year, the commissioner  
 7 shall determine the basic allotment and resulting monthly salaries  
 8 to be paid by school districts as provided by Subsection (a) [~~amount~~  
 9 ~~of state and local funds per weighted student available, for~~  
 10 ~~purposes of Subsection (a), to a district described by that~~  
 11 ~~subsection for the following school year)].~~

12 (c) The salary factors per step are as follows:

|    |                  |              |                    |              |                    |              |                    |              |                    |              |                    |
|----|------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|--------------|--------------------|
| 13 | Years Experience | 0            | 1                  | 2            | 3                  | 4            |                    |              |                    |              |                    |
| 14 | Salary Factor    | <u>.5464</u> | <del>[.6226]</del> | <u>.5582</u> | <del>[.6360]</del> | <u>.5698</u> | <del>[.6492]</del> | <u>.5816</u> | <del>[.6627]</del> | <u>.6064</u> | <del>[.6909]</del> |
| 15 | Years Experience | 5            | 6                  | 7            | 8                  | 9            |                    |              |                    |              |                    |
| 16 | Salary Factor    | <u>.6312</u> | <del>[.7192]</del> | <u>.6560</u> | <del>[.7474]</del> | <u>.6790</u> | <del>[.7737]</del> | <u>.7008</u> | <del>[.7985]</del> | <u>.7214</u> | <del>[.8220]</del> |
| 17 | Years Experience | 10           | 11                 | 12           | 13                 | 14           |                    |              |                    |              |                    |
| 18 | Salary Factor    | <u>.7408</u> | <del>[.8441]</del> | <u>.7592</u> | <del>[.8650]</del> | <u>.7768</u> | <del>[.8851]</del> | <u>.7930</u> | <del>[.9035]</del> | <u>.8086</u> | <del>[.9213]</del> |
| 19 | Years Experience | 15           | 16                 | 17           | 18                 | 19           |                    |              |                    |              |                    |
| 20 | Salary Factor    | <u>.8232</u> | <del>[.9390]</del> | <u>.8372</u> | <del>[.9539]</del> | <u>.8502</u> | <del>[.9687]</del> | <u>.8626</u> | <del>[.9828]</del> | <u>.8744</u> | <del>[.9963]</del> |
| 21 | Years Experience | 20 and over  |                    |              |                    |              |                    |              |                    |              |                    |
| 22 | Salary Factor    | <u>.8854</u> | <del>[1.009]</del> |              |                    |              |                    |              |                    |              |                    |

23 (c-1) Notwithstanding Subsections [~~Subsection~~] (a) and  
 24 (b) [~~for the 2009-2010 and 2010-2011 school years~~], each school  
 25 district shall pay a monthly salary to [~~increase the monthly salary~~  
 26 ~~of~~] each classroom teacher, full-time speech pathologist,  
 27 full-time librarian, full-time counselor certified under

1 Subchapter B, and full-time school nurse that is at least equal to  
 2 the following monthly salary or the monthly salary determined by  
 3 the commissioner under Subsections (a) and (b), whichever is [by  
 4 ~~the~~] greater [of]:

| 5  | <u>Years of</u>      | <u>Monthly</u> |
|----|----------------------|----------------|
| 6  | <u>Experience</u>    | <u>Salary</u>  |
| 7  | <u>0</u>             | <u>2,732</u>   |
| 8  | <u>1</u>             | <u>2,791</u>   |
| 9  | <u>2</u>             | <u>2,849</u>   |
| 10 | <u>3</u>             | <u>2,908</u>   |
| 11 | <u>4</u>             | <u>3,032</u>   |
| 12 | <u>5</u>             | <u>3,156</u>   |
| 13 | <u>6</u>             | <u>3,280</u>   |
| 14 | <u>7</u>             | <u>3,395</u>   |
| 15 | <u>8</u>             | <u>3,504</u>   |
| 16 | <u>9</u>             | <u>3,607</u>   |
| 17 | <u>10</u>            | <u>3,704</u>   |
| 18 | <u>11</u>            | <u>3,796</u>   |
| 19 | <u>12</u>            | <u>3,884</u>   |
| 20 | <u>13</u>            | <u>3,965</u>   |
| 21 | <u>14</u>            | <u>4,043</u>   |
| 22 | <u>15</u>            | <u>4,116</u>   |
| 23 | <u>16</u>            | <u>4,186</u>   |
| 24 | <u>17</u>            | <u>4,251</u>   |
| 25 | <u>18</u>            | <u>4,313</u>   |
| 26 | <u>19</u>            | <u>4,372</u>   |
| 27 | <u>20 &amp; Over</u> | <u>4,427</u>   |



1 where:

2 "MS" is the minimum monthly salary;

3 "SF" is the applicable salary factor specified by Subsection  
4 (c); and

5 "FS" is the amount, as determined by the commissioner under  
6 Subsection (b), of the basic allotment as provided by Section  
7 42.101(a) or (b) for a school district with a maintenance and  
8 operation tax rate at least equal to the state maximum compressed  
9 tax rate, as defined by Section 42.101(a) [~~state and local funds per~~  
10 ~~weighted student, including funds provided under Section 42.2516,~~  
11 ~~available to a district eligible to receive state assistance under~~  
12 ~~Section 42.302 with a maintenance and operations tax rate per \$100~~  
13 ~~of taxable value equal to the product of the state compression~~  
14 ~~percentage, as determined under Section 42.2516, multiplied by~~  
15 ~~\$1.50, except that the amount of state and local funds per weighted~~  
16 ~~student does not include the amount attributable to the increase in~~  
17 ~~the guaranteed level made by Chapter 1187, Acts of the 77th~~  
18 ~~Legislature, Regular Session 2001].~~

19 (e-1) If the minimum monthly salary determined under  
20 Subsection (a) for a particular level of experience is less than the  
21 minimum monthly salary for that level of experience in the  
22 preceding year, the minimum monthly salary is the minimum monthly  
23 salary for the preceding year.

24 SECTION 72.05. Subsection (a), Section 41.002, Education  
25 Code, is amended to read as follows:

26 (a) A school district may not have a wealth per student that  
27 exceeds:

1           (1) the wealth per student that generates the amount  
2 of maintenance and operations tax revenue per weighted student  
3 available to a district with maintenance and operations tax revenue  
4 per cent of tax effort equal to the maximum amount provided per cent  
5 under Section 42.101(a) or (b) [~~42.101~~], for the district's  
6 maintenance and operations tax effort equal to or less than the rate  
7 equal to the product of the state compression percentage, as  
8 determined under Section 42.2516, multiplied by the maintenance and  
9 operations tax rate adopted by the district for the 2005 tax year;

10           (2) the wealth per student that generates the amount  
11 of maintenance and operations tax revenue per weighted student  
12 available to the Austin Independent School District, as determined  
13 by the commissioner in cooperation with the Legislative Budget  
14 Board, for the first six cents by which the district's maintenance  
15 and operations tax rate exceeds the rate equal to the product of the  
16 state compression percentage, as determined under Section 42.2516,  
17 multiplied by the maintenance and operations tax rate adopted by  
18 the district for the 2005 tax year, subject to Section 41.093(b-1);  
19 or

20           (3) \$319,500, for the district's maintenance and  
21 operations tax effort that exceeds the first six cents by which the  
22 district's maintenance and operations tax effort exceeds the rate  
23 equal to the product of the state compression percentage, as  
24 determined under Section 42.2516, multiplied by the maintenance and  
25 operations tax rate adopted by the district for the 2005 tax year.

26           SECTION 72.06. The heading to Section 42.101, Education  
27 Code, is amended to read as follows:

1           Sec. 42.101. BASIC AND REGULAR PROGRAM ALLOTMENTS  
2 ~~[ALLOTMENT]~~.

3           SECTION 72.07. Section 42.101, Education Code, is amended  
4 by amending Subsections (a) and (b) and adding Subsections (c) and  
5 (c-1) to read as follows:

6           (a) The basic ~~[For each student in average daily attendance,~~  
7 ~~not including the time students spend each day in special education~~  
8 ~~programs in an instructional arrangement other than mainstream or~~  
9 ~~career and technology education programs, for which an additional~~  
10 ~~allotment is made under Subchapter C, a district is entitled to an]~~  
11 allotment is an amount equal to the lesser of \$4,765 or the amount  
12 that results from the following formula:

$$13 \qquad\qquad\qquad A = \$4,765 \times (DCR/MCR)$$

14 where:

15           "A" is the resulting amount for ~~[allotment to which]~~ a  
16 district ~~[is entitled]~~;

17           "DCR" is the district's compressed tax rate, which is the  
18 product of the state compression percentage, as determined under  
19 Section 42.2516, multiplied by the maintenance and operations tax  
20 rate adopted by the district for the 2005 tax year; and

21           "MCR" is the state maximum compressed tax rate, which is the  
22 product of the state compression percentage, as determined under  
23 Section 42.2516, multiplied by \$1.50.

24           (b) A greater amount for any school year for the basic  
25 allotment under Subsection (a) may be provided by appropriation.

26           (c) A school district is entitled to a regular program  
27 allotment equal to the amount that results from the following

1 formula:

2 
$$\underline{RPA = ADA \times AA \times RPAF}$$

3 where:

4 "RPA" is the regular program allotment to which the district  
5 is entitled;

6 "ADA" is the number of students in average daily attendance  
7 in a district, not including the time students spend each day in  
8 special education programs in an instructional arrangement other  
9 than mainstream or career and technology education programs, for  
10 which an additional allotment is made under Subchapter C;

11 "AA" is the district's adjusted basic allotment, as  
12 determined under Section 42.102 and, if applicable, as further  
13 adjusted under Section 42.103; and

14 "RPAF" is the regular program adjustment factor, which is an  
15 amount established by appropriation.

16 (c-1) Notwithstanding Subsection (c), the regular program  
17 adjustment factor ("RPAF") is 0.9239 for the 2011-2012 school year  
18 and 0.98 for the 2012-2013 school year. This subsection expires  
19 September 1, 2013.

20 SECTION 72.08. Section 42.105, Education Code, is amended  
21 to read as follows:

22 Sec. 42.105. SPARSITY ADJUSTMENT. Notwithstanding  
23 Sections 42.101, 42.102, and 42.103, a school district that has  
24 fewer than 130 students in average daily attendance shall be  
25 provided a regular program [~~an adjusted basic~~] allotment on the  
26 basis of 130 students in average daily attendance if it offers a  
27 kindergarten through grade 12 program and has preceding or current

1 year's average daily attendance of at least 90 students or is 30  
2 miles or more by bus route from the nearest high school district. A  
3 district offering a kindergarten through grade 8 program whose  
4 preceding or current year's average daily attendance was at least  
5 50 students or which is 30 miles or more by bus route from the  
6 nearest high school district shall be provided a regular program  
7 [~~an adjusted basic~~] allotment on the basis of 75 students in average  
8 daily attendance. An average daily attendance of 60 students shall  
9 be the basis of providing the regular program [~~adjusted basic~~]  
10 allotment if a district offers a kindergarten through grade 6  
11 program and has preceding or current year's average daily  
12 attendance of at least 40 students or is 30 miles or more by bus  
13 route from the nearest high school district.

14 SECTION 72.09. Subsection (a), Section 42.251, Education  
15 Code, is amended to read as follows:

16 (a) The sum of the regular program [~~basic~~] allotment under  
17 Subchapter B and the special allotments under Subchapter C,  
18 computed in accordance with this chapter, constitute the tier one  
19 allotments. The sum of the tier one allotments and the guaranteed  
20 yield allotments under Subchapter F, computed in accordance with  
21 this chapter, constitute the total cost of the Foundation School  
22 Program.

23 SECTION 72.10. Subchapter E, Chapter 42, Education Code, is  
24 amended by adding Section 42.2514 to read as follows:

25 Sec. 42.2514. ADDITIONAL STATE AID FOR TAX INCREMENT  
26 FINANCING PAYMENTS. For each school year, a school district,  
27 including a school district that is otherwise ineligible for state

1 aid under this chapter, is entitled to state aid in an amount equal  
2 to the amount the district is required to pay into the tax increment  
3 fund for a reinvestment zone under Section 311.013(n), Tax Code.

4 SECTION 72.11. Effective September 1, 2011, Section  
5 42.2516, Education Code, is amended by amending Subsections (a),  
6 (b), (d), and (f-2) and adding Subsection (i) to read as follows:

7 (a) In this title [~~section~~], "state compression percentage"  
8 means the percentage[~~, as determined by the commissioner,~~] of a  
9 school district's adopted maintenance and operations tax rate for  
10 the 2005 tax year that serves as the basis for state funding [~~for~~  
11 ~~tax rate reduction under this section~~]. If the state compression  
12 percentage is not established by appropriation for a school year,  
13 the [~~The~~] commissioner shall determine the state compression  
14 percentage for each school year based on the percentage by which a  
15 district is able to reduce the district's maintenance and  
16 operations tax rate for that year, as compared to the district's  
17 adopted maintenance and operations tax rate for the 2005 tax year,  
18 as a result of state funds appropriated for distribution under this  
19 section for that year from the property tax relief fund established  
20 under Section 403.109, Government Code, or from another funding  
21 source available for school district property tax relief.

22 (b) Notwithstanding any other provision of this title, a  
23 school district that imposes a maintenance and operations tax at a  
24 rate at least equal to the product of the state compression  
25 percentage multiplied by the maintenance and operations tax rate  
26 adopted by the district for the 2005 tax year is entitled to at  
27 least the amount of state revenue necessary to provide the district

1 with the sum of:

2 (1) the percentage specified by Subsection (i) of the  
3 amount, as calculated under Subsection (e), [~~the amount~~] of state  
4 and local revenue per student in weighted average daily attendance  
5 for maintenance and operations that the district would have  
6 received during the 2009-2010 school year under Chapter 41 and this  
7 chapter, as those chapters existed on January 1, 2009, at a  
8 maintenance and operations tax rate equal to the product of the  
9 state compression percentage for that year multiplied by the  
10 maintenance and operations tax rate adopted by the district for the  
11 2005 tax year;

12 (2) the percentage specified by Subsection (i) of an  
13 amount equal to the product of \$120 multiplied by the number of  
14 students in weighted average daily attendance in the district; and

15 (3) [~~an amount equal to the amount the district is~~  
16 ~~required to pay into the tax increment fund for a reinvestment zone~~  
17 ~~under Section 311.013(n), Tax Code, in the current tax year, and~~

18 [~~4~~] any amount to which the district is entitled  
19 under Section 42.106.

20 (d) In determining the amount to which a district is  
21 entitled under Subsection (b)(1), the commissioner shall:

22 (1) include the percentage specified by Subsection (i)  
23 of any amounts received by the district during the 2008-2009 school  
24 year under Rider 86, page III-23, Chapter 1428 (H.B. 1), Acts of the  
25 80th Legislature, Regular Session, 2007 (the General  
26 Appropriations Act); and

27 (2) for a school district that paid tuition under

1 Section 25.039 during the 2008-2009 school year, reduce the amount  
2 to which the district is entitled by the amount of tuition paid  
3 during that school year.

4 (f-2) The rules adopted by the commissioner under  
5 Subsection (f-1) must:

6 (1) require the commissioner to determine, as if this  
7 section did not exist, the effect under Chapter 41 and this chapter  
8 of a school district's action described by Subsection (f-1)(1),  
9 (2), (3), or (4) on the total state revenue to which the district  
10 would be entitled or the cost to the district of purchasing  
11 sufficient attendance credits to reduce the district's wealth per  
12 student to the equalized wealth level; and

13 (2) require an increase or reduction in the amount of  
14 state revenue to which a school district is entitled under  
15 Subsection (b)(1) [~~(b)~~] that is substantially equivalent to any  
16 change in total state revenue or the cost of purchasing attendance  
17 credits that would apply to the district if this section did not  
18 exist.

19 (i) The percentage to be applied for purposes of Subsections  
20 (b)(1) and (2) and Subsection (d)(1) is 100.00 percent for the  
21 2011-2012 school year and 92.35 percent for the 2012-2013 school  
22 year. For the 2013-2014 school year and each subsequent school  
23 year, the legislature by appropriation shall establish the  
24 percentage reduction to be applied.

25 SECTION 72.12. Effective September 1, 2017, the heading to  
26 Section 42.2516, Education Code, is amended to read as follows:

27 Sec. 42.2516. STATE COMPRESSION PERCENTAGE [~~ADDITIONAL~~

1 ~~STATE AID FOR TAX REDUCTION~~].

2 SECTION 72.13. Effective September 1, 2017, Subsection (a),  
3 Section 42.2516, Education Code, is amended to read as follows:

4 (a) In this title ~~[section]~~, "state compression percentage"  
5 means the percentage~~[, as determined by the commissioner,]~~ of a  
6 school district's adopted maintenance and operations tax rate for  
7 the 2005 tax year that serves as the basis for state funding ~~[for~~  
8 ~~tax rate reduction under this section]~~. If the state compression  
9 percentage is not established by appropriation for a school year,  
10 the ~~[The]~~ commissioner shall determine the state compression  
11 percentage for each school year based on the percentage by which a  
12 district is able to reduce the district's maintenance and  
13 operations tax rate for that year, as compared to the district's  
14 adopted maintenance and operations tax rate for the 2005 tax year,  
15 as a result of state funds appropriated for ~~[distribution under~~  
16 ~~this section for]~~ that year from the property tax relief fund  
17 established under Section 403.109, Government Code, or from another  
18 funding source available for school district property tax relief.

19 SECTION 72.14. Effective September 1, 2011, Subsection (a),  
20 Section 42.25161, Education Code, is amended to read as follows:

21 (a) The commissioner shall provide South Texas Independent  
22 School District with the amount of state aid necessary to ensure  
23 that the district receives an amount of state and local revenue per  
24 student in weighted average daily attendance that is at least the  
25 percentage specified by Section 42.2516(i) of \$120 greater than the  
26 amount the district would have received per student in weighted  
27 average daily attendance during the 2009-2010 school year under

1 this chapter, as it existed on January 1, 2009, at a maintenance and  
2 operations tax rate equal to the product of the state compression  
3 percentage multiplied by the maintenance and operations tax rate  
4 adopted by the district for the 2005 tax year, provided that the  
5 district imposes a maintenance and operations tax at that rate.

6 SECTION 72.15. Subchapter E, Chapter 42, Education Code, is  
7 amended by adding Section 42.2525 to read as follows:

8 Sec. 42.2525. ADJUSTMENTS FOR CERTAIN DEPARTMENT OF DEFENSE  
9 DISTRICTS. The commissioner is granted the authority to ensure  
10 that Department of Defense school districts do not receive more  
11 than an eight percent reduction should the federal government  
12 reduce appropriations to those schools.

13 SECTION 72.16. Effective September 1, 2011, Subsections (h)  
14 and (i), Section 42.253, Education Code, are amended to read as  
15 follows:

16 (h) If the amount appropriated for the Foundation School  
17 Program for the second year of a state fiscal biennium is less than  
18 the amount to which school districts are entitled for that year, the  
19 commissioner shall certify the amount of the difference to the  
20 Legislative Budget Board not later than January 1 of the second year  
21 of the state fiscal biennium. The Legislative Budget Board shall  
22 propose to the legislature that the certified amount be transferred  
23 to the foundation school fund from the economic stabilization fund  
24 and appropriated for the purpose of increases in allocations under  
25 this subsection. If the legislature fails during the regular  
26 session to enact the proposed transfer and appropriation and there  
27 are not funds available under Subsection (j), the commissioner

1 shall adjust [~~reduce~~] the total amounts due to each school district  
2 under this chapter and the total amounts necessary for each school  
3 district to comply with the requirements of Chapter 41 [~~amount of~~  
4 ~~state funds allocated to each district~~] by an amount determined by  
5 applying to each district, including a district receiving funds  
6 under Section 42.2516, the same percentage adjustment so that the  
7 total amount of the adjustment to all districts [~~a method under~~  
8 ~~which the application of the same number of cents of increase in tax~~  
9 ~~rate in all districts applied to the taxable value of property of~~  
10 ~~each district, as determined under Subchapter M, Chapter 403,~~  
11 ~~Government Code,~~] results in an amount [~~a total levy~~] equal to the  
12 total adjustment necessary. A school district is not entitled to  
13 reimbursement in a subsequent fiscal year of the amount resulting  
14 from the adjustment authorized by this subsection [~~reduction. The~~  
15 ~~following fiscal year, a district's entitlement under this section~~  
16 ~~is increased by an amount equal to the reduction made under this~~  
17 ~~subsection~~].

18 (i) Not later than March 1 each year, the commissioner shall  
19 determine the actual amount of state funds to which each school  
20 district is entitled under the allocation formulas in this chapter  
21 for the current school year, as adjusted in accordance with  
22 Subsection (h), if applicable, and shall compare that amount with  
23 the amount of the warrants issued to each district for that year.  
24 If the amount of the warrants differs from the amount to which a  
25 district is entitled because of variations in the district's tax  
26 rate, student enrollment, or taxable value of property, the  
27 commissioner shall adjust the district's entitlement for the next

1 fiscal year accordingly.

2 SECTION 72.17. Effective September 1, 2017, Subsection (h),  
3 Section 42.253, Education Code, is amended to read as follows:

4 (h) If the amount appropriated for the Foundation School  
5 Program for the second year of a state fiscal biennium is less than  
6 the amount to which school districts are entitled for that year, the  
7 commissioner shall certify the amount of the difference to the  
8 Legislative Budget Board not later than January 1 of the second year  
9 of the state fiscal biennium. The Legislative Budget Board shall  
10 propose to the legislature that the certified amount be transferred  
11 to the foundation school fund from the economic stabilization fund  
12 and appropriated for the purpose of increases in allocations under  
13 this subsection. If the legislature fails during the regular  
14 session to enact the proposed transfer and appropriation and there  
15 are not funds available under Subsection (j), the commissioner  
16 shall adjust ~~reduce~~ the total amounts due to each school district  
17 under this chapter and the total amounts necessary for each school  
18 district to comply with the requirements of Chapter 41 ~~[amount of~~  
19 ~~state funds allocated to each district]~~ by an amount determined by  
20 applying to each district the same percentage adjustment so that  
21 the total amount of the adjustment to all districts ~~[a method under~~  
22 ~~which the application of the same number of cents of increase in tax~~  
23 ~~rate in all districts applied to the taxable value of property of~~  
24 ~~each district, as determined under Subchapter M, Chapter 403,~~  
25 ~~Government Code,~~] results in an amount ~~[a total levy]~~ equal to the  
26 total adjustment necessary. A school district is not entitled to  
27 reimbursement in a subsequent fiscal year of the amount resulting

1 from the adjustment authorized by this subsection [~~reduction. The~~  
2 ~~following fiscal year, a district's entitlement under this section~~  
3 ~~is increased by an amount equal to the reduction made under this~~  
4 ~~subsection~~].

5 SECTION 72.18. Section 42.258, Education Code, is amended  
6 by amending Subsection (a) and adding Subsection (a-1) to read as  
7 follows:

8 (a) If a school district has received an overallocation of  
9 state funds, the agency shall, by withholding from subsequent  
10 allocations of state funds for the current or subsequent school  
11 year or by requesting and obtaining a refund, recover from the  
12 district an amount equal to the overallocation.

13 (a-1) Notwithstanding Subsection (a), the agency may  
14 recover an overallocation of state funds over a period not to exceed  
15 the subsequent five school years if the commissioner determines  
16 that the overallocation was the result of exceptional circumstances  
17 reasonably caused by statutory changes to Chapter 41 or 46 or this  
18 chapter and related reporting requirements.

19 SECTION 72.19. Subsection (b), Section 42.260, Education  
20 Code, is amended to read as follows:

21 (b) For each year, the commissioner shall certify to each  
22 school district or participating charter school the amount of[+

23 [~~1~~] additional funds to which the district or school  
24 is entitled due to the increase made by H.B. No. 3343, Acts of the  
25 77th Legislature, Regular Session, 2001, to:

26 (1) [~~A~~] the equalized wealth level under Section  
27 41.002; or

1           (2) [~~(B)~~] the guaranteed level of state and local  
2 funds per weighted student per cent of tax effort under Section  
3 42.302 [~~, or~~

4           ~~[(2) additional state aid to which the district or~~  
5 ~~school is entitled under Section 42.2513].~~

6           SECTION 72.20. Section 44.004, Education Code, is amended  
7 by adding Subsection (g-1) to read as follows:

8           (g-1) If the rate calculated under Subsection  
9 (c)(5)(A)(ii)(b) decreases after the publication of the notice  
10 required by this section, the president is not required to publish  
11 another notice or call another meeting to discuss and adopt the  
12 budget and the proposed lower tax rate.

13           SECTION 72.21. Subsection (a), Section 26.05, Tax Code, is  
14 amended to read as follows:

15           (a) The governing body of each taxing unit, before the later  
16 of September 30 or the 60th day after the date the certified  
17 appraisal roll is received by the taxing unit, shall adopt a tax  
18 rate for the current tax year and shall notify the assessor for the  
19 unit of the rate adopted. The tax rate consists of two components,  
20 each of which must be approved separately. The components are:

21           (1) for a taxing unit other than a school district, the  
22 rate that, if applied to the total taxable value, will impose the  
23 total amount published under Section 26.04(e)(3)(C), less any  
24 amount of additional sales and use tax revenue that will be used to  
25 pay debt service, or, for a school district, the rate calculated  
26 [~~published~~] under Section 44.004(c)(5)(A)(ii)(b), Education Code;  
27 and

1           (2) the rate that, if applied to the total taxable  
2 value, will impose the amount of taxes needed to fund maintenance  
3 and operation expenditures of the unit for the next year.

4           SECTION 72.22. Effective September 1, 2017, Subsection (i),  
5 Section 26.08, Tax Code, is amended to read as follows:

6           (i) For purposes of this section, the effective maintenance  
7 and operations tax rate of a school district is the tax rate that,  
8 applied to the current total value for the district, would impose  
9 taxes in an amount that, when added to state funds that would be  
10 distributed to the district under Chapter 42, Education Code, for  
11 the school year beginning in the current tax year using that tax  
12 rate, [~~including state funds that will be distributed to the~~  
13 ~~district in that school year under Section 42.2516, Education~~  
14 ~~Code,~~] would provide the same amount of state funds distributed  
15 under Chapter 42, Education Code, [~~including state funds~~  
16 ~~distributed under Section 42.2516, Education Code,~~] and  
17 maintenance and operations taxes of the district per student in  
18 weighted average daily attendance for that school year that would  
19 have been available to the district in the preceding year if the  
20 funding elements for Chapters 41 and 42, Education Code, for the  
21 current year had been in effect for the preceding year.

22           SECTION 72.23. Subsection (n), Section 311.013, Tax Code,  
23 is amended to read as follows:

24           (n) This subsection applies only to a school district whose  
25 taxable value computed under Section 403.302(d), Government Code,  
26 is reduced in accordance with Subdivision (4) of that  
27 subsection. In addition to the amount otherwise required to be

1 paid into the tax increment fund, the district shall pay into the  
2 fund an amount equal to the amount by which the amount of taxes the  
3 district would have been required to pay into the fund in the  
4 current year if the district levied taxes at the rate the district  
5 levied in 2005 exceeds the amount the district is otherwise  
6 required to pay into the fund in the year of the reduction. This  
7 additional amount may not exceed the amount the school district  
8 receives in state aid for the current tax year under Section  
9 42.2514, Education Code. The school district shall pay the  
10 additional amount after the district receives the state aid to  
11 which the district is entitled for the current tax year under  
12 Section 42.2514, Education Code.

13 SECTION 72.24. Effective September 1, 2011, the following  
14 provisions of the Education Code are repealed:

- 15 (1) Subsections (c-2), (c-3), and (e), Section 21.402;
- 16 (2) Section 42.008; and
- 17 (3) Subsections (a-1) and (a-2), Section 42.101.

18 SECTION 72.25. (a) Effective September 1, 2017, the  
19 following provisions of the Education Code are repealed:

- 20 (1) Section 41.0041;
- 21 (2) Subsections (b), (b-1), (b-2), (c), (d), (e), (f),  
22 (f-1), (f-2), (f-3), and (i), Section 42.2516;
- 23 (3) Section 42.25161;
- 24 (4) Subsection (c), Section 42.2523;
- 25 (5) Subsection (g), Section 42.2524;
- 26 (6) Subsection (c-1), Section 42.253; and
- 27 (7) Section 42.261.

1 (b) Effective September 1, 2017, Subsections (i-1) and (j),  
2 Section 26.08, Tax Code, are repealed.

3 SECTION 72.26. (a) The speaker of the house of  
4 representatives and the lieutenant governor shall establish a joint  
5 legislative interim committee to conduct a comprehensive study of  
6 the public school finance system in this state.

7 (b) Not later than January 15, 2013, the committee shall  
8 make recommendations to the 83rd Legislature regarding changes to  
9 the public school finance system.

10 (c) The committee is dissolved September 1, 2013.

11 SECTION 72.27. It is the intent of the legislature, between  
12 fiscal year 2014 and fiscal year 2018, to continue to reduce the  
13 amount of Additional State Aid For Tax Reduction (ASATR) to which a  
14 school district is entitled under Section 42.2516, Education Code,  
15 and to increase the basic allotment to which a school district is  
16 entitled under Section 42.101, Education Code.

17 SECTION 72.28. Except as otherwise provided by this Act,  
18 the changes in law made by this Act to Chapter 42, Education Code,  
19 apply beginning with the 2011-2012 school year.

20 SECTION 72.29. The change in law made by Subsection (g-1),  
21 Section 44.004, Education Code, as added by this Act, applies  
22 beginning with adoption of a tax rate for the 2011 tax year.

23 ARTICLE 73. MIXED BEVERAGE TAX REIMBURSEMENTS

24 SECTION 73.01. Effective September 1, 2013, Section  
25 183.051(b), Tax Code, is amended to read as follows:

26 (b) The comptroller shall issue to each county described in  
27 Subsection (a) a warrant drawn on the general revenue fund in an

1 amount appropriated by the legislature that may not be less  
2 [~~greater~~] than 10.7143 percent of receipts from permittees within  
3 the county during the quarter and shall issue to each incorporated  
4 municipality described in Subsection (a) a warrant drawn on that  
5 fund in an amount appropriated by the legislature that may not be  
6 less [~~greater~~] than 10.7143 percent of receipts from permittees  
7 within the incorporated municipality during the quarter.

8 ARTICLE 74. EFFECTIVE DATE

9 SECTION 74.01. Except as otherwise provided by this Act:

10 (1) this Act takes effect September 1, 2011, if this  
11 Act receives a vote of two-thirds of all the members elected to each  
12 house, as provided by Section 39, Article III, Texas Constitution;  
13 and

14 (2) if this Act does not receive the vote necessary for  
15 this Act to take effect on that date, this Act takes effect on the  
16 91st day after the last day of the legislative session.