

1-1 By: Duncan, Shapiro S.B. No. 1
1-2 (In the Senate - Filed May 31, 2011; May 31, 2011, read
1-3 first time and referred to Committee on Finance; June 2, 2011,
1-4 reported favorably by the following vote: Yeas 10, Nays 3,
1-5 1 present not voting; June 2, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to certain state fiscal matters; providing penalties.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 ARTICLE 1. FOUNDATION SCHOOL PROGRAM PAYMENTS

1-11 SECTION 1.01. Subsections (c), (d), and (f), Section
1-12 42.259, Education Code, are amended to read as follows:

1-13 (c) Payments from the foundation school fund to each
1-14 category 2 school district shall be made as follows:

1-15 (1) 22 percent of the yearly entitlement of the
1-16 district shall be paid in an installment to be made on or before the
1-17 25th day of September of a fiscal year;

1-18 (2) 18 percent of the yearly entitlement of the
1-19 district shall be paid in an installment to be made on or before the
1-20 25th day of October;

1-21 (3) 9.5 percent of the yearly entitlement of the
1-22 district shall be paid in an installment to be made on or before the
1-23 25th day of November;

1-24 (4) 7.5 percent of the yearly entitlement of the
1-25 district shall be paid in an installment to be made on or before the
1-26 25th day of April;

1-27 (5) five percent of the yearly entitlement of the
1-28 district shall be paid in an installment to be made on or before the
1-29 25th day of May;

1-30 (6) 10 percent of the yearly entitlement of the
1-31 district shall be paid in an installment to be made on or before the
1-32 25th day of June;

1-33 (7) 13 percent of the yearly entitlement of the
1-34 district shall be paid in an installment to be made on or before the
1-35 25th day of July; and

1-36 (8) 15 percent of the yearly entitlement of the
1-37 district shall be paid in an installment to be made after the 5th
1-38 day of September and not later than the 10th day of September of the
1-39 calendar year following the calendar year of the payment made under
1-40 Subdivision (1) [on or before the 25th day of August].

1-41 (d) Payments from the foundation school fund to each
1-42 category 3 school district shall be made as follows:

1-43 (1) 45 percent of the yearly entitlement of the
1-44 district shall be paid in an installment to be made on or before the
1-45 25th day of September of a fiscal year;

1-46 (2) 35 percent of the yearly entitlement of the
1-47 district shall be paid in an installment to be made on or before the
1-48 25th day of October; and

1-49 (3) 20 percent of the yearly entitlement of the
1-50 district shall be paid in an installment to be made after the 5th
1-51 day of September and not later than the 10th day of September of the
1-52 calendar year following the calendar year of the payment made under
1-53 Subdivision (1) [on or before the 25th day of August].

1-54 (f) Except as provided by Subsection (c)(8) or (d)(3), any
1-55 [Any] previously unpaid additional funds from prior fiscal years
1-56 owed to a district shall be paid to the district together with the
1-57 September payment of the current fiscal year entitlement.

1-58 SECTION 1.02. Subsection (c), Section 466.355, Government
1-59 Code, is amended to read as follows:

1-60 (c) Each August the comptroller shall:

1-61 (1) estimate the amount to be transferred to the
1-62 foundation school fund on or before September 15; and

1-63 (2) notwithstanding Subsection (b)(4), transfer the
1-64 amount estimated in Subdivision (1) to the foundation school fund

2-1 before August 25 [~~installment payments are made under Section~~
2-2 ~~42.259, Education Code~~].

2-3 SECTION 1.03. The changes made by this article to Section
2-4 42.259, Education Code, apply only to a payment from the foundation
2-5 school fund that is made on or after the effective date of this Act.
2-6 A payment to a school district from the foundation school fund that
2-7 is made before that date is governed by Section 42.259, Education
2-8 Code, as it existed before amendment by this article, and the former
2-9 law is continued in effect for that purpose.

2-10 ARTICLE 2. FISCAL MATTERS REGARDING REGULATION AND TAXATION
2-11 OF INSURERS

2-12 SECTION 2.01. Section 221.006, Insurance Code, is amended
2-13 by adding Subsection (c) to read as follows:

2-14 (c) An insurer is not entitled to a credit under Subsection
2-15 (a) for an examination or evaluation fee paid in calendar year 2012
2-16 or 2013. This subsection expires January 1, 2014.

2-17 SECTION 2.02. Section 222.007, Insurance Code, is amended
2-18 by adding Subsection (c) to read as follows:

2-19 (c) An insurer or health maintenance organization is not
2-20 entitled to a credit under Subsection (a) for an examination or
2-21 evaluation fee paid in calendar year 2012 or 2013. This subsection
2-22 expires January 1, 2014.

2-23 SECTION 2.03. Section 223.009, Insurance Code, is amended
2-24 by adding Subsection (c) to read as follows:

2-25 (c) A title insurance company is not entitled to a credit
2-26 under Subsection (a) for an examination or evaluation fee paid in
2-27 calendar year 2012 or 2013. This subsection expires January 1,
2-28 2014.

2-29 SECTION 2.04. Section 401.151, Insurance Code, is amended
2-30 by adding Subsection (f) to read as follows:

2-31 (f) An insurer is not entitled to a credit under Subsection
2-32 (e) for an examination or evaluation fee paid in calendar year 2012
2-33 or 2013. This subsection expires January 1, 2014.

2-34 SECTION 2.05. Section 401.154, Insurance Code, is amended
2-35 to read as follows:

2-36 Sec. 401.154. TAX CREDIT AUTHORIZED. (a) An insurer is
2-37 entitled to a credit on the amount of premium taxes to be paid by the
2-38 insurer for all examination fees paid under Section 401.153. The
2-39 insurer may take the credit for the taxable year during which the
2-40 examination fees are paid and may take the credit to the same extent
2-41 the insurer may take a credit for examination fees paid when a
2-42 salaried department examiner conducts the examination.

2-43 (b) An insurer is not entitled to a credit under Subsection
2-44 (a) for an examination fee paid in calendar year 2012 or 2013. This
2-45 subsection expires January 1, 2014.

2-46 SECTION 2.06. Section 463.160, Insurance Code, is amended
2-47 to read as follows:

2-48 Sec. 463.160. PREMIUM TAX CREDIT FOR CLASS A ASSESSMENT.
2-49 The amount of a Class A assessment paid by a member insurer in each
2-50 taxable year shall be allowed as a credit on the amount of premium
2-51 taxes due [~~in the same manner as a credit is allowed under Section~~
2-52 401.151(e)].

2-53 SECTION 2.07. The changes in law made by this article apply
2-54 only to a tax credit for an examination or evaluation fee paid on or
2-55 after January 1, 2012. Tax credits for examination or evaluation
2-56 fees paid before January 1, 2012, are governed by the law in effect
2-57 immediately before the effective date of this Act, and that law is
2-58 continued in effect for that purpose.

2-59 ARTICLE 3. STATE SALES AND FRANCHISE TAX REFUNDS FOR CERTAIN AD
2-60 VALOREM TAXPAYERS

2-61 SECTION 3.01. Subchapter F, Chapter 111, Tax Code, is
2-62 repealed.

2-63 SECTION 3.02. The repeal of Subchapter F, Chapter 111, Tax
2-64 Code, by this article does not affect an eligible person's right to
2-65 claim a refund of state sales and use and state franchise taxes that
2-66 was established under Section 111.301, Tax Code, in relation to
2-67 taxes paid before the effective date of this article in a calendar
2-68 year for which the person paid ad valorem taxes to a school district
2-69 as provided by Section 111.301, Tax Code, before the effective date

of this article. An eligible person's right to claim a refund of state sales and use and state franchise taxes that was established under Section 111.301, Tax Code, in relation to taxes paid before the effective date of this article in a calendar year for which the person paid ad valorem taxes to a school district as provided by Section 111.301, Tax Code, before the effective date of this article is governed by the law in effect on the date the right to claim the refund was established, and the former law is continued in effect for that purpose.

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

ARTICLE 4. TAX RECORDS

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

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

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

(2) include information relating to:

(A) the kind of each machine;

(B) the date each machine is:

(i) acquired or received in this state; and

(ii) placed in operation;

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

(i) county;

(ii) municipality, if any; and

(iii) street or rural route number;

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

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

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

(3) be maintained~~+~~

~~[(A)] at a permanent address in this state designated on the application for a license under Section 2153.153[~~+~~ and~~

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

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

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

Sec. 111.0041. RECORDS; BURDEN TO PRODUCE AND SUBSTANTIATE CLAIMS. (a) Except as provided by Subsection (b), a [Any]

taxpayer who is required by this title to keep records shall keep those records open to inspection by the comptroller, the attorney general, or the authorized representatives of either of them for at least four years.

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

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

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

(c) A taxpayer shall produce contemporaneous records and supporting documentation appropriate to the tax or fee for the period in question to substantiate and enable verification of the taxpayer's claim related to the amount of tax, penalty, or interest to be assessed, collected, or refunded in an administrative or judicial proceeding. Contemporaneous records and supporting documentation appropriate to the tax or fee include invoices, vouchers, checks, shipping records, contracts, and other

4-1 equivalent records, such as electronically stored images of such
 4-2 documents, reflecting legal relationships and taxes collected or
 4-3 paid.

4-4 (d) Summary records submitted by the taxpayer, including
 4-5 accounting journals and ledgers, without supporting
 4-6 contemporaneous records and documentation for the period in
 4-7 question are not sufficient to substantiate and enable verification
 4-8 of the taxpayer's claim regarding the amount of tax, penalty, or
 4-9 interest that may be assessed, collected, or refunded.

4-10 (e) This section prevails over any other conflicting
 4-11 provision of this title.

4-12 SECTION 4.03. Section 112.052, Tax Code, is amended by
 4-13 adding Subsection (d) to read as follows:

4-14 (d) A taxpayer shall produce contemporaneous records and
 4-15 supporting documentation appropriate to the tax or fee for the
 4-16 period in question to substantiate and enable verification of a
 4-17 taxpayer's claim relating to the amount of the tax, penalty, or
 4-18 interest that is to be assessed, collected, or refunded, as
 4-19 required by Section 111.0041.

4-20 SECTION 4.04. Section 112.151, Tax Code, is amended by
 4-21 adding Subsection (f) to read as follows:

4-22 (f) A taxpayer shall produce contemporaneous records and
 4-23 supporting documentation appropriate to the tax or fee for the
 4-24 period in question to substantiate and enable verification of a
 4-25 taxpayer's claim relating to the amount of the tax, penalty, or
 4-26 interest that is to be assessed, collected, or refunded, as
 4-27 required by Section 111.0041.

4-28 SECTION 4.05. Subsection (b), Section 151.025, Tax Code, is
 4-29 amended to read as follows:

4-30 (b) A record required by Subsection (a) [~~of this section~~]
 4-31 shall be kept for not less than four years from the date [~~day~~] that
 4-32 it is made unless:

4-33 (1) the comptroller authorizes in writing its
 4-34 destruction at an earlier date; or

4-35 (2) Section 111.0041 requires that the record be kept
 4-36 for a longer period.

4-37 SECTION 4.06. Section 152.063, Tax Code, is amended by
 4-38 adding Subsection (h) to read as follows:

4-39 (h) Section 111.0041 applies to a person required to keep
 4-40 records under this chapter.

4-41 SECTION 4.07. Section 152.0635, Tax Code, is amended by
 4-42 adding Subsection (e) to read as follows:

4-43 (e) Section 111.0041 applies to a person required to keep
 4-44 records under this chapter.

4-45 SECTION 4.08. Subsection (a), Section 154.209, Tax Code, is
 4-46 amended to read as follows:

4-47 (a) Except as provided by Section 111.0041, each [~~Each~~]
 4-48 permit holder shall keep records available for inspection and
 4-49 copying by the comptroller and the attorney general for at least
 4-50 four years.

4-51 SECTION 4.09. Subsection (a), Section 155.110, Tax Code, is
 4-52 amended to read as follows:

4-53 (a) Except as provided by Section 111.0041, each [~~Each~~]
 4-54 permit holder shall keep records available for inspection and
 4-55 copying by the comptroller and the attorney general for at least
 4-56 four years.

4-57 SECTION 4.10. Section 160.046, Tax Code, is amended by
 4-58 adding Subsection (g) to read as follows:

4-59 (g) A person required to keep records under this section
 4-60 shall also keep the records as required by Section 111.0041.

4-61 SECTION 4.11. Subchapter A, Chapter 162, Tax Code, is
 4-62 amended by adding Section 162.0125 to read as follows:

4-63 Sec. 162.0125. DUTY TO KEEP RECORDS. A person required to
 4-64 keep a record under this chapter shall also keep the record as
 4-65 required by Section 111.0041.

4-66 SECTION 4.12. This article takes effect immediately if this
 4-67 Act receives a vote of two-thirds of all the members elected to each
 4-68 house, as provided by Section 39, Article III, Texas Constitution.
 4-69 If this Act does not receive the vote necessary for immediate

5-1 effect, this article takes effect October 1, 2011.

5-2 ARTICLE 5. UNCLAIMED PROPERTY

5-3 SECTION 5.01. Subsection (a), Section 72.101, Property
5-4 Code, is amended to read as follows:

5-5 (a) Except as provided by this section and Sections 72.1015,
5-6 72.1016, 72.1017, and 72.102, personal property is presumed
5-7 abandoned if, for longer than three years:

5-8 (1) the existence and location of the owner of the
5-9 property is unknown to the holder of the property; and

5-10 (2) according to the knowledge and records of the
5-11 holder of the property, a claim to the property has not been
5-12 asserted or an act of ownership of the property has not been
5-13 exercised.

5-14 SECTION 5.02. Subchapter B, Chapter 72, Property Code, is
5-15 amended by adding Section 72.1017 to read as follows:

5-16 Sec. 72.1017. UTILITY DEPOSITS. (a) In this section:

5-17 (1) "Utility" has the meaning assigned by Section
5-18 183.001, Utilities Code.

5-19 (2) "Utility deposit" is a refundable money deposit a
5-20 utility requires a user of the utility service to pay as a condition
5-21 of initiating the service.

5-22 (b) Notwithstanding Section 73.102, a utility deposit is
5-23 presumed abandoned on the latest of:

5-24 (1) the first anniversary of the date a refund check
5-25 for the utility deposit was payable to the owner of the deposit;

5-26 (2) the first anniversary of the date the utility last
5-27 received documented communication from the owner of the utility
5-28 deposit; or

5-29 (3) the first anniversary of the date the utility
5-30 issued a refund check for the deposit payable to the owner of the
5-31 deposit if, according to the knowledge and records of the utility or
5-32 payor of the check, during that period, a claim to the check has not
5-33 been asserted or an act of ownership by the payee has not been
5-34 exercised.

5-35 SECTION 5.03. Subsection (c), Section 72.102, Property
5-36 Code, is amended to read as follows:

5-37 (c) A money order to which Subsection (a) applies is
5-38 presumed to be abandoned on the latest of:

5-39 (1) the third [~~seventh~~] anniversary of the date on
5-40 which the money order was issued;

5-41 (2) the third [~~seventh~~] anniversary of the date on
5-42 which the issuer of the money order last received from the owner of
5-43 the money order communication concerning the money order; or

5-44 (3) the third [~~seventh~~] anniversary of the date of the
5-45 last writing, on file with the issuer, that indicates the owner's
5-46 interest in the money order.

5-47 SECTION 5.04. Section 72.103, Property Code, is amended to
5-48 read as follows:

5-49 Sec. 72.103. PRESERVATION OF PROPERTY. Notwithstanding any
5-50 other provision of this title except a provision of this section or
5-51 Section 72.1016 relating to a money order or a stored value card, a
5-52 holder of abandoned property shall preserve the property and may
5-53 not at any time, by any procedure, including a deduction for
5-54 service, maintenance, or other charge, transfer or convert to the
5-55 profits or assets of the holder or otherwise reduce the value of the
5-56 property. For purposes of this section, value is determined as of
5-57 the date of the last transaction or contact concerning the
5-58 property, except that in the case of a money order, value is
5-59 determined as of the date the property is presumed abandoned under
5-60 Section 72.102(c). If a holder imposes service, maintenance, or
5-61 other charges on a money order prior to the time of presumed
5-62 abandonment, such charges may not exceed the amount of \$1 [~~50 cents~~]
5-63 per month for each month the money order remains uncashed prior to
5-64 the month in which the money order is presumed abandoned.

5-65 SECTION 5.05. Section 73.101, Property Code, is amended by
5-66 amending Subsection (a) and adding Subsection (c) to read as
5-67 follows:

5-68 (a) An account or safe deposit box is presumed abandoned if:

5-69 (1) except as provided by Subsection (c), the account

6-1 or safe deposit box has been inactive for at least five years as
6-2 determined under Subsection (b);

6-3 (2) the location of the depositor of the account or
6-4 owner of the safe deposit box is unknown to the depository; and

6-5 (3) the amount of the account or the contents of the
6-6 box have not been delivered to the comptroller in accordance with
6-7 Chapter 74.

6-8 (c) If the account is a checking or savings account or is a
6-9 matured certificate of deposit, the account is presumed abandoned
6-10 if the account has been inactive for at least three years as
6-11 determined under Subsection (b)(1).

6-12 SECTION 5.06. Subsection (a), Section 74.101, Property
6-13 Code, is amended to read as follows:

6-14 (a) Each holder who on March 1 [~~June 30~~] holds property that
6-15 is presumed abandoned under Chapter 72, 73, or 75 of this code or
6-16 under Chapter 154, Finance Code, shall file a report of that
6-17 property on or before the following July [~~November~~] 1. The
6-18 comptroller may require the report to be in a particular format,
6-19 including a format that can be read by a computer.

6-20 SECTION 5.07. Subsection (a), Section 74.1011, Property
6-21 Code, is amended to read as follows:

6-22 (a) Except as provided by Subsection (b), a holder who on
6-23 March 1 [~~June 30~~] holds property valued at more than \$250 that is
6-24 presumed abandoned under Chapter 72, 73, or 75 of this code or
6-25 Chapter 154, Finance Code, shall, on or before the preceding May
6-26 [~~following August~~] 1, mail to the last known address of the known
6-27 owner written notice stating that:

6-28 (1) the holder is holding the property; and

6-29 (2) the holder may be required to deliver the property
6-30 to the comptroller on or before July [~~November~~] 1 if the property is
6-31 not claimed.

6-32 SECTION 5.08. Subsections (a) and (c), Section 74.301,
6-33 Property Code, are amended to read as follows:

6-34 (a) Except as provided by Subsection (c), each holder who on
6-35 March 1 [~~June 30~~] holds property that is presumed abandoned under
6-36 Chapter 72, 73, or 75 shall deliver the property to the comptroller
6-37 on or before the following July [~~November~~] 1 accompanied by the
6-38 report required to be filed under Section 74.101.

6-39 (c) If the property subject to delivery under Subsection (a)
6-40 is the contents of a safe deposit box, the comptroller may instruct
6-41 a holder to deliver the property on a specified date before July
6-42 [~~November~~] 1 of the following year.

6-43 SECTION 5.09. Subsection (e), Section 74.601, Property
6-44 Code, is amended to read as follows:

6-45 (e) The comptroller on receipt or from time to time may
6-46 [~~from time to time~~] sell securities, including stocks, bonds, and
6-47 mutual funds, received under this chapter or any other statute
6-48 requiring the delivery of unclaimed property to the comptroller and
6-49 use the proceeds to buy, exchange, invest, or reinvest in
6-50 marketable securities. When making or selling the investments, the
6-51 comptroller shall exercise the judgment and care of a prudent
6-52 person.

6-53 SECTION 5.10. Section 74.708, Property Code, is amended to
6-54 read as follows:

6-55 Sec. 74.708. PROPERTY HELD IN TRUST. A holder who on March
6-56 1 [~~June 30~~] holds property presumed abandoned under Chapters 72-75
6-57 holds the property in trust for the benefit of the state on behalf
6-58 of the missing owner and is liable to the state for the full value of
6-59 the property, plus any accrued interest and penalty. A holder is
6-60 not required by this section to segregate or establish trust
6-61 accounts for the property provided the property is timely delivered
6-62 to the comptroller in accordance with Section 74.301.

6-63 SECTION 5.11. (a) Except as provided by Subsection (b) of
6-64 this section, this article takes effect on the 91st day after the
6-65 last day of the legislative session.

6-66 (b) Subsection (a), Section 74.101, Subsection (a), Section
6-67 74.1011, Subsections (a) and (c), Section 74.301, and Section
6-68 74.708, Property Code, as amended by this article, take effect
6-69 January 1, 2013.

7-1 SECTION 5.12. A charge imposed on a money order under
7-2 Section 72.103, Property Code, by a holder before the effective
7-3 date of this article is governed by the law applicable to the charge
7-4 immediately before the effective date of this article, and the
7-5 holder may retain the charge.

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

7-8 SECTION 6.01. Section 56.001, Government Code, is amended
7-9 to read as follows:

7-10 Sec. 56.001. JUDICIAL AND COURT PERSONNEL TRAINING FUND.

7-11 (a) The judicial and court personnel training fund is an account
7-12 in the general revenue fund. Money in the judicial and court
7-13 personnel training fund may be appropriated only to ~~[created in the~~
7-14 ~~state treasury and shall be administered by]~~ the court of criminal
7-15 appeals for the uses authorized in Section 56.003.

7-16 (b) ~~[(i)]~~ On requisition of the court of criminal appeals,
7-17 the comptroller shall draw a warrant on the fund for the amount
7-18 specified in the requisition for a use authorized in Section
7-19 56.003. A warrant may not exceed the amount appropriated for any
7-20 one fiscal year. ~~[At the end of each state fiscal year, any~~
7-21 ~~unexpended balance in the fund in excess of \$500,000 shall be~~
7-22 ~~transferred to the general revenue fund.]~~

7-23 ARTICLE 7. PROCESS SERVER CERTIFICATION FEES

7-24 SECTION 7.01. Subchapter A, Chapter 51, Government Code, is
7-25 amended by adding Section 51.008 to read as follows:

7-26 Sec. 51.008. FEES FOR PROCESS SERVER CERTIFICATION.

7-27 (a) The process server review board established by supreme court
7-28 order may recommend to the supreme court the fees to be charged for
7-29 process server certification and renewal of certification. The
7-30 supreme court must approve the fees recommended by the process
7-31 server review board before the fees may be collected.

7-32 (b) If a certification is issued or renewed for a term that
7-33 is less than the certification period provided by supreme court
7-34 rule, the fee for the certification shall be prorated so that the
7-35 process server pays only that portion of the fee that is allocable
7-36 to the period during which the certification is valid. On renewal
7-37 of the certification on the new expiration date, the process server
7-38 must pay the entire certification renewal fee.

7-39 (c) The Office of Court Administration of the Texas Judicial
7-40 System may collect the fees recommended by the process server
7-41 review board and approved by the supreme court. Fees collected
7-42 under this section shall be sent to the comptroller for deposit to
7-43 the credit of the general revenue fund.

7-44 (d) Fees collected under this section may be appropriated to
7-45 the Office of Court Administration of the Texas Judicial System for
7-46 the support of regulatory programs for process servers and
7-47 guardians.

7-48 SECTION 7.02. (a) The fees recommended and approved under
7-49 Section 51.008, Government Code, as added by this article, apply
7-50 to:

7-51 (1) each person who holds a process server
7-52 certification on the effective date of this article; and

7-53 (2) each person who applies for process server
7-54 certification on or after the effective date of this article.

7-55 (b) The Office of Court Administration of the Texas Judicial
7-56 System shall prorate the process server certification fee so that a
7-57 person who holds a process server certification on the effective
7-58 date of this article pays only that portion of the fee that is
7-59 allocable to the period during which the certification is valid. On
7-60 renewal of the certification on the new expiration date, the entire
7-61 certification renewal fee is payable.

7-62 ARTICLE 8. FISCAL MATTERS REGARDING PETROLEUM INDUSTRY REGULATION

7-63 SECTION 8.01. Section 26.3574, Water Code, is amended by
7-64 amending Subsection (b) and adding Subsection (b-1) to read as
7-65 follows:

7-66 (b) A fee is imposed on the delivery of a petroleum product
7-67 on withdrawal from bulk of that product as provided by this
7-68 subsection. Each operator of a bulk facility on withdrawal from
7-69 bulk of a petroleum product shall collect from the person who orders

8-1 the withdrawal a fee in an amount determined as follows:

8-2 (1) not more than \$3.125 [~~\$3.75~~] for each delivery
8-3 into a cargo tank having a capacity of less than 2,500 gallons [~~for~~
8-4 ~~the state fiscal year beginning September 1, 2007, through the~~
8-5 ~~state fiscal year ending August 31, 2011~~];

8-6 (2) not more than \$6.25 [~~\$7.50~~] for each delivery into
8-7 a cargo tank having a capacity of 2,500 gallons or more but less
8-8 than 5,000 gallons [~~for the state fiscal year beginning September~~
8-9 ~~1, 2007, through the state fiscal year ending August 31, 2011~~];

8-10 (3) not more than \$9.37 [~~\$11.75~~] for each delivery
8-11 into a cargo tank having a capacity of 5,000 gallons or more but
8-12 less than 8,000 gallons [~~for the state fiscal year beginning~~
8-13 ~~September 1, 2007, through the state fiscal year ending August 31,~~
8-14 ~~2011~~];

8-15 (4) not more than \$12.50 [~~\$15.00~~] for each delivery
8-16 into a cargo tank having a capacity of 8,000 gallons or more but
8-17 less than 10,000 gallons [~~for the state fiscal year beginning~~
8-18 ~~September 1, 2007, through the state fiscal year ending August 31,~~
8-19 ~~2011~~]; and

8-20 (5) not more than \$6.25 [~~\$7.50~~] for each increment of
8-21 5,000 gallons or any part thereof delivered into a cargo tank having
8-22 a capacity of 10,000 gallons or more [~~for the state fiscal year~~
8-23 ~~beginning September 1, 2007, through the state fiscal year ending~~
8-24 ~~August 31, 2011~~].

8-25 (b-1) The commission by rule shall set the amount of the fee
8-26 in Subsection (b) in an amount not to exceed the amount necessary to
8-27 cover the agency's costs of administering this subchapter, as
8-28 indicated by the amount appropriated by the legislature from the
8-29 petroleum storage tank remediation account for that purpose.

8-30 ARTICLE 9. REMITTANCE AND ALLOCATION OF CERTAIN MOTOR FUELS TAXES

8-31 SECTION 9.01. Section 162.113, Tax Code, is amended by
8-32 adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as
8-33 follows:

8-34 (a-1) On August 28, 2013, each licensed distributor and
8-35 licensed importer shall remit to the supplier or permissive
8-36 supplier, as applicable, a tax prepayment in an amount equal to 25
8-37 percent of the tax imposed by Section 162.101 for gasoline removed
8-38 at the terminal rack during July 2013 by the licensed distributor or
8-39 licensed importer, without accounting for any credit or allowance
8-40 to which the licensed distributor or licensed importer is entitled.
8-41 The supplier or permissive supplier shall remit the tax prepayment
8-42 received under this subsection to the comptroller by electronic
8-43 funds transfer on August 30, 2013, without accounting for any
8-44 credit or allowance to which the supplier or permissive supplier is
8-45 entitled. Subsections (c)-(e) do not apply to the tax prepayment
8-46 under this subsection.

8-47 (a-2) A licensed distributor or licensed importer may take a
8-48 credit against the amount of tax imposed by Section 162.101 for
8-49 gasoline removed at a terminal rack during August 2013 that is
8-50 required to be remitted to the supplier or permissive supplier, as
8-51 applicable, under Subsection (a) in September 2013. The amount of
8-52 the credit is equal to the amount of any tax prepayment remitted by
8-53 the licensed distributor or licensed importer as required by
8-54 Subsection (a-1).

8-55 (a-3) Subsections (a-1) and (a-2) apply to a supplier or an
8-56 affiliate of a supplier who removes gasoline at the terminal rack
8-57 for distribution to the same extent and in the same manner that
8-58 those subsections apply to a licensed distributor or licensed
8-59 importer.

8-60 (a-4) Subsections (a-1), (a-2), and (a-3) and this
8-61 subsection expire September 1, 2015.

8-62 SECTION 9.02. Section 162.214, Tax Code, is amended by
8-63 adding Subsections (a-1), (a-2), (a-3), and (a-4) to read as
8-64 follows:

8-65 (a-1) On August 28, 2013, each licensed distributor and
8-66 licensed importer shall remit to the supplier or permissive
8-67 supplier, as applicable, a tax prepayment in an amount equal to 25
8-68 percent of the tax imposed by Section 162.201 for diesel fuel
8-69 removed at the terminal rack during July 2013 by the licensed

9-1 distributor or licensed importer, without accounting for any credit
 9-2 or allowance to which the licensed distributor or licensed importer
 9-3 is entitled. The supplier or permissive supplier shall remit the
 9-4 tax prepayment received under this subsection to the comptroller by
 9-5 electronic funds transfer on August 30, 2013, without accounting
 9-6 for any credit or allowance to which the supplier or permissive
 9-7 supplier is entitled. Subsections (c)-(e) do not apply to the tax
 9-8 prepayment under this subsection.

9-9 (a-2) A licensed distributor or licensed importer may take a
 9-10 credit against the amount of tax imposed by Section 162.201 for
 9-11 diesel fuel removed at a terminal rack during August 2013 that is
 9-12 required to be remitted to the supplier or permissive supplier, as
 9-13 applicable, under Subsection (a) in September 2013. The amount of
 9-14 the credit is equal to any tax prepayment remitted by the licensed
 9-15 distributor or licensed importer as required by Subsection (a-1).

9-16 (a-3) Subsections (a-1) and (a-2) apply to a supplier or an
 9-17 affiliate of a supplier who removes diesel fuel at the terminal rack
 9-18 for distribution to the same extent and in the same manner that
 9-19 those subsections apply to a licensed distributor or licensed
 9-20 importer.

9-21 (a-4) Subsections (a-1), (a-2), and (a-3) and this
 9-22 subsection expire September 1, 2015.

9-23 SECTION 9.03. Section 162.503, Tax Code, is amended to read
 9-24 as follows:

9-25 Sec. 162.503. ALLOCATION OF GASOLINE TAX. (a) On or
 9-26 before the fifth workday after the end of each month, the
 9-27 comptroller, after making all deductions for refund purposes and
 9-28 for the amounts allocated under Sections 162.502 and 162.5025,
 9-29 shall allocate the net remainder of the taxes collected under
 9-30 Subchapter B as follows:

9-31 (1) one-fourth of the tax shall be deposited to the
 9-32 credit of the available school fund;

9-33 (2) one-half of the tax shall be deposited to the
 9-34 credit of the state highway fund for the construction and
 9-35 maintenance of the state road system under existing law; and

9-36 (3) from the remaining one-fourth of the tax the
 9-37 comptroller shall:

9-38 (A) deposit to the credit of the county and road
 9-39 district highway fund all the remaining tax receipts until a total
 9-40 of \$7,300,000 has been credited to the fund each fiscal year; and

9-41 (B) after the amount required to be deposited to
 9-42 the county and road district highway fund has been deposited,
 9-43 deposit to the credit of the state highway fund the remainder of the
 9-44 one-fourth of the tax, the amount to be provided on the basis of
 9-45 allocations made each month of the fiscal year, which sum shall be
 9-46 used by the Texas Department of Transportation for the
 9-47 construction, improvement, and maintenance of farm-to-market
 9-48 roads.

9-49 (b) Notwithstanding Subsection (a), the comptroller may not
 9-50 allocate revenue otherwise required to be allocated under
 9-51 Subsection (a) during July and August 2013 before the first workday
 9-52 of September 2013. The revenue shall be allocated as otherwise
 9-53 provided by Subsection (a) not later than the fifth workday of
 9-54 September 2013. This subsection expires September 1, 2015.

9-55 SECTION 9.04. Section 162.504, Tax Code, is amended to read
 9-56 as follows:

9-57 Sec. 162.504. ALLOCATION OF DIESEL FUEL TAX. (a) On or
 9-58 before the fifth workday after the end of each month, the
 9-59 comptroller, after making deductions for refund purposes, for the
 9-60 administration and enforcement of this chapter, and for the amounts
 9-61 allocated under Section 162.5025, shall allocate the remainder of
 9-62 the taxes collected under Subchapter C as follows:

9-63 (1) one-fourth of the taxes shall be deposited to the
 9-64 credit of the available school fund; and

9-65 (2) three-fourths of the taxes shall be deposited to
 9-66 the credit of the state highway fund.

9-67 (b) Notwithstanding Subsection (a), the comptroller may not
 9-68 allocate revenue otherwise required to be allocated under
 9-69 Subsection (a) during July and August 2013 before the first workday

10-1 of September 2013. The revenue shall be allocated as otherwise
 10-2 provided by Subsection (a) not later than the fifth workday of
 10-3 September 2013. This subsection expires September 1, 2015.

10-4 SECTION 9.05. The expiration of the amendments made to the
 10-5 Tax Code in accordance with this article does not affect tax
 10-6 liability accruing before the expiration of those amendments. That
 10-7 liability continues in effect as if the amendments had not expired,
 10-8 and the former law is continued in effect for the collection of
 10-9 taxes due and for civil and criminal enforcement of the liability
 10-10 for those taxes.

10-11 SECTION 9.06. This article takes effect October 1, 2011.

10-12 ARTICLE 10. REMITTANCE OF MIXED BEVERAGE TAXES AND TAXES AND FEES
 10-13 ON CERTAIN ALCOHOLIC BEVERAGES

10-14 SECTION 10.01. Section 34.04, Alcoholic Beverage Code, is
 10-15 amended by adding Subsections (c), (d), and (e) to read as follows:

10-16 (c) In August 2013, a permittee shall remit a tax prepayment
 10-17 of taxes due to be remitted in September 2013 that is equal to 25
 10-18 percent of the amount the permittee is otherwise required to remit
 10-19 during August 2013 under the reporting system prescribed by the
 10-20 commission. The prepayment is in addition to the amount the
 10-21 permittee is otherwise required to remit during August. The
 10-22 permittee shall remit the additional payment in conjunction with
 10-23 the report and payment otherwise required during that month.

10-24 (d) A permittee who remits the additional payment as
 10-25 required by Subsection (c) may take a credit in the amount of the
 10-26 additional payment against the next payment due under the reporting
 10-27 system prescribed by the commission.

10-28 (e) Subsections (c) and (d) and this subsection expire
 10-29 September 1, 2015.

10-30 SECTION 10.02. Section 48.04, Alcoholic Beverage Code, is
 10-31 amended by adding Subsections (c), (d), and (e) to read as follows:

10-32 (c) In August 2013, a permittee shall remit a tax prepayment
 10-33 of taxes due to be remitted in September 2013 that is equal to 25
 10-34 percent of the amount the permittee is otherwise required to remit
 10-35 during August 2013 under the reporting system prescribed by the
 10-36 commission. The prepayment is in addition to the amount the
 10-37 permittee is otherwise required to remit during August. The
 10-38 permittee shall remit the additional payment in conjunction with
 10-39 the report and payment otherwise required during that month.

10-40 (d) A permittee who remits the additional payment as
 10-41 required by Subsection (c) may take a credit in the amount of the
 10-42 additional payment against the next payment due under the reporting
 10-43 system prescribed by the commission.

10-44 (e) Subsections (c) and (d) and this subsection expire
 10-45 September 1, 2015.

10-46 SECTION 10.03. Section 201.07, Alcoholic Beverage Code, is
 10-47 amended to read as follows:

10-48 Sec. 201.07. DUE DATE. (a) The tax on liquor is due and
 10-49 payable on the 15th of the month following the first sale, together
 10-50 with a report on the tax due.

10-51 (b) In August 2013, each permittee who is liable for the
 10-52 taxes imposed by this subchapter shall remit a tax prepayment of
 10-53 taxes due to be remitted in September 2013 that is equal to 25
 10-54 percent of the amount the permittee is otherwise required to remit
 10-55 during August 2013 under Subsection (a). The prepayment is in
 10-56 addition to the amount the permittee is otherwise required to remit
 10-57 during August. The permittee shall remit the additional payment in
 10-58 conjunction with the report and payment otherwise required during
 10-59 that month.

10-60 (c) A permittee who remits the additional payment as
 10-61 required by Subsection (b) may take a credit in the amount of the
 10-62 additional payment against the next payment due under Subsection
 10-63 (a).

10-64 (d) Subsections (b) and (c) and this subsection expire
 10-65 September 1, 2015.

10-66 SECTION 10.04. Section 201.43, Alcoholic Beverage Code, is
 10-67 amended by amending Subsection (b) and adding Subsections (c), (d),
 10-68 and (e) to read as follows:

10-69 (b) The tax is due and payable on the 15th day of the month

11-1 following the month in which the taxable first sale occurs,
 11-2 together with a report on the tax due.

11-3 (c) In August 2013, each permittee who is liable for the tax
 11-4 imposed by this subchapter shall remit a tax prepayment of taxes due
 11-5 to be remitted in September 2013 that is equal to 25 percent of the
 11-6 amount the permittee is otherwise required to remit during August
 11-7 2013 under Subsection (b). The prepayment is in addition to the
 11-8 amount the permittee is otherwise required to remit during August.
 11-9 The permittee shall remit the additional payment in conjunction
 11-10 with the report and payment otherwise required during that month.

11-11 (d) A permittee who remits the additional payment as
 11-12 required by Subsection (c) may take a credit in the amount of the
 11-13 additional payment against the next payment due under Subsection
 11-14 (b).

11-15 (e) Subsections (c) and (d) and this subsection expire
 11-16 September 1, 2015.

11-17 SECTION 10.05. Section 203.03, Alcoholic Beverage Code, is
 11-18 amended by amending Subsection (b) and adding Subsections (c), (d),
 11-19 and (e) to read as follows:

11-20 (b) The tax is due and payable on the 15th day of the month
 11-21 following the month in which the taxable first sale occurs,
 11-22 together with a report on the tax due.

11-23 (c) Each licensee who is liable for the tax imposed by this
 11-24 chapter shall remit a tax prepayment of taxes due to be remitted in
 11-25 September 2013 that is equal to 25 percent of the amount the
 11-26 licensee is otherwise required to remit during August 2013 under
 11-27 Subsection (b). The prepayment is in addition to the amount the
 11-28 licensee is otherwise required to remit during August. The
 11-29 licensee shall remit the additional payment in conjunction with the
 11-30 report and payment otherwise required during that month.

11-31 (d) A licensee who remits the additional payment as required
 11-32 by Subsection (c) may take a credit in the amount of the additional
 11-33 payment against the next payment due under Subsection (b).

11-34 (e) Subsections (c) and (d) and this subsection expire
 11-35 September 1, 2015.

11-36 SECTION 10.06. Section 183.023, Tax Code, is amended to
 11-37 read as follows:

11-38 Sec. 183.023. PAYMENT. (a) The tax due for the preceding
 11-39 month shall accompany the return and shall be payable to the state.

11-40 (b) The comptroller shall deposit the revenue received
 11-41 under this section in the general revenue fund.

11-42 (c) In August 2013, each permittee who is liable for the tax
 11-43 imposed by this subchapter shall remit a tax prepayment of taxes due
 11-44 to be remitted in September 2013 that is equal to 25 percent of the
 11-45 amount the permittee is otherwise required to remit during August
 11-46 2013 under Subsection (a). The prepayment is in addition to the
 11-47 amount the permittee is otherwise required to remit during August.
 11-48 The permittee shall remit the additional payment in conjunction
 11-49 with the return and payment otherwise required during that month.

11-50 (d) A permittee who remits the additional payment as
 11-51 required by Subsection (c) may take a credit in the amount of the
 11-52 additional payment against the next payment due under Subsection
 11-53 (a).

11-54 (e) Subsections (c) and (d) and this subsection expire
 11-55 September 1, 2015.

11-56 SECTION 10.07. The expiration of the amendments made to the
 11-57 Alcoholic Beverage Code and Tax Code in accordance with this
 11-58 article does not affect tax liability accruing before the
 11-59 expiration of those amendments. That liability continues in effect
 11-60 as if the amendments had not expired, and the former law is
 11-61 continued in effect for the collection of taxes due and for civil
 11-62 and criminal enforcement of the liability for those taxes.

11-63 ARTICLE 11. CIGARETTE TAX STAMPING ALLOWANCE

11-64 SECTION 11.01. Subsection (a), Section 154.052, Tax Code,
 11-65 is amended to read as follows:

11-66 (a) A distributor is, subject to the provisions of Section
 11-67 154.051, entitled to 2.5 [~~three~~] percent of the face value of stamps
 11-68 purchased as a stamping allowance for providing the service of
 11-69 affixing stamps to cigarette packages, except that an out-of-state

12-1 distributor is entitled to receive only the same percentage of
12-2 stamping allowance as that given to Texas distributors doing
12-3 business in the state of the distributor.

12-4 SECTION 11.02. This article applies only to cigarette
12-5 stamps purchased on or after the effective date of this article.
12-6 Cigarette stamps purchased before the effective date of this
12-7 article are governed by the law in effect on the date the cigarette
12-8 stamps were purchased, and that law is continued in effect for that
12-9 purpose.

12-10 SECTION 11.03. This article takes effect October 1, 2011.

12-11 ARTICLE 12. SALES FOR RESALE

12-12 SECTION 12.01. Section 151.006, Tax Code, is amended by
12-13 amending Subsection (a) and adding Subsection (c) to read as
12-14 follows:

12-15 (a) "Sale for resale" means a sale of:

12-16 (1) tangible personal property or a taxable service to
12-17 a purchaser who acquires the property or service for the purpose of
12-18 reselling it with or as a taxable item in the United States of
12-19 America or a possession or territory of the United States of America
12-20 or in the United Mexican States in the normal course of business in
12-21 the form or condition in which it is acquired or as an attachment to
12-22 or integral part of other tangible personal property or taxable
12-23 service;

12-24 (2) tangible personal property to a purchaser for the
12-25 sole purpose of the purchaser's leasing or renting it in the United
12-26 States of America or a possession or territory of the United States
12-27 of America or in the United Mexican States in the normal course of
12-28 business to another person, but not if incidental to the leasing or
12-29 renting of real estate;

12-30 (3) tangible personal property to a purchaser who
12-31 acquires the property for the purpose of transferring it in the
12-32 United States of America or a possession or territory of the United
12-33 States of America or in the United Mexican States as an integral
12-34 part of a taxable service; ~~or~~

12-35 (4) a taxable service performed on tangible personal
12-36 property that is held for sale by the purchaser of the taxable
12-37 service; or

12-38 (5) except as provided by Subsection (c), tangible
12-39 personal property to a purchaser who acquires the property for the
12-40 purpose of transferring it as an integral part of performing a
12-41 contract, or a subcontract of a contract, with the federal
12-42 government only if the purchaser:

12-43 (A) allocates and bills to the contract the cost
12-44 of the property as a direct or indirect cost; and

12-45 (B) transfers title to the property to the
12-46 federal government under the contract and applicable federal
12-47 acquisition regulations.

12-48 (c) A sale for resale does not include the sale of tangible
12-49 personal property or a taxable service to a purchaser who acquires
12-50 the property or service for the purpose of performing a service that
12-51 is not taxed under this chapter, regardless of whether title
12-52 transfers to the service provider's customer, unless the tangible
12-53 personal property or taxable service is purchased for the purpose
12-54 of reselling it to the United States in a contract, or a subcontract
12-55 of a contract, with any branch of the Department of Defense,
12-56 Department of Homeland Security, Department of Energy, National
12-57 Aeronautics and Space Administration, Central Intelligence Agency,
12-58 National Security Agency, National Oceanic and Atmospheric
12-59 Administration, or National Reconnaissance Office to the extent
12-60 allocated and billed to the contract with the federal government.

12-61 SECTION 12.02. This article takes effect immediately if
12-62 this Act receives a vote of two-thirds of all the members elected to
12-63 each house, as provided by Section 39, Article III, Texas
12-64 Constitution. If this Act does not receive the vote necessary for
12-65 immediate effect, this article takes effect October 1, 2011.

12-66 ARTICLE 13. REMITTANCE OF SALES AND USE TAXES

12-67 SECTION 13.01. Section 151.401, Tax Code, is amended by
12-68 adding Subsections (c), (d), and (e) to read as follows:

12-69 (c) In August 2013, a taxpayer who is required to pay the

13-1 taxes imposed by this chapter on or before the 20th day of that
 13-2 month under Subsection (a), who pays the taxes imposed by this
 13-3 chapter by electronic funds transfer, and who does not prepay as
 13-4 provided by Section 151.424 shall remit to the comptroller a tax
 13-5 prepayment that is equal to 25 percent of the amount the taxpayer is
 13-6 otherwise required to remit during August 2013 under Subsection
 13-7 (a). The prepayment is in addition to the amount the taxpayer is
 13-8 otherwise required to remit during August. The taxpayer shall
 13-9 remit the additional payment in conjunction with the payment
 13-10 otherwise required during that month. Section 151.424 does not
 13-11 apply with respect to the additional payment required by this
 13-12 subsection.

13-13 (d) A taxpayer who remits the additional payment as required
 13-14 by Subsection (c) may take a credit in the amount of the additional
 13-15 payment against the next payment due under Subsection (a).

13-16 (e) Subsections (c) and (d) and this subsection expire
 13-17 September 1, 2015.

13-18 SECTION 13.02. Section 151.402, Tax Code, is amended to
 13-19 read as follows:

13-20 Sec. 151.402. TAX REPORT DATES. (a) ~~A [Except as provided~~
 13-21 ~~by Subsection (b) of this section, a]~~ tax report required by this
 13-22 chapter for a reporting period is due on the same date that the tax
 13-23 payment for the period is due as provided by Section 151.401.

13-24 (b) A taxpayer may report a credit in the amount of any tax
 13-25 prepayment remitted to the comptroller as required by Section
 13-26 151.401(c) on the tax report required by this chapter that is
 13-27 otherwise due in September 2013 ~~[for taxes required by Section~~
 13-28 ~~151.401(a) to be paid on or before August 20 is due on or before the~~
 13-29 ~~20th day of the following month]. This subsection expires~~
 13-30 ~~September 1, 2015.~~

13-31 SECTION 13.03. The expiration of the amendments made to the
 13-32 Tax Code in accordance with this article does not affect tax
 13-33 liability accruing before the expiration of those amendments. That
 13-34 liability continues in effect as if the amendments had not expired,
 13-35 and the former law is continued in effect for the collection of
 13-36 taxes due and for civil and criminal enforcement of the liability
 13-37 for those taxes.

13-38 ARTICLE 14. REPORTS REGARDING CERTAIN SALES OF ALCOHOLIC BEVERAGES

13-39 SECTION 14.01. Section 111.006, Tax Code, is amended by
 13-40 adding Subsections (h) and (i) to read as follows:

13-41 (h) The comptroller shall disclose information to a person
 13-42 regarding net sales by quantity, brand, and size that is submitted
 13-43 in a report required under Section 151.462 if:

13-44 (1) the person requesting the information holds a
 13-45 permit or license under Chapter 19, 20, 21, 37, 64, 65, or 66,
 13-46 Alcoholic Beverage Code; and

13-47 (2) the request relates only to information regarding
 13-48 the sale of a product distributed by the person making the request.

13-49 (i) A disclosure made under Subsection (h) is not considered
 13-50 a disclosure of competitively sensitive, proprietary, or
 13-51 confidential information.

13-52 SECTION 14.02. Chapter 151, Tax Code, is amended by adding
 13-53 Subchapter I-1, and a heading is added to that subchapter to read as
 13-54 follows:

13-55 SUBCHAPTER I-1. REPORTS BY PERSONS INVOLVED IN THE MANUFACTURE
 13-56 AND DISTRIBUTION OF ALCOHOLIC BEVERAGES

13-57 SECTION 14.03. Subchapter I-1, Chapter 151, Tax Code, as
 13-58 added by this Act, is amended by adding Sections 151.462, 151.463,
 13-59 151.464, 151.465, 151.466, 151.467, 151.468, 151.469, 151.470, and
 13-60 151.471, and Section 151.433, Tax Code, is transferred to
 13-61 Subchapter I-1, Chapter 151, Tax Code, redesignated as Section
 13-62 151.461, Tax Code, and amended to read as follows:

13-63 Sec. 151.461 ~~[151.433]. DEFINITIONS. [REPORTS BY~~
 13-64 ~~WHOLESALESALE AND DISTRIBUTORS OF BEER, WINE, AND MALT LIQUOR.~~
 13-65 ~~(a)] In this subchapter [section]:~~

13-66 (1) "Brewer" means a person required to hold a brewer's
 13-67 permit under Chapter 12, Alcoholic Beverage Code.

13-68 (2) "Distributor" means a person required to hold:
 13-69 (A) a general distributor's license under

14-1 Chapter 64, Alcoholic Beverage Code;
 14-2 (B) a local distributor's license under Chapter
 14-3 65, Alcoholic Beverage Code; or
 14-4 (C) a branch distributor's license under Chapter
 14-5 66, Alcoholic Beverage Code.
 14-6 (3) "Manufacturer" means a person required to hold a
 14-7 manufacturer's license under Chapter 62, Alcoholic Beverage Code.
 14-8 (4) "Package store local distributor" means a person
 14-9 required to hold:
 14-10 (A) a package store permit under Chapter 22,
 14-11 Alcoholic Beverage Code; and
 14-12 (B) a local distributor's permit under Chapter
 14-13 23, [~~a general, local, or branch distributor's license under the~~
 14-14 Alcoholic Beverage Code.
 14-15 (5) [~~(2)~~] "Retailer" means a person required to hold
 14-16 [~~the following~~]:
 14-17 (A) a wine and beer retailer's permit under
 14-18 Chapter 25, Alcoholic Beverage Code;
 14-19 (B) a wine and beer retailer's off-premise permit
 14-20 under Chapter 26, Alcoholic Beverage Code;
 14-21 (C) a temporary wine and beer retailer's permit
 14-22 or special three-day wine and beer permit under Chapter 27,
 14-23 Alcoholic Beverage Code;
 14-24 (D) a mixed beverage permit under Chapter 28,
 14-25 Alcoholic Beverage Code;
 14-26 (E) a daily temporary mixed beverage permit under
 14-27 Chapter 30, Alcoholic Beverage Code;
 14-28 (F) a private club registration permit under
 14-29 Chapter 32, Alcoholic Beverage Code;
 14-30 (G) a certificate issued to a fraternal or
 14-31 veterans organization under Section 32.11, Alcoholic Beverage
 14-32 Code;
 14-33 (H) a daily temporary private club permit under
 14-34 Subchapter B, Chapter 33, Alcoholic Beverage Code;
 14-35 (I) a temporary charitable auction permit under
 14-36 Chapter 53, Alcoholic Beverage Code;
 14-37 (J) a retail dealer's on-premise license under
 14-38 Chapter 69, Alcoholic Beverage Code;
 14-39 (K) a temporary license under Chapter 72,
 14-40 Alcoholic Beverage Code; or
 14-41 (L) [~~(D)~~] a retail dealer's off-premise license
 14-42 under Chapter 71, Alcoholic Beverage Code, except for a dealer who
 14-43 also holds a package store permit under Chapter 22, Alcoholic
 14-44 Beverage Code.
 14-45 (6) [~~(3)~~] "Wholesaler" means a person required to hold
 14-46 [~~the following under the Alcoholic Beverage Code~~]:
 14-47 (A) a winery permit under Chapter 16, Alcoholic
 14-48 Beverage Code;
 14-49 (B) a wholesaler's permit under Chapter 19,
 14-50 Alcoholic Beverage Code;
 14-51 (C) [~~(B)~~] a general Class B wholesaler's permit
 14-52 under Chapter 20, Alcoholic Beverage Code; or
 14-53 (D) [~~(C)~~] a local Class B wholesaler's permit
 14-54 under Chapter 21, Alcoholic Beverage Code.
 14-55 Sec. 151.462. REPORTS BY BREWERS, MANUFACTURERS,
 14-56 WHOLESALEERS, AND DISTRIBUTORS. (a) [~~(b)~~] The comptroller shall
 14-57 [~~may, when considered necessary by the comptroller for the~~
 14-58 ~~administration of a tax under this chapter,~~] require each brewer,
 14-59 manufacturer, wholesaler, [~~or~~] distributor, or package store local
 14-60 distributor [~~of beer, wine, or malt liquor~~] to file with the
 14-61 comptroller a report each month of alcoholic beverage sales to
 14-62 retailers in this state.
 14-63 (b) Each brewer, manufacturer, [~~(c) The~~] wholesaler, [~~or~~]
 14-64 distributor, or package store local distributor shall file a
 14-65 separate [~~the~~] report for each permit or license held on or before
 14-66 the 25th day of each month. The report must contain the following
 14-67 information for the preceding calendar month's sales in relation to
 14-68 each retailer:
 14-69 (1) the brewer's, manufacturer's, wholesaler's,

15-1 distributor's, or package store local distributor's name, address,
 15-2 taxpayer number and outlet number assigned by the comptroller, and
 15-3 alphanumeric permit or license number issued by the Texas Alcoholic
 15-4 Beverage Commission;

15-5 (2) the retailer's:
 15-6 (A) name and address, including street name and
 15-7 number, city, and zip code;

15-8 (B) taxpayer number assigned by the comptroller;
 15-9 and

15-10 (C) alphanumeric permit or license number issued
 15-11 by the Texas Alcoholic Beverage Commission for each separate retail
 15-12 location or outlet to which the brewer, manufacturer, wholesaler,
 15-13 distributor, or package store local distributor sold the alcoholic
 15-14 beverages that are listed on the report ~~[the name of the retailer~~
 15-15 ~~and the address of the retailer's outlet location to which the~~
 15-16 ~~wholesaler or distributor delivered beer, wine, or malt liquor,~~
 15-17 ~~including the city and zip code;~~

15-18 ~~[(2) the taxpayer number assigned by the comptroller~~
 15-19 ~~to the retailer, if the wholesaler or distributor is in possession~~
 15-20 ~~of the number;~~

15-21 ~~[(3) the permit or license number assigned to the~~
 15-22 ~~retailer by the Texas Alcoholic Beverage Commission]; and~~

15-23 (3) ~~[(4)]~~ the monthly net sales made by the brewer,
 15-24 manufacturer, wholesaler, distributor, or package store local
 15-25 distributor to the retailer for each ~~[by]~~ outlet or location
 15-26 covered by a separate retail permit or license issued by the Texas
 15-27 Alcoholic Beverage Commission, including separate line items for:

15-28 (A) the number of units of alcoholic beverages;

15-29 (B) the individual container size and pack of
 15-30 each unit;

15-31 (C) the brand name;

15-32 (D) the type of beverage, such as distilled
 15-33 spirits, wine, or malt beverage;

15-34 (E) the universal product code of the alcoholic
 15-35 beverage; and

15-36 (F) the net selling price of the alcoholic
 15-37 beverage ~~[by the wholesaler or distributor, including the quantity~~
 15-38 ~~and units of beer, wine, and malt liquor sold to the retailer].~~

15-39 (c) ~~[(d)]~~ Except as provided by this subsection, the
 15-40 brewer, manufacturer, wholesaler, ~~[or]~~ distributor, or package
 15-41 store local distributor shall file the report with the comptroller
 15-42 electronically. The comptroller may establish procedures to
 15-43 temporarily postpone the electronic reporting requirement ~~[for~~
 15-44 ~~allowing an alternative method of filing]~~ for a brewer,
 15-45 manufacturer, wholesaler, ~~[or]~~ distributor, or package store local
 15-46 distributor who demonstrates to the comptroller an inability to
 15-47 comply because undue hardship would result if it were required to
 15-48 file the return electronically ~~[with the electronic reporting~~
 15-49 ~~requirement].~~ If the comptroller determines that another
 15-50 technological method of filing the report is more efficient than
 15-51 electronic filing, the comptroller may establish procedures
 15-52 requiring its use by brewers, manufacturers, wholesalers, ~~[and]~~
 15-53 distributors, and package store local distributors.

15-54 Sec. 151.463. RULES. The comptroller may adopt rules to
 15-55 implement this subchapter.

15-56 Sec. 151.464. CONFIDENTIALITY. ~~[(e)]~~ Except as provided
 15-57 by Section 111.006, information contained in a report required to
 15-58 be filed by this subchapter ~~[section]~~ is confidential and not
 15-59 subject to disclosure under Chapter 552, Government Code.

15-60 Sec. 151.465. APPLICABILITY TO CERTAIN BREWERS. This
 15-61 subchapter applies only to a brewer whose annual production of malt
 15-62 liquor in this state, together with the annual production of beer at
 15-63 the same premises by the holder of a manufacturer's license under
 15-64 Section 62.12, Alcoholic Beverage Code, does not exceed 75,000
 15-65 barrels.

15-66 Sec. 151.466. APPLICABILITY TO CERTAIN MANUFACTURERS. This
 15-67 subchapter applies only to a manufacturer whose annual production
 15-68 of beer in this state does not exceed 75,000 barrels.

15-69 Sec. 151.467. SUSPENSION OR CANCELLATION OF PERMIT.

16-1 [~~f~~] If a person fails to file a report required by this
16-2 subchapter [~~section~~] or fails to file a complete report, the
16-3 comptroller may suspend or cancel one or more permits issued to the
16-4 person under Section 151.203.

16-5 Sec. 151.468. CIVIL PENALTY; CRIMINAL PENALTY. (a) If a
16-6 person fails to file a report required by this subchapter or fails
16-7 to file a complete report, the comptroller [~~and~~] may impose a civil
16-8 or criminal penalty, or both, under Section 151.7031 or 151.709.

16-9 (b) In addition to the penalties imposed under Subsection
16-10 (a), a brewer, manufacturer, wholesaler, distributor, or package
16-11 store local distributor shall pay the state a civil penalty of not
16-12 less than \$25 or more than \$2,000 for each day a violation continues
16-13 if the brewer, manufacturer, wholesaler, distributor, or package
16-14 store local distributor:

- 16-15 (1) violates this subchapter; or
- 16-16 (2) violates a rule adopted to administer or enforce
16-17 this subchapter.

16-18 Sec. 151.469. ACTION BY TEXAS ALCOHOLIC BEVERAGE
16-19 COMMISSION. [~~g~~] If a person fails to file a report required by
16-20 this subchapter [~~section~~] or fails to file a complete report, the
16-21 comptroller may notify the Texas Alcoholic Beverage Commission of
16-22 the failure and the commission may take administrative action
16-23 against the person for the failure under the Alcoholic Beverage
16-24 Code.

16-25 Sec. 151.470. AUDIT; INSPECTION. The comptroller may
16-26 audit, inspect, or otherwise verify a brewer's, manufacturer's,
16-27 wholesaler's, distributor's, or package store local distributor's
16-28 compliance with this subchapter.

16-29 Sec. 151.471. ACTION BY ATTORNEY GENERAL; VENUE; ATTORNEY'S
16-30 FEES. (a) The comptroller may bring an action to enforce this
16-31 subchapter and obtain any civil remedy authorized by this
16-32 subchapter or any other law for the violation of this subchapter.
16-33 The attorney general shall prosecute the action on the
16-34 comptroller's behalf.

16-35 (b) Venue for and jurisdiction of an action under this
16-36 section is exclusively conferred on the district courts in Travis
16-37 County.

16-38 (c) If the comptroller prevails in an action under this
16-39 section, the comptroller and attorney general are entitled to
16-40 recover court costs and reasonable attorney's fees incurred in
16-41 bringing the action.

16-42 SECTION 14.04. Subchapter I-1, Chapter 151, Tax Code, as
16-43 added by this article, applies only to a report due on or after the
16-44 effective date of this article. A report due before the effective
16-45 date of this article is governed by the law as it existed on the date
16-46 the report was due, and the former law is continued in effect for
16-47 that purpose.

16-48 SECTION 14.05. This article takes effect October 1, 2011.

16-49 ARTICLE 15. PENALTIES FOR FAILURE TO REPORT OR REMIT
16-50 CERTAIN TAXES OR FEES

16-51 SECTION 15.01. Subsection (b), Section 111.00455, Tax Code,
16-52 is amended to read as follows:

16-53 (b) The following are not contested cases under Subsection
16-54 (a) and Section 2003.101, Government Code:

16-55 (1) a show cause hearing or any hearing not related to
16-56 the collection, receipt, administration, or enforcement of the
16-57 amount of a tax or fee imposed, or the penalty or interest
16-58 associated with that amount, except for a hearing under Section
16-59 151.157(f), 151.1575(c), 151.712(g), 154.1142, or 155.0592;

16-60 (2) a property value study hearing under Subchapter M,
16-61 Chapter 403, Government Code;

- 16-62 (3) a hearing in which the issue relates to:
 - 16-63 (A) Chapters 72-75, Property Code;
 - 16-64 (B) forfeiture of a right to do business;
 - 16-65 (C) a certificate of authority;
 - 16-66 (D) articles of incorporation;
 - 16-67 (E) a penalty imposed under Section 151.703(d)

16-68 [~~151.7031~~];

16-69 (F) the refusal or failure to settle under

17-1 Section 111.101; or
 17-2 (G) a request for or revocation of an exemption
 17-3 from taxation; and

17-4 (4) any other hearing not related to the collection,
 17-5 receipt, administration, or enforcement of the amount of a tax or
 17-6 fee imposed, or the penalty or interest associated with that
 17-7 amount.

17-8 SECTION 15.02. Subsection (f), Section 151.433, Tax Code,
 17-9 is amended to read as follows:

17-10 (f) If a person fails to file a report required by this
 17-11 section or fails to file a complete report, the comptroller may
 17-12 suspend or cancel one or more permits issued to the person under
 17-13 Section 151.203 and may impose a civil or criminal penalty, or both,
 17-14 under Section 151.703(d) [151.7031] or 151.709.

17-15 SECTION 15.03. Section 151.703, Tax Code, is amended by
 17-16 adding Subsection (d) to read as follows:

17-17 (d) In addition to any other penalty authorized by this
 17-18 section, a person who fails to file a report as required by this
 17-19 chapter shall pay a penalty of \$50. The penalty provided by this
 17-20 subsection is assessed without regard to whether the taxpayer
 17-21 subsequently files the report or whether any taxes were due from the
 17-22 taxpayer for the reporting period under the required report.

17-23 SECTION 15.04. Section 152.045, Tax Code, is amended by
 17-24 adding Subsection (d) to read as follows:

17-25 (d) In addition to any other penalty provided by law, the
 17-26 owner of a motor vehicle subject to the tax on gross rental receipts
 17-27 who is required to file a report as provided by this chapter and who
 17-28 fails to timely file the report shall pay a penalty of \$50. The
 17-29 penalty provided by this subsection is assessed without regard to
 17-30 whether the taxpayer subsequently files the report or whether any
 17-31 taxes were due from the taxpayer for the reporting period under the
 17-32 required report.

17-33 SECTION 15.05. Section 152.047, Tax Code, is amended by
 17-34 adding Subsection (j) to read as follows:

17-35 (j) In addition to any other penalty provided by law, the
 17-36 seller of a motor vehicle sold in a seller-financed sale who is
 17-37 required to file a report as provided by this chapter and who fails
 17-38 to timely file the report shall pay a penalty of \$50. The penalty
 17-39 provided by this subsection is assessed without regard to whether
 17-40 the taxpayer subsequently files the report or whether any taxes
 17-41 were due from the taxpayer for the reporting period under the
 17-42 required report.

17-43 SECTION 15.06. Section 156.202, Tax Code, is amended by
 17-44 amending Subsection (c) and adding Subsection (d) to read as
 17-45 follows:

17-46 (c) The minimum penalty under Subsections (a) and (b) [this
 17-47 section] is \$1.

17-48 (d) In addition to any other penalty authorized by this
 17-49 section, a person who fails to file a report as required by this
 17-50 chapter shall pay a penalty of \$50. The penalty provided by this
 17-51 subsection is assessed without regard to whether the taxpayer
 17-52 subsequently files the report or whether any taxes were due from the
 17-53 taxpayer for the reporting period under the required report.

17-54 SECTION 15.07. Section 162.401, Tax Code, is amended by
 17-55 adding Subsection (c) to read as follows:

17-56 (c) In addition to any other penalty authorized by this
 17-57 section, a person who fails to file a report as required by this
 17-58 chapter shall pay a penalty of \$50. The penalty provided by this
 17-59 subsection is assessed without regard to whether the taxpayer
 17-60 subsequently files the report or whether any taxes were due from the
 17-61 taxpayer for the reporting period under the required report.

17-62 SECTION 15.08. Section 171.362, Tax Code, is amended by
 17-63 amending Subsection (c) and adding Subsection (f) to read as
 17-64 follows:

17-65 (c) The minimum penalty under Subsections (a) and (b) [this
 17-66 section] is \$1.

17-67 (f) In addition to any other penalty authorized by this
 17-68 section, a taxable entity who fails to file a report as required by
 17-69 this chapter shall pay a penalty of \$50. The penalty provided by

18-1 this subsection is assessed without regard to whether the taxable
 18-2 entity subsequently files the report or whether any taxes were due
 18-3 from the taxable entity for the reporting period under the required
 18-4 report.

18-5 SECTION 15.09. Subchapter B, Chapter 183, Tax Code, is
 18-6 amended by adding Section 183.024 to read as follows:

18-7 Sec. 183.024. FAILURE TO PAY TAX OR FILE REPORT. (a) A
 18-8 permittee who fails to file a report as required by this chapter or
 18-9 who fails to pay a tax imposed by this chapter when due shall pay
 18-10 five percent of the amount due as a penalty, and if the permittee
 18-11 fails to file the report or pay the tax within 30 days after the day
 18-12 the tax or report is due, the permittee shall pay an additional five
 18-13 percent of the amount due as an additional penalty.

18-14 (b) The minimum penalty under Subsection (a) is \$1.

18-15 (c) A delinquent tax draws interest beginning 60 days from
 18-16 the due date.

18-17 (d) In addition to any other penalty authorized by this
 18-18 section, a permittee who fails to file a report as required by this
 18-19 chapter shall pay a penalty of \$50. The penalty provided by this
 18-20 subsection is assessed without regard to whether the permittee
 18-21 subsequently files the report or whether any taxes were due from the
 18-22 permittee for the reporting period under the required report.

18-23 SECTION 15.10. Section 771.0712, Health and Safety Code, is
 18-24 amended by adding Subsections (c) and (d) to read as follows:

18-25 (c) A seller who fails to file a report or remit a fee
 18-26 collected or payable as provided by this section and comptroller
 18-27 rules shall pay five percent of the amount due and payable as a
 18-28 penalty, and if the seller fails to file the report or remit the fee
 18-29 within 30 days after the day the fee or report is due, the seller
 18-30 shall pay an additional five percent of the amount due and payable
 18-31 as an additional penalty.

18-32 (d) In addition to any other penalty authorized by this
 18-33 section, a seller who fails to file a report as provided by this
 18-34 section shall pay a penalty of \$50. The penalty provided by this
 18-35 subsection is assessed without regard to whether the seller
 18-36 subsequently files the report or whether any taxes were due from the
 18-37 seller for the reporting period under the required report.

18-38 SECTION 15.11. Section 151.7031, Tax Code, is repealed.

18-39 SECTION 15.12. The change in law made by this article
 18-40 applies only to a report due or a tax or fee due and payable on or
 18-41 after the effective date of this article. A report due or a tax or
 18-42 fee due and payable before the effective date of this article is
 18-43 governed by the law in effect at that time, and that law is
 18-44 continued in effect for that purpose.

18-45 SECTION 15.13. This article takes effect immediately if
 18-46 this Act receives a vote of two-thirds of all the members elected to
 18-47 each house, as provided by Section 39, Article III, Texas
 18-48 Constitution. If this Act does not receive the vote necessary for
 18-49 immediate effect, this article takes effect October 1, 2011.

18-50 ARTICLE 16. FISCAL MATTERS RELATED TO VOTER REGISTRATION

18-51 SECTION 16.01. Subsections (b), (c), and (d), Section
 18-52 18.065, Election Code, are amended to read as follows:

18-53 (b) On determining that a registrar is not in substantial
 18-54 compliance, the secretary shall deliver written notice of the
 18-55 noncompliance to[+]

18-56 [~~1~~] the registrar and include[, ~~including~~] in the
 18-57 notice a description of the violation and an explanation of the
 18-58 action necessary for substantial compliance and of the consequences
 18-59 of noncompliance[, ~~and~~

18-60 [~~2~~] ~~the comptroller of public accounts, including in~~
 18-61 ~~the notice the identity of the noncomplying registrar].~~

18-62 (c) On determining that a noncomplying registrar has
 18-63 corrected the violation and is in substantial compliance, the
 18-64 secretary shall deliver written notice to the registrar [~~and to the~~
 18-65 ~~comptroller~~] that the registrar is in substantial compliance.

18-66 (d) [~~The comptroller shall retain a notice received under~~
 18-67 ~~this section on file until July 1 following the voting year in which~~
 18-68 ~~it is received.~~] The secretary shall retain a copy of each notice
 18-69 the secretary delivers under this section for two years after the

19-1 date the notice is delivered.

19-2 SECTION 16.02. Subsection (a), Section 19.001, Election
19-3 Code, is amended to read as follows:

19-4 (a) Before May 15 of each year, the registrar shall prepare
19-5 and submit to the secretary of state [~~comptroller of public~~
19-6 ~~accounts~~] a statement containing:

19-7 (1) the total number of initial registrations for the
19-8 previous voting year;

19-9 (2) the total number of registrations canceled under
19-10 Sections 16.031(a)(1), 16.033, and 16.0332 for the previous voting
19-11 year; and

19-12 (3) the total number of registrations for which
19-13 information was updated for the previous voting year.

19-14 SECTION 16.03. The heading to Section 19.002, Election
19-15 Code, is amended to read as follows:

19-16 Sec. 19.002. PAYMENTS [~~ISSUANCE OF WARRANTS BY~~
19-17 ~~COMPTROLLER~~].

19-18 SECTION 16.04. Subsections (b) and (d), Section 19.002,
19-19 Election Code, are amended to read as follows:

19-20 (b) After June 1 of each year, the secretary of state
19-21 [~~comptroller of public accounts~~] shall make payments [~~issue~~
19-22 ~~warrants~~] pursuant to vouchers submitted by the registrar and
19-23 approved by the secretary of state in amounts that in the aggregate
19-24 do not exceed the registrar's entitlement. The secretary of state
19-25 shall prescribe the procedures necessary to implement this
19-26 subsection.

19-27 (d) The secretary of state [~~comptroller~~] may not make a
19-28 payment under Subsection (b) [~~issue a warrant~~] if on June 1 of the
19-29 year in which the payment [~~warrant~~] is to be made [~~issued the most~~
19-30 ~~recent notice received by the comptroller from the secretary of~~
19-31 ~~state under Section 18.065 indicates that~~] the registrar is not in
19-32 substantial compliance with Section 15.083, 16.032, 18.042, or
19-33 18.065 or with rules implementing the registration service program.

19-34 SECTION 16.05. The heading to Section 19.0025, Election
19-35 Code, is amended to read as follows:

19-36 Sec. 19.0025. ELECTRONIC ADMINISTRATION OF VOUCHERS AND
19-37 PAYMENTS [~~WARRANTS~~].

19-38 SECTION 16.06. Subsection (a), Section 19.0025, Election
19-39 Code, is amended to read as follows:

19-40 (a) The secretary of state shall establish and maintain an
19-41 online electronic system for administering vouchers submitted and
19-42 payments made [~~warrants issued~~] under Section 19.002.

19-43 SECTION 16.07. Subsection (c), Section 19.002, Election
19-44 Code, is repealed.

19-45 ARTICLE 17. CERTAIN POWERS AND DUTIES OF THE COMPTROLLER OF
19-46 PUBLIC ACCOUNTS

19-47 SECTION 17.01. Subsection (d), Section 403.0551,
19-48 Government Code, is amended to read as follows:

19-49 (d) This section does not authorize the comptroller to
19-50 deduct the amount of a state employee's indebtedness to a state
19-51 agency from any amount of compensation owed by the agency to the
19-52 employee, the employee's successor, or the assignee of the employee
19-53 or successor. In this subsection, "compensation" has the meaning
19-54 assigned by Section 403.055 and [~~"compensation,"~~] "indebtedness,"
19-55 "state agency," "state employee," and "successor" have the meanings
19-56 assigned by Section 666.001.

19-57 SECTION 17.02. Subsection (h), Section 404.022, Government
19-58 Code, is amended to read as follows:

19-59 (h) The comptroller may execute a simplified version of a
19-60 depository agreement with an eligible institution desiring to hold
19-61 [~~\$98,000 or less in~~] state deposits that are fully insured by the
19-62 Federal Deposit Insurance Corporation or the National Credit Union
19-63 Share Insurance Fund.

19-64 SECTION 17.03. Subsection (a), Section 411.109, Government
19-65 Code, is amended to read as follows:

19-66 (a) The comptroller is entitled to obtain from the
19-67 department criminal history record information maintained by the
19-68 department that the comptroller believes is necessary for the
19-69 enforcement or administration of Chapter 151, 152, [~~153,~~] 154, [~~or~~]

20-1 155, or 162, Tax Code, including criminal history record
 20-2 information that relates to a person who is:

20-3 (1) an applicant for a permit under any of those
 20-4 chapters;

20-5 (2) a permit holder under any of those chapters;

20-6 (3) an officer, director, stockholder owning 10
 20-7 percent or more of the outstanding stock, partner, owner, or
 20-8 managing employee of an applicant or permit holder under any of
 20-9 those chapters that is a corporation, association, joint venture,
 20-10 syndicate, partnership, or proprietorship;

20-11 (4) believed to have violated any of those chapters;
 20-12 or

20-13 (5) being considered by the comptroller for employment
 20-14 as a peace officer.

20-15 SECTION 17.04. Subsection (d), Section 403.0551,
 20-16 Government Code, as amended by this article, applies to a deduction
 20-17 made on or after the effective date of this Act for an indebtedness
 20-18 to a state agency regardless of:

20-19 (1) the date the indebtedness accrued; or

20-20 (2) the dates of the pay period for which the
 20-21 compensation from which the indebtedness is deducted is earned.

20-22 ARTICLE 18. PREPARATION AND PUBLICATION OF CERTAIN REPORTS AND
 20-23 OTHER MATERIALS

20-24 SECTION 18.01. Subsection (c), Section 61.539, Education
 20-25 Code, is amended to read as follows:

20-26 (c) As soon as practicable after each state fiscal year, the
 20-27 board [comptroller] shall prepare a report for that fiscal year of
 20-28 the number of students registered in a medical branch, school, or
 20-29 college, the total amount of tuition charges collected by each
 20-30 institution, the total amount transferred to the comptroller under
 20-31 this section, and the total amount available in the physician
 20-32 education loan repayment program account for the repayment of
 20-33 student loans of physicians under this subchapter. The board
 20-34 [comptroller] shall deliver a copy of the report to ~~[the board and~~
 20-35 ~~to]~~ the governor, lieutenant governor, and speaker of the house of
 20-36 representatives not later than January 1 following the end of the
 20-37 fiscal year covered by the report.

20-38 SECTION 18.02. Subsection (c), Section 5.05, Tax Code, is
 20-39 amended to read as follows:

20-40 (c) The comptroller shall electronically publish all
 20-41 materials under this section ~~[provide without charge one copy of~~
 20-42 ~~all materials to officials of local government who are responsible]~~
 20-43 for administering the property tax system. ~~[If a local government~~
 20-44 ~~official requests more than one copy, the comptroller may charge a~~
 20-45 ~~reasonable fee to offset the costs of printing and distributing the~~
 20-46 ~~materials.]~~ The comptroller shall make the materials available to
 20-47 local governmental officials and members of the public but may
 20-48 charge a reasonable fee to offset the costs of preparing, printing,
 20-49 and distributing the materials.

20-50 SECTION 18.03. Section 5.06, Tax Code, is amended to read as
 20-51 follows:

20-52 Sec. 5.06. EXPLANATION OF TAXPAYER REMEDIES. ~~[(a)]~~ The
 20-53 comptroller shall prepare and electronically publish a pamphlet
 20-54 explaining the remedies available to dissatisfied taxpayers and the
 20-55 procedures to be followed in seeking remedial action. The
 20-56 comptroller shall include in the pamphlet advice on preparing and
 20-57 presenting a protest.

20-58 ~~[(b) The comptroller shall provide without charge a~~
 20-59 ~~reasonable number of copies of the pamphlet to any person on~~
 20-60 ~~request. The comptroller may charge a person who requests multiple~~
 20-61 ~~copies of the pamphlet a reasonable fee to offset the costs of~~
 20-62 ~~printing and distributing those copies. The comptroller at its~~
 20-63 ~~discretion shall determine the number of copies that a person may~~
 20-64 ~~receive without charge.]~~

20-65 SECTION 18.04. Section 5.09, Tax Code, is amended to read as
 20-66 follows:

20-67 Sec. 5.09. BIENNIAL [ANNUAL] REPORTS. (a) The comptroller
 20-68 shall prepare a biennial ~~[publish an annual]~~ report of ~~[the~~
 20-69 ~~operations of the appraisal districts. The report shall include~~

21-1 ~~for each appraisal district, each county, and each school district~~
21-2 ~~and may include for other taxing units]~~ the total appraised
21-3 values~~[, assessed values,]~~ and taxable values of taxable property
21-4 by category ~~[class of property, the assessment ratio,]~~ and the tax
21-5 rates of each county, municipality, and school district in effect
21-6 for the two years preceding the year in which the report is prepared
21-7 [rate].

21-8 (b) Not later than December 31 of each even-numbered year,
21-9 the [The] comptroller shall:

21-10 (1) electronically publish on the comptroller's
21-11 Internet website the [deliver a copy of each annual] report
21-12 required by [published under] Subsection (a); and

21-13 (2) notify [of this section to] the governor, the
21-14 lieutenant governor, and each member of the legislature that the
21-15 report is available on the website.

21-16 SECTION 18.05. The following are repealed:

21-17 (1) Section 403.030 and Subsection (e), Section
21-18 552.143, Government Code; and

21-19 (2) Subchapter F, Chapter 379A, Local Government Code.

21-20 ARTICLE 19. SURPLUS LINES AND INDEPENDENTLY PROCURED INSURANCE

21-21 SECTION 19.01. Subsection (b), Section 101.053, Insurance
21-22 Code, is amended to read as follows:

21-23 (b) Sections 101.051 and 101.052 do not apply to:

21-24 (1) the lawful transaction of surplus lines insurance
21-25 under Chapter 981;

21-26 (2) the lawful transaction of reinsurance by insurers;

21-27 (3) a transaction in this state that:

21-28 (A) involves a policy that:

21-29 (i) is lawfully solicited, written, and

21-30 delivered outside this state; and

21-31 (ii) covers, at the time the policy is

21-32 issued, only subjects of insurance that are not resident, located,

21-33 or expressly to be performed in this state; and

21-34 (B) takes place after the policy is issued;

21-35 (4) a transaction:

21-36 (A) that involves an insurance contract

21-37 independently procured by the insured from an insurance company not

21-38 authorized to do insurance business in this state through

21-39 negotiations occurring entirely outside this state;

21-40 (B) that is reported; and

21-41 (C) on which premium tax, if applicable, is paid

21-42 in accordance with Chapter 226;

21-43 (5) a transaction in this state that:

21-44 (A) involves group life, health, or accident

21-45 insurance, other than credit insurance, and group annuities in

21-46 which the master policy for the group was lawfully issued and

21-47 delivered in a state in which the insurer or person was authorized

21-48 to do insurance business; and

21-49 (B) is authorized by a statute of this state;

21-50 (6) an activity in this state by or on the sole behalf

21-51 of a nonadmitted captive insurance company that insures solely:

21-52 (A) directors' and officers' liability insurance

21-53 for the directors and officers of the company's parent and

21-54 affiliated companies;

21-55 (B) the risks of the company's parent and

21-56 affiliated companies; or

21-57 (C) both the individuals and entities described

21-58 by Paragraphs (A) and (B);

21-59 (7) the issuance of a qualified charitable gift

21-60 annuity under Chapter 102; or

21-61 (8) a lawful transaction by a servicing company of the

21-62 Texas workers' compensation employers' rejected risk fund under

21-63 Section 4.08, Article 5.76-2, as that article existed before its

21-64 repeal.

21-65 SECTION 19.02. Section 225.001, Insurance Code, is amended

21-66 to read as follows:

21-67 Sec. 225.001. DEFINITIONS ~~[DEFINITION]~~. In this chapter:

21-68 (1) "Affiliate" means, with respect to an insured, a

21-69 person or entity that controls, is controlled by, or is under common

22-1 control with the insured.

22-2 (2) "Affiliated group" means a group of entities whose
 22-3 members are all affiliated.

22-4 (3) "Control" means, with respect to determining the
 22-5 home state of an affiliated entity:

22-6 (A) to directly or indirectly, acting through one
 22-7 or more persons, own, control, or hold the power to vote at least 25
 22-8 percent of any class of voting security of the affiliated entity; or

22-9 (B) to control in any manner the election of the
 22-10 majority of directors or trustees of the affiliated entity.

22-11 (4) "Home state" means:

22-12 (A) for an insured that is not an affiliated
 22-13 group described by Paragraph (B):

22-14 (i) the state in which the insured
 22-15 maintains the insured's principal residence, if the insured is an
 22-16 individual;

22-17 (ii) the state in which an insured that is
 22-18 not an individual maintains its principal place of business; or

22-19 (iii) if 100 percent of the insured risk is
 22-20 located outside of the state in which the insured maintains the
 22-21 insured's principal residence or maintains the insured's principal
 22-22 place of business, as applicable, the state to which the largest
 22-23 percentage of the insured's taxable premium for the insurance
 22-24 contract that covers the risk is allocated; or

22-25 (B) for an affiliated group with respect to which
 22-26 more than one member is a named insured on a single insurance
 22-27 contract subject to this chapter, the home state of the member, as
 22-28 determined under Paragraph (A), that has the largest percentage of
 22-29 premium attributed to it under the insurance contract.

22-30 (5) "Premium" means any payment made in consideration
 22-31 for insurance and ~~["premium"]~~ includes:

22-32 (A) ~~[(1)]~~ a premium;

22-33 (B) premium deposits;

22-34 (C) ~~[(2)]~~ a membership fee;

22-35 (D) a registration fee;

22-36 (E) ~~[(3)]~~ an assessment;

22-37 (F) ~~[(4)]~~ dues; and

22-38 (G) ~~[(5)]~~ any other compensation given in
 22-39 consideration for surplus lines insurance.

22-40 SECTION 19.03. Section 225.002, Insurance Code, is amended
 22-41 to read as follows:

22-42 Sec. 225.002. APPLICABILITY OF CHAPTER. This chapter
 22-43 applies to a surplus lines agent who collects gross premiums for
 22-44 surplus lines insurance for any risk in which this state is the home
 22-45 state of the insured.

22-46 SECTION 19.04. Section 225.004, Insurance Code, is amended
 22-47 by adding Subsections (a-1) and (f) and amending Subsections (b),
 22-48 (c), and (e) to read as follows:

22-49 (a-1) Consistent with 15 U.S.C. Section 8201 et seq., this
 22-50 state may not impose a premium tax on nonadmitted insurance
 22-51 premiums other than premiums paid for insurance in which this state
 22-52 is the home state of the insured.

22-53 (b) Taxable gross premiums under this section are based on
 22-54 gross premiums written or received for surplus lines insurance
 22-55 placed through an eligible surplus lines insurer during a calendar
 22-56 year. Notwithstanding the tax basis described by this subsection,
 22-57 the comptroller by rule may establish an alternate basis for
 22-58 taxation for multistate and single-state policies for the purpose
 22-59 of achieving uniformity.

22-60 (c) If a surplus lines insurance policy covers risks or
 22-61 exposures only partially located in this state, and this state has
 22-62 not entered into a cooperative agreement, reciprocal agreement, or
 22-63 compact with another state for the collection of surplus lines tax
 22-64 as authorized by Chapter 229, the tax is computed on the entire
 22-65 policy ~~portion of the~~ premium for any policy in which this state
 22-66 is the home state of the insured ~~[that is properly allocated to a~~
 22-67 risk or exposure located in this state].

22-68 (e) Premiums ~~[The following premiums are not taxable in~~
 22-69 this state:

23-1 ~~[(1) premiums properly allocated to another state that~~
 23-2 ~~are specifically exempt from taxation in that state; and~~

23-3 ~~[(2) premiums]~~ on risks or exposures that are properly
 23-4 allocated to federal or international waters or are under the
 23-5 jurisdiction of a foreign government are not taxable in this state.

23-6 (f) If this state enters a cooperative agreement,
 23-7 reciprocal agreement, or compact with another state for the
 23-8 allocation of surplus lines tax as authorized by Chapter 229, taxes
 23-9 due on multistate policies shall be allocated and reported in
 23-10 accordance with the agreement or compact.

23-11 SECTION 19.05. Section 225.005, Insurance Code, is amended
 23-12 to read as follows:

23-13 Sec. 225.005. TAX EXCLUSIVE. The tax imposed by this
 23-14 chapter is a transaction tax collected by the surplus lines agent of
 23-15 record and is in lieu of any [all] other transaction [insurance]
 23-16 taxes on these premiums.

23-17 SECTION 19.06. Section 225.009, Insurance Code, is amended
 23-18 by adding Subsection (d) to read as follows:

23-19 (d) Notwithstanding Subsections (a), (b), and (c), if this
 23-20 state enters a cooperative agreement, reciprocal agreement, or
 23-21 compact with another state for the allocation of surplus lines tax
 23-22 as authorized by Chapter 229, the tax shall be allocated and
 23-23 reported in accordance with the terms of the agreement or compact.

23-24 SECTION 19.07. Section 226.051, Insurance Code, is amended
 23-25 to read as follows:

23-26 Sec. 226.051. DEFINITIONS ~~[DEFINITION]~~. In this
 23-27 subchapter:

23-28 (1) "Affiliate" means, with respect to an insured, a
 23-29 person or entity that controls, is controlled by, or is under common
 23-30 control with the insured.

23-31 (2) "Affiliated group" means a group of entities whose
 23-32 members are all affiliated.

23-33 (3) "Control" means, with respect to determining the
 23-34 home state of an affiliated entity:

23-35 (A) to directly or indirectly, acting through one
 23-36 or more persons, own, control, or hold the power to vote at least 25
 23-37 percent of any class of voting security of the affiliated entity; or

23-38 (B) to control in any manner the election of the
 23-39 majority of directors or trustees of the affiliated entity.

23-40 (4) "Home state" means:

23-41 (A) for an insured that is not an affiliated
 23-42 group described by Paragraph (B):

23-43 (i) the state in which the insured
 23-44 maintains the insured's principal residence, if the insured is an
 23-45 individual;

23-46 (ii) the state in which an insured that is
 23-47 not an individual maintains its principal place of business; or

23-48 (iii) if 100 percent of the insured risk is
 23-49 located outside of the state in which the insured maintains the
 23-50 insured's principal residence or maintains the insured's principal
 23-51 place of business, as applicable, the state to which the largest
 23-52 percentage of the insured's taxable premium for the insurance
 23-53 contract that covers the risk is allocated; or

23-54 (B) for an affiliated group with respect to which
 23-55 more than one member is a named insured on a single insurance
 23-56 contract subject to this chapter, the home state of the member, as
 23-57 determined under Paragraph (A), that has the largest percentage of
 23-58 premium attributed to it under the insurance contract.

23-59 (5) "Independently procured insurance" means
 23-60 insurance procured directly by an insured from a nonadmitted
 23-61 insurer.

23-62 (6) "Premium" means any payment made in consideration
 23-63 for insurance and[, "premium"] includes [any consideration for
 23-64 insurance, including]:

23-65 (A) [~~(1)~~] a premium;

23-66 (B) premium deposits;

23-67 (C) [~~(2)~~] a membership fee; [~~or~~]

23-68 (D) a registration fee;

23-69 (E) an assessment;

24-1 (F) [~~(3)~~] dues; and
 24-2 (G) any other compensation given in
 24-3 consideration for insurance.

24-4 SECTION 19.08. Section 226.052, Insurance Code, is amended
 24-5 to read as follows:

24-6 Sec. 226.052. APPLICABILITY OF SUBCHAPTER. This subchapter
 24-7 applies to an insured who procures an independently procured
 24-8 insurance contract for any risk in which this state is the home
 24-9 state of the insured [in accordance with Section 101.053(b)(4)].

24-10 SECTION 19.09. Section 226.053, Insurance Code, is amended
 24-11 by amending Subsections (a) and (b) and adding Subsection (d) to
 24-12 read as follows:

24-13 (a) A tax is imposed on each insured at the rate of 4.85
 24-14 percent of the premium paid for the insurance contract procured in
 24-15 accordance with Section 226.052 [~~101.053(b)(4)~~].

24-16 (b) If an independently procured insurance policy
 24-17 [contract] covers risks or exposures only partially located in this
 24-18 state and this state has not joined a cooperative agreement,
 24-19 reciprocal agreement, or compact with another state for the
 24-20 allocation of nonadmitted insurance taxes as authorized by Chapter
 24-21 229, the tax is computed on the entire policy [portion of the]
 24-22 premium for any policy in which this state is the home state of the
 24-23 insured [that is properly allocated to a risk or exposure located in
 24-24 this state].

24-25 (d) If this state enters into a cooperative agreement,
 24-26 reciprocal agreement, or compact with another state for the
 24-27 allocation of nonadmitted insurance taxes as authorized by Chapter
 24-28 229, the tax due on multistate policies shall be allocated and
 24-29 reported in accordance with the agreement or compact.

24-30 SECTION 19.10. Section 981.008, Insurance Code, is amended
 24-31 to read as follows:

24-32 Sec. 981.008. SURPLUS LINES INSURANCE PREMIUM TAX. The
 24-33 premiums charged for surplus lines insurance are subject to the
 24-34 premium tax, if applicable, imposed under Chapter 225.

24-35 SECTION 19.11. The following provisions are repealed:

24-36 (1) Subsections (d) and (d-1), Section 225.004,
 24-37 Insurance Code; and

24-38 (2) Subsection (b-1), Section 226.053, Insurance Code.

24-39 SECTION 19.12. The changes in law made by this article to
 24-40 Chapters 225 and 226, Insurance Code, apply only to an insurance
 24-41 policy that is delivered, issued for delivery, or renewed on or
 24-42 after July 21, 2011. A policy that is delivered, issued for
 24-43 delivery, or renewed before July 21, 2011, is governed by the law as
 24-44 it existed immediately before the effective date of this article,
 24-45 and that law is continued in effect for that purpose.

24-46 SECTION 19.13. This article takes effect immediately if
 24-47 this Act receives a vote of two-thirds of all the members elected to
 24-48 each house, as provided by Section 39, Article III, Texas
 24-49 Constitution. If this Act does not receive the vote necessary for
 24-50 immediate effect, this article takes effect on the 91st day after
 24-51 the last day of the legislative session.

24-52 ARTICLE 20. FISCAL MATTERS CONCERNING EARLY HIGH SCHOOL GRADUATION

24-53 SECTION 20.01. Subchapter K, Chapter 56, Education Code, is
 24-54 amended by adding Section 56.2012 to read as follows:

24-55 Sec. 56.2012. EXPIRATION OF SUBCHAPTER; ELIGIBILITY
 24-56 CLOSED. (a) This subchapter expires September 1, 2017.

24-57 (b) Notwithstanding Section 56.203, a person may not
 24-58 receive an award under this subchapter if the person graduates from
 24-59 high school on or after September 1, 2011.

24-60 SECTION 20.02. Subsection (b), Section 54.213, Education
 24-61 Code, is amended to read as follows:

24-62 (b) [~~Savings to the foundation school fund that occur as a~~
 24-63 ~~result of the Early High School Graduation Scholarship program~~
 24-64 ~~created in Subchapter K, Chapter 56, and that are not required for~~
 24-65 ~~the funding of state credits for tuition and mandatory fees under~~
 24-66 ~~Section 56.204 or school district credits under Section 56.2075~~
 24-67 ~~shall be used first to provide tuition exemptions under Section~~
 24-68 ~~54.212. Any of those savings remaining after providing tuition~~
 24-69 ~~exemptions under Section 54.212 shall be used to provide tuition~~

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

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

ARTICLE 21. FISCAL MATTERS CONCERNING RETIRED TEACHERS

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

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

ARTICLE 22. COASTAL EROSION

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

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

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

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

ARTICLE 23. FISCAL MATTERS CONCERNING PARKS AND WILDLIFE CONTRIBUTIONS

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

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

(b) The department shall:

- (1) include space on each motor vehicle registration renewal notice, on the page that states the total fee for registration renewal, that allows a person renewing a registration to indicate the amount that the person is voluntarily contributing to the state parks account;
- (2) provide an opportunity to contribute to the state parks account similar to the opportunity described by Subsection (a) and in the manner described by Subdivision (1) in any registration renewal system that succeeds the system in place on September 1, 2011; and
- (3) provide an opportunity for a person to contribute to the state parks account during the registration renewal process on the department's Internet website.

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

26-1 (d) The county assessor-collector shall send any
26-2 contribution made under this section to the comptroller for deposit
26-3 to the credit of the state parks account under Section 11.035, Parks
26-4 and Wildlife Code. Money received by the Parks and Wildlife
26-5 Department under this section may be used only for the operation and
26-6 maintenance of state parks, historic sites, or natural areas under
26-7 the jurisdiction of the Parks and Wildlife Department.

26-8 (e) The department shall consult with the Parks and Wildlife
26-9 Department in performing the department's duties under this
26-10 section.

26-11 Sec. 502.1748. DISPOSITION OF CERTAIN VOLUNTARY
26-12 CONTRIBUTIONS. If a person makes a voluntary contribution under
26-13 Section 502.1746 or 502.1747 at the time the person registers or
26-14 renews the registration of a motor vehicle under this chapter but
26-15 the person does not clearly specify the entity to which the person
26-16 intends to contribute, the county assessor-collector shall divide
26-17 the contribution between the entities authorized to receive
26-18 contributions under those sections.

26-19 SECTION 23.02. Sections 502.1747 and 502.1748,
26-20 Transportation Code, as added by this article, apply only to a motor
26-21 vehicle registration renewal notice issued for a registration that
26-22 expires on or after January 1, 2012.

26-23 ARTICLE 24. FISCAL MATTERS CONCERNING OIL AND GAS REGULATION

26-24 SECTION 24.01. Subsection (c), Section 81.0521, Natural
26-25 Resources Code, is amended to read as follows:

26-26 (c) Two-thirds of the proceeds from this fee, excluding
26-27 [including] any penalties collected in connection with the fee,
26-28 shall be deposited to the oil and gas regulation and [oil-field]
26-29 cleanup fund as provided by Section 81.067 [91.111].

26-30 SECTION 24.02. Subchapter C, Chapter 81, Natural Resources
26-31 Code, is amended by adding Sections 81.067 through 81.070 to read as
26-32 follows:

26-33 Sec. 81.067. OIL AND GAS REGULATION AND CLEANUP FUND.

26-34 (a) The oil and gas regulation and cleanup fund is created as an
26-35 account in the general revenue fund of the state treasury.

26-36 (b) The commission shall certify to the comptroller the date
26-37 on which the balance in the fund equals or exceeds \$20 million. The
26-38 oil-field cleanup regulatory fees on oil and gas shall not be
26-39 collected or required to be paid on or after the first day of the
26-40 second month following the certification, except that the
26-41 comptroller shall resume collecting the fees on receipt of a
26-42 commission certification that the fund has fallen below \$10
26-43 million. The comptroller shall continue collecting the fees until
26-44 collections are again suspended in the manner provided by this
26-45 subsection.

26-46 (c) The fund consists of:

26-47 (1) proceeds from bonds and other financial security
26-48 required by this chapter and benefits under well-specific plugging
26-49 insurance policies described by Section 91.104(c) that are paid to
26-50 the state as contingent beneficiary of the policies, subject to the
26-51 refund provisions of Section 91.1091, if applicable;

26-52 (2) private contributions, including contributions
26-53 made under Section 89.084;

26-54 (3) expenses collected under Section 89.083;

26-55 (4) fees imposed under Section 85.2021;

26-56 (5) costs recovered under Section 91.457 or 91.459;

26-57 (6) proceeds collected under Sections 89.085 and
26-58 91.115;

26-59 (7) interest earned on the funds deposited in the
26-60 fund;

26-61 (8) oil and gas waste hauler permit application fees
26-62 collected under Section 29.015, Water Code;

26-63 (9) costs recovered under Section 91.113(f);

26-64 (10) hazardous oil and gas waste generation fees
26-65 collected under Section 91.605;

26-66 (11) oil-field cleanup regulatory fees on oil
26-67 collected under Section 81.116;

26-68 (12) oil-field cleanup regulatory fees on gas
26-69 collected under Section 81.117;

27-1 (13) fees for a reissued certificate collected under
27-2 Section 91.707;
27-3 (14) fees collected under Section 91.1013;
27-4 (15) fees collected under Section 89.088;
27-5 (16) fees collected under Section 91.142;
27-6 (17) fees collected under Section 91.654;
27-7 (18) costs recovered under Sections 91.656 and 91.657;
27-8 (19) two-thirds of the fees collected under Section
27-9 81.0521;
27-10 (20) fees collected under Sections 89.024 and 89.026;
27-11 (21) legislative appropriations; and
27-12 (22) any surcharges collected under Section 81.070.
27-13 Sec. 81.068. PURPOSE OF OIL AND GAS REGULATION AND CLEANUP
27-14 FUND. Money in the oil and gas regulation and cleanup fund may be
27-15 used by the commission or its employees or agents for any purpose
27-16 related to the regulation of oil and gas development, including oil
27-17 and gas monitoring and inspections, oil and gas remediation, oil
27-18 and gas well plugging, public information and services related to
27-19 those activities, and administrative costs and state benefits for
27-20 personnel involved in those activities.
27-21 Sec. 81.069. REPORTING ON PROGRESS IN MEETING PERFORMANCE
27-22 GOALS FOR THE OIL AND GAS REGULATION AND CLEANUP FUND. (a) The
27-23 commission, through the legislative appropriations request
27-24 process, shall establish specific performance goals for the oil and
27-25 gas regulation and cleanup fund for the next biennium, including
27-26 goals for each quarter of each state fiscal year of the biennium for
27-27 the number of:
27-28 (1) orphaned wells to be plugged with state-managed
27-29 funds;
27-30 (2) abandoned sites to be investigated, assessed, or
27-31 cleaned up with state funds; and
27-32 (3) surface locations to be remediated.
27-33 (b) The commission shall provide quarterly reports to the
27-34 Legislative Budget Board that include:
27-35 (1) the following information with respect to the
27-36 period since the last report was provided as well as cumulatively:
27-37 (A) the amount of money deposited in the oil and
27-38 gas regulation and cleanup fund;
27-39 (B) the amount of money spent from the fund for
27-40 the purposes described by Subsection (a);
27-41 (C) the balance of the fund; and
27-42 (D) the commission's progress in meeting the
27-43 quarterly performance goals established under Subsection (a) and,
27-44 if the number of orphaned wells plugged with state-managed funds,
27-45 abandoned sites investigated, assessed, or cleaned up with state
27-46 funds, or surface locations remediated is at least five percent
27-47 less than the number projected in the applicable goal established
27-48 under Subsection (a), an explanation of the reason for the
27-49 variance; and
27-50 (2) any additional information or data requested in
27-51 writing by the Legislative Budget Board.
27-52 (c) The commission shall submit to the legislature and make
27-53 available to the public, annually, a report that reviews the extent
27-54 to which money provided under Section 81.067 has enabled the
27-55 commission to better protect the environment through oil-field
27-56 cleanup activities. The report must include:
27-57 (1) the performance goals established under
27-58 Subsection (a) for that state fiscal year, the commission's
27-59 progress in meeting those performance goals, and, if the number of
27-60 orphaned wells plugged with state-managed funds, abandoned sites
27-61 investigated, assessed, or cleaned up with state funds, or surface
27-62 locations remediated is at least five percent less than the number
27-63 projected in the applicable goal established under Subsection (a),
27-64 an explanation of the reason for the variance;
27-65 (2) the number of orphaned wells plugged with
27-66 state-managed funds, by region;
27-67 (3) the number of wells orphaned, by region;
27-68 (4) the number of inactive wells not currently in
27-69 compliance with commission rules, by region;

28-1 (5) the status of enforcement proceedings for all
 28-2 wells in violation of commission rules and the period during which
 28-3 the wells have been in violation, by region in which the wells are
 28-4 located;

28-5 (6) the number of surface locations remediated, by
 28-6 region;

28-7 (7) a detailed accounting of expenditures of money in
 28-8 the fund for oil-field cleanup activities, including expenditures
 28-9 for plugging of orphaned wells, investigation, assessment, and
 28-10 cleaning up of abandoned sites, and remediation of surface
 28-11 locations;

28-12 (8) the method by which the commission sets priorities
 28-13 by which it determines the order in which orphaned wells are
 28-14 plugged;

28-15 (9) a projection of the amount of money needed for the
 28-16 next biennium for plugging orphaned wells, investigating,
 28-17 assessing, and cleaning up abandoned sites, and remediating surface
 28-18 locations; and

28-19 (10) the number of sites successfully remediated under
 28-20 the voluntary cleanup program under Subchapter O, Chapter 91, by
 28-21 region.

28-22 Sec. 81.070. ESTABLISHMENT OF SURCHARGES ON FEES.

28-23 (a) Except as provided by Subsection (b), the commission by rule
 28-24 shall provide for the imposition of reasonable surcharges as
 28-25 necessary on fees imposed by the commission that are required to be
 28-26 deposited to the credit of the oil and gas regulation and cleanup
 28-27 fund as provided by Section 81.067 in amounts sufficient to enable
 28-28 the commission to recover the costs of performing the functions
 28-29 specified by Section 81.068 from those fees and surcharges.

28-30 (b) The commission may not impose a surcharge on an
 28-31 oil-field cleanup regulatory fee on oil collected under Section
 28-32 81.116 or an oil-field cleanup regulatory fee on gas collected
 28-33 under Section 81.117.

28-34 (c) The commission by rule shall establish a methodology for
 28-35 determining the amount of a surcharge that takes into account:

28-36 (1) the time required for regulatory work associated
 28-37 with the activity in connection with which the surcharge is
 28-38 imposed;

28-39 (2) the number of individuals or entities from which
 28-40 the commission's costs may be recovered;

28-41 (3) the effect of the surcharge on operators of all
 28-42 sizes, as measured by the number of oil or gas wells operated;

28-43 (4) the balance in the oil and gas regulation and
 28-44 cleanup fund; and

28-45 (5) any other factors the commission determines to be
 28-46 important to the fair and equitable imposition of the surcharge.

28-47 (d) The commission shall collect a surcharge on a fee at the
 28-48 time the fee is collected.

28-49 (e) A surcharge collected under this section shall be
 28-50 deposited to the credit of the oil and gas regulation and cleanup
 28-51 fund as provided by Section 81.067.

28-52 (f) A surcharge collected under this section shall not
 28-53 exceed an amount equal to 185 percent of the fee on which it is
 28-54 imposed.

28-55 SECTION 24.03. Section 81.115, Natural Resources Code, is
 28-56 amended to read as follows:

28-57 Sec. 81.115. APPROPRIATIONS [~~PAYMENTS~~] TO COMMISSION FOR
 28-58 OIL AND GAS REGULATION AND CLEANUP PURPOSES [~~DIVISION~~]. Money
 28-59 appropriated to the [~~oil and gas division of the~~] commission under
 28-60 the General Appropriations Act for the purposes described by
 28-61 Section 81.068 shall be paid from the oil and gas regulation and
 28-62 cleanup fund [~~General Revenue Fund~~].

28-63 SECTION 24.04. Subsections (d) and (e), Section 81.116,
 28-64 Natural Resources Code, are amended to read as follows:

28-65 (d) The comptroller shall suspend collection of the fee in
 28-66 the manner provided by Section 81.067 [~~91.111~~]. The exemptions and
 28-67 reductions set out in Sections 202.052, 202.054, 202.056, 202.057,
 28-68 202.059, and 202.060, Tax Code, do not affect the fee imposed by
 28-69 this section.

29-1 (e) Proceeds from the fee, excluding [~~including~~] any
 29-2 penalties collected in connection with the fee, shall be deposited
 29-3 to the oil and gas regulation and [oil-field] cleanup fund as
 29-4 provided by Section 81.067 [~~91.111 of this code~~].

29-5 SECTION 24.05. Subsections (d) and (e), Section 81.117,
 29-6 Natural Resources Code, are amended to read as follows:

29-7 (d) The comptroller shall suspend collection of the fee in
 29-8 the manner provided by Section 81.067 [~~91.111~~]. The exemptions and
 29-9 reductions set out in Sections 201.053, 201.057, 201.058, and
 29-10 202.060, Tax Code, do not affect the fee imposed by this section.

29-11 (e) Proceeds from the fee, excluding [~~including~~] any
 29-12 penalties collected in connection with the fee, shall be deposited
 29-13 to the oil and gas regulation and [oil-field] cleanup fund as
 29-14 provided by Section 81.067 [~~91.111 of this code~~].

29-15 SECTION 24.06. Subsection (d), Section 85.2021, Natural
 29-16 Resources Code, is amended to read as follows:

29-17 (d) All fees collected under this section shall be deposited
 29-18 in the oil and gas regulation and [state-oil-field] cleanup fund.

29-19 SECTION 24.07. Subsection (d), Section 89.024, Natural
 29-20 Resources Code, is amended to read as follows:

29-21 (d) An operator who files an abeyance of plugging report
 29-22 must pay an annual fee of \$100 for each well covered by the report.
 29-23 A fee collected under this section shall be deposited in the oil and
 29-24 gas regulation and [oil-field] cleanup fund.

29-25 SECTION 24.08. Subsection (d), Section 89.026, Natural
 29-26 Resources Code, is amended to read as follows:

29-27 (d) An operator who files documentation described by
 29-28 Subsection (a) must pay an annual fee of \$50 for each well covered
 29-29 by the documentation. A fee collected under this section shall be
 29-30 deposited in the oil and gas regulation and [oil-field] cleanup
 29-31 fund.

29-32 SECTION 24.09. Subsection (d), Section 89.048, Natural
 29-33 Resources Code, is amended to read as follows:

29-34 (d) On successful plugging of the well by the well plugger,
 29-35 the surface estate owner may submit documentation to the commission
 29-36 of the cost of the well-plugging operation. The commission shall
 29-37 reimburse the surface estate owner from money in the oil and gas
 29-38 regulation and [oil-field] cleanup fund in an amount not to exceed
 29-39 50 percent of the lesser of:

29-40 (1) the documented well-plugging costs; or
 29-41 (2) the average cost incurred by the commission in the
 29-42 preceding 24 months in plugging similar wells located in the same
 29-43 general area.

29-44 SECTION 24.10. Subsection (j), Section 89.083, Natural
 29-45 Resources Code, is amended to read as follows:

29-46 (j) Money collected in a suit under this section shall be
 29-47 deposited in the oil and gas regulation and [state-oil-field]
 29-48 cleanup fund.

29-49 SECTION 24.11. Subsection (d), Section 89.085, Natural
 29-50 Resources Code, is amended to read as follows:

29-51 (d) The commission shall deposit money received from the
 29-52 sale of well-site equipment or hydrocarbons under this section to
 29-53 the credit of the oil and gas regulation and [oil-field] cleanup
 29-54 fund. The commission shall separately account for money and credit
 29-55 received for each well.

29-56 SECTION 24.12. The heading to Section 89.086, Natural
 29-57 Resources Code, is amended to read as follows:

29-58 Sec. 89.086. CLAIMS AGAINST OIL AND GAS REGULATION AND [THE
 29-59 OIL-FIELD] CLEANUP FUND.

29-60 SECTION 24.13. Subsections (a) and (h) through (k), Section
 29-61 89.086, Natural Resources Code, are amended to read as follows:

29-62 (a) A person with a legal or equitable ownership or security
 29-63 interest in well-site equipment or hydrocarbons disposed of under
 29-64 Section 89.085 [~~of this code~~] may make a claim against the oil and
 29-65 gas regulation and [oil-field] cleanup fund unless an element of
 29-66 the transaction giving rise to the interest occurs after the
 29-67 commission forecloses its statutory lien under Section 89.083.

29-68 (h) The commission shall suspend an amount of money in the
 29-69 oil and gas regulation and [oil-field] cleanup fund equal to the

30-1 amount of the claim until the claim is finally resolved. If the
 30-2 provisions of Subsection (k) [~~of this section~~] prevent suspension
 30-3 of the full amount of the claim, the commission shall treat the
 30-4 claim as two consecutively filed claims, one in the amount of funds
 30-5 available for suspension and the other in the remaining amount of
 30-6 the claim.

30-7 (i) A claim made by or on behalf of the operator or a
 30-8 nonoperator of a well or a successor to the rights of the operator
 30-9 or nonoperator is subject to a ratable deduction from the proceeds
 30-10 or credit received for the well-site equipment to cover the costs
 30-11 incurred by the commission in removing the equipment or
 30-12 hydrocarbons from the well or in transporting, storing, or
 30-13 disposing of the equipment or hydrocarbons. A claim made by a
 30-14 person who is not an operator or nonoperator is subject to a ratable
 30-15 deduction for the costs incurred by the commission in removing the
 30-16 equipment from the well. If a claimant is a person who is
 30-17 responsible under law or commission rules for plugging the well or
 30-18 cleaning up pollution originating on the lease or if the claimant
 30-19 owes a penalty assessed by the commission or a court for a violation
 30-20 of a commission rule or order, the commission may recoup from or
 30-21 offset against a valid claim an expense incurred by the oil and gas
 30-22 regulation and [~~oil-field~~] cleanup fund that is not otherwise
 30-23 reimbursed or any penalties owed. An amount recouped from,
 30-24 deducted from, or offset against a claim under this subsection
 30-25 shall be treated as an invalid portion of the claim and shall remain
 30-26 suspended in the oil and gas regulation and [~~oil-field~~] cleanup
 30-27 fund in the manner provided by Subsection (j) [~~of this section~~].

30-28 (j) If the commission finds that a claim is valid in whole or
 30-29 in part, the commission shall pay the valid portion of the claim
 30-30 from the suspended amount in the oil and gas regulation and
 30-31 [~~oil-field~~] cleanup fund not later than the 30th day after the date
 30-32 of the commission's decision. If the commission finds that a claim
 30-33 is invalid in whole or in part, the commission shall continue to
 30-34 suspend in the oil and gas regulation and [~~oil-field~~] cleanup fund
 30-35 an amount equal to the invalid portion of the claim until the period
 30-36 during which the commission's decision may be appealed has expired
 30-37 or, if appealed, during the period the case is under judicial
 30-38 review. If on appeal the district court finds the claim valid in
 30-39 whole or in part, the commission shall pay the valid portion of the
 30-40 claim from the suspended amount in the oil and gas regulation and
 30-41 [~~oil-field~~] cleanup fund not later than 30 days after the date the
 30-42 court's judgment becomes unappealable. On the date the
 30-43 commission's decision is not subject to judicial review, the
 30-44 commission shall release from the suspended amount in the oil and
 30-45 gas regulation and [~~oil-field~~] cleanup fund the amount of the claim
 30-46 held to be invalid.

30-47 (k) If the aggregate of claims paid and money suspended that
 30-48 relates to well-site equipment or hydrocarbons from a particular
 30-49 well equals the total of the actual proceeds and credit realized
 30-50 from the disposition of that equipment or those hydrocarbons, the
 30-51 oil and gas regulation and [~~oil-field~~] cleanup fund is not liable
 30-52 for any subsequently filed claims that relate to the same equipment
 30-53 or hydrocarbons unless and until the commission releases from the
 30-54 suspended amount money derived from the disposition of that
 30-55 equipment or those hydrocarbons. If the commission releases money,
 30-56 then the commission shall suspend money in the amount of
 30-57 subsequently filed claims in the order of filing.

30-58 SECTION 24.14. Subsection (b), Section 89.121, Natural
 30-59 Resources Code, is amended to read as follows:

30-60 (b) Civil penalties collected for violations of this
 30-61 chapter or of rules relating to plugging that are adopted under this
 30-62 code shall be deposited in the general revenue [~~state oil-field~~
 30-63 cleanup] fund.

30-64 SECTION 24.15. Subsection (c), Section 91.1013, Natural
 30-65 Resources Code, is amended to read as follows:

30-66 (c) Fees collected under this section shall be deposited in
 30-67 the oil and gas regulation and [~~state oil-field~~] cleanup fund.

30-68 SECTION 24.16. Section 91.108, Natural Resources Code, is
 30-69 amended to read as follows:

31-1 Sec. 91.108. DEPOSIT AND USE OF FUNDS. Subject to the
 31-2 refund provisions of Section 91.1091, if applicable, proceeds from
 31-3 bonds and other financial security required pursuant to this
 31-4 chapter and benefits under well-specific plugging insurance
 31-5 policies described by Section 91.104(c) that are paid to the state
 31-6 as contingent beneficiary of the policies shall be deposited in the
 31-7 oil and gas regulation and [oil-field] cleanup fund and,
 31-8 notwithstanding Sections 81.068 [~~91.112~~] and 91.113, may be used
 31-9 only for actual well plugging and surface remediation.

31-10 SECTION 24.17. Subsection (a), Section 91.109, Natural
 31-11 Resources Code, is amended to read as follows:

31-12 (a) A person applying for or acting under a commission
 31-13 permit to store, handle, treat, reclaim, or dispose of oil and gas
 31-14 waste may be required by the commission to maintain a performance
 31-15 bond or other form of financial security conditioned that the
 31-16 permittee will operate and close the storage, handling, treatment,
 31-17 reclamation, or disposal site in accordance with state law,
 31-18 commission rules, and the permit to operate the site. However, this
 31-19 section does not authorize the commission to require a bond or other
 31-20 form of financial security for saltwater disposal pits, emergency
 31-21 saltwater storage pits (including blow-down pits), collecting
 31-22 pits, or skimming pits provided that such pits are used in
 31-23 conjunction with the operation of an individual oil or gas lease.
 31-24 Subject to the refund provisions of Section 91.1091 [~~of this code~~],
 31-25 proceeds from any bond or other form of financial security required
 31-26 by this section shall be placed in the oil and gas regulation and
 31-27 [~~oil-field~~] cleanup fund. Each bond or other form of financial
 31-28 security shall be renewed and continued in effect until the
 31-29 conditions have been met or release is authorized by the
 31-30 commission.

31-31 SECTION 24.18. Subsections (a) and (f), Section 91.113,
 31-32 Natural Resources Code, are amended to read as follows:

31-33 (a) If oil and gas wastes or other substances or materials
 31-34 regulated by the commission under Section 91.101 are causing or are
 31-35 likely to cause the pollution of surface or subsurface water, the
 31-36 commission, through its employees or agents, may use money in the
 31-37 oil and gas regulation and [oil-field] cleanup fund to conduct a
 31-38 site investigation or environmental assessment or control or clean
 31-39 up the oil and gas wastes or other substances or materials if:

31-40 (1) the responsible person has failed or refused to
 31-41 control or clean up the oil and gas wastes or other substances or
 31-42 materials after notice and opportunity for hearing;

31-43 (2) the responsible person is unknown, cannot be
 31-44 found, or has no assets with which to control or clean up the oil and
 31-45 gas wastes or other substances or materials; or

31-46 (3) the oil and gas wastes or other substances or
 31-47 materials are causing the pollution of surface or subsurface water.

31-48 (f) If the commission conducts a site investigation or
 31-49 environmental assessment or controls or cleans up oil and gas
 31-50 wastes or other substances or materials under this section, the
 31-51 commission may recover all costs incurred by the commission from
 31-52 any person who was required by law, rules adopted by the commission,
 31-53 or a valid order of the commission to control or clean up the oil and
 31-54 gas wastes or other substances or materials. The commission by
 31-55 order may require the person to reimburse the commission for those
 31-56 costs or may request the attorney general to file suit against the
 31-57 person to recover those costs. At the request of the commission,
 31-58 the attorney general may file suit to enforce an order issued by the
 31-59 commission under this subsection. A suit under this subsection may
 31-60 be filed in any court of competent jurisdiction in Travis County.
 31-61 Costs recovered under this subsection shall be deposited to the oil
 31-62 and gas regulation and [oil-field] cleanup fund.

31-63 SECTION 24.19. Subsection (c), Section 91.264, Natural
 31-64 Resources Code, is amended to read as follows:

31-65 (c) A penalty collected under this section shall be
 31-66 deposited to the credit of the general revenue [~~oil-field cleanup~~]
 31-67 fund [~~account~~].

31-68 SECTION 24.20. Subsection (b), Section 91.457, Natural
 31-69 Resources Code, is amended to read as follows:

32-1 (b) If a person ordered to close a saltwater disposal pit
 32-2 under Subsection (a) [~~of this section~~] fails or refuses to close the
 32-3 pit in compliance with the commission's order and rules, the
 32-4 commission may close the pit using money from the oil and gas
 32-5 regulation and [~~oil-field~~] cleanup fund and may direct the attorney
 32-6 general to file suits in any courts of competent jurisdiction in
 32-7 Travis County to recover applicable penalties and the costs
 32-8 incurred by the commission in closing the saltwater disposal pit.

32-9 SECTION 24.21. Subsection (c), Section 91.459, Natural
 32-10 Resources Code, is amended to read as follows:

32-11 (c) Any [~~penalties or~~] costs recovered by the attorney
 32-12 general under this subchapter shall be deposited in the oil and gas
 32-13 regulation and [~~oil-field~~] cleanup fund.

32-14 SECTION 24.22. Subsection (e), Section 91.605, Natural
 32-15 Resources Code, is amended to read as follows:

32-16 (e) The fees collected under this section shall be deposited
 32-17 in the oil and gas regulation and [~~oil-field~~] cleanup fund.

32-18 SECTION 24.23. Subsection (e), Section 91.654, Natural
 32-19 Resources Code, is amended to read as follows:

32-20 (e) Fees collected under this section shall be deposited to
 32-21 the credit of the oil and gas regulation and [~~oil-field~~] cleanup
 32-22 fund under Section 81.067 [~~91.111~~].

32-23 SECTION 24.24. Subsection (b), Section 91.707, Natural
 32-24 Resources Code, is amended to read as follows:

32-25 (b) Fees collected under this section shall be deposited to
 32-26 the oil and gas regulation and [~~oil-field~~] cleanup fund.

32-27 SECTION 24.25. The heading to Section 121.211, Utilities
 32-28 Code, is amended to read as follows:

32-29 Sec. 121.211. PIPELINE SAFETY AND REGULATORY FEES.

32-30 SECTION 24.26. Subsections (a) through (e) and (h), Section
 32-31 121.211, Utilities Code, are amended to read as follows:

32-32 (a) The railroad commission by rule may adopt a [~~an~~
 32-33 ~~inspection~~] fee to be assessed annually against operators of
 32-34 natural gas distribution pipelines and their pipeline facilities
 32-35 and natural gas master metered pipelines and their pipeline
 32-36 facilities subject to this title [~~chapter~~].

32-37 (b) The railroad commission by rule shall establish the
 32-38 method by which the fee will be calculated and assessed. In
 32-39 adopting a fee structure, the railroad commission may consider any
 32-40 factors necessary to provide for the equitable allocation among
 32-41 operators of the costs of administering the railroad commission's
 32-42 pipeline safety and regulatory program under this title [~~chapter~~].

32-43 (c) The total amount of fees estimated to be collected under
 32-44 rules adopted by the railroad commission under this section may not
 32-45 exceed the amount estimated by the railroad commission to be
 32-46 necessary to recover the costs of administering the railroad
 32-47 commission's pipeline safety and regulatory program under this
 32-48 title [~~chapter~~], excluding costs that are fully funded by federal
 32-49 sources.

32-50 (d) The commission may assess each operator of a natural gas
 32-51 distribution system subject to this title [~~chapter~~] an annual
 32-52 [~~inspection~~] fee not to exceed one dollar for each service line
 32-53 reported by the system on the Distribution Annual Report, Form RSPA
 32-54 F7100.1-1, due on March 15 of each year. The fee is due March 15 of
 32-55 each year.

32-56 (e) The railroad commission may assess each operator of a
 32-57 natural gas master metered system subject to this title [~~chapter~~]
 32-58 an annual [~~inspection~~] fee not to exceed \$100 for each master
 32-59 metered system. The fee is due June 30 of each year.

32-60 (h) A fee collected under this section shall be deposited to
 32-61 the credit of the general revenue fund to be used for the pipeline
 32-62 safety and regulatory program.

32-63 SECTION 24.27. Section 29.015, Water Code, is amended to
 32-64 read as follows:

32-65 Sec. 29.015. APPLICATION FEE. With each application for
 32-66 issuance, renewal, or material amendment of a permit, the applicant
 32-67 shall submit to the railroad commission a nonrefundable fee of
 32-68 \$100. Fees collected under this section shall be deposited in the
 32-69 oil and gas regulation and [~~oil-field~~] cleanup fund.

33-1 SECTION 24.28. The following provisions of the Natural
33-2 Resources Code are repealed:

- 33-3 (1) Section 91.111; and
- 33-4 (2) Section 91.112.

33-5 SECTION 24.29. On the effective date of this article:

- 33-6 (1) the oil-field cleanup fund is abolished;
- 33-7 (2) any money remaining in the oil-field cleanup fund
- 33-8 is transferred to the oil and gas regulation and cleanup fund;
- 33-9 (3) any claim against the oil-field cleanup fund is
- 33-10 transferred to the oil and gas regulation and cleanup fund; and
- 33-11 (4) any amount required to be deposited to the credit
- 33-12 of the oil-field cleanup fund shall be deposited to the credit of
- 33-13 the oil and gas regulation and cleanup fund.

33-14 ARTICLE 25. FISCAL MATTERS REGARDING LEASING CERTAIN STATE
33-15 FACILITIES

33-16 SECTION 25.01. The heading to Section 2165.2035, Government
33-17 Code, is amended to read as follows:

33-18 Sec. 2165.2035. LEASE OF SPACE IN STATE-OWNED PARKING LOTS
33-19 AND GARAGES; USE AFTER HOURS.

33-20 SECTION 25.02. Subchapter E, Chapter 2165, Government Code,
33-21 is amended by adding Sections 2165.204, 2165.2045, and 2165.2046 to
33-22 read as follows:

33-23 Sec. 2165.204. LEASE OF SPACE IN STATE-OWNED PARKING LOTS
33-24 AND GARAGES; EXCESS INDIVIDUAL PARKING SPACES. (a) The commission
33-25 may lease to a private individual an individual parking space in a
33-26 state-owned parking lot or garage located in the city of Austin that
33-27 the commission determines is not needed to accommodate the regular
33-28 parking requirements of state employees who work near the lot or
33-29 garage and visitors to nearby state government offices.

33-30 (b) Money received from a lease under this section shall be
33-31 deposited to the credit of the general revenue fund.

33-32 (c) In leasing a parking space under Subsection (a), the
33-33 commission must ensure that the lease does not restrict uses for
33-34 parking lots and garages developed under Section 2165.2035,
33-35 including special event parking related to institutions of higher
33-36 education.

33-37 (d) In leasing or renewing a lease for a parking space under
33-38 Subsection (a), the commission shall give preference to an
33-39 individual who is currently leasing or previously leased the
33-40 parking space.

33-41 Sec. 2165.2045. LEASE OF SPACE IN STATE-OWNED PARKING LOTS
33-42 AND GARAGES; EXCESS BLOCKS OF PARKING SPACE. (a) The commission
33-43 may lease to an institution of higher education or a local
33-44 government all or a significant block of a state-owned parking lot
33-45 or garage located in the city of Austin that the commission
33-46 determines is not needed to accommodate the regular parking
33-47 requirements of state employees who work near the lot or garage and
33-48 visitors to nearby state government offices.

33-49 (b) Money received from a lease under this section shall be
33-50 deposited to the credit of the general revenue fund.

33-51 (c) In leasing all or a block of a state-owned parking lot or
33-52 garage under Subsection (a), the commission must ensure that the
33-53 lease does not restrict uses for parking lots and garages developed
33-54 under Section 2165.2035, including special event parking related to
33-55 institutions of higher education.

33-56 (d) In leasing or renewing a lease for all or a block of a
33-57 state-owned parking lot or garage under Subsection (a), the
33-58 commission shall give preference to an entity that is currently
33-59 leasing or previously leased the lot or garage or a block of the lot
33-60 or garage.

33-61 Sec. 2165.2046. REPORTS ON PARKING PROGRAMS. On or before
33-62 October 1 of each even-numbered year, the commission shall submit a
33-63 report to the Legislative Budget Board describing the effectiveness
33-64 of parking programs developed by the commission under this
33-65 subchapter. The report must, at a minimum, include:

- 33-66 (1) the yearly revenue generated by the programs;
- 33-67 (2) the yearly administrative and enforcement costs of
- 33-68 each program;
- 33-69 (3) yearly usage statistics for each program; and

34-1 (4) initiatives and suggestions by the commission to:

34-2 (A) modify administration of the programs; and

34-3 (B) increase revenue generated by the programs.

34-4 SECTION 25.03. This article takes effect immediately if
34-5 this Act receives a vote of two-thirds of all the members elected to
34-6 each house, as provided by Section 39, Article III, Texas
34-7 Constitution. If this Act does not receive the vote necessary for
34-8 immediate effect, this article takes effect on the 91st day after
34-9 the last day of the legislative session.

34-10 ARTICLE 26. FISCAL MATTERS RELATING TO SECRETARY OF STATE

34-11 SECTION 26.01. Section 405.014, Government Code, is amended
34-12 to read as follows:

34-13 Sec. 405.014. ACTS OF THE LEGISLATURE. (a) At each
34-14 session of the legislature the secretary of state shall obtain the
34-15 bills that have become law. Immediately after the closing of each
34-16 session of the legislature, the secretary of state shall bind all
34-17 enrolled bills and resolutions in volumes on which the date of the
34-18 session is placed.

34-19 (b) As soon as practicable after the closing of each session
34-20 of the legislature, the secretary of state shall publish and
34-21 maintain electronically the bills enacted at that session. The
34-22 electronic publication must be:

34-23 (1) indexed by bill number and assigned chapter number
34-24 for each bill; and

34-25 (2) made available by an electronic link on the
34-26 secretary of state's generally accessible Internet website.

34-27 SECTION 26.02. Subchapter B, Chapter 2158, Government Code,
34-28 is repealed.

34-29 SECTION 26.03. The change in law made by this article does
34-30 not apply to a contract for the publication of the laws of this
34-31 state entered into before the effective date of this article.

34-32 SECTION 26.04. This article takes effect immediately if
34-33 this Act receives a vote of two-thirds of all the members elected to
34-34 each house, as provided by Section 39, Article III, Texas
34-35 Constitution. If this Act does not receive the vote necessary for
34-36 immediate effect, this article takes effect on the 91st day after
34-37 the last day of the legislative session.

34-38 ARTICLE 27. FISCAL MATTERS REGARDING ATTORNEY GENERAL

34-39 SECTION 27.01. Section 402.006, Government Code, is amended
34-40 by adding Subsection (e) to read as follows:

34-41 (e) The attorney general may charge a reasonable fee for the
34-42 electronic filing of a document.

34-43 SECTION 27.02. The heading to Section 402.0212, Government
34-44 Code, is amended to read as follows:

34-45 Sec. 402.0212. PROVISION OF LEGAL SERVICES--OUTSIDE
34-46 COUNSEL; FEES.

34-47 SECTION 27.03. Section 402.0212, Government Code, is
34-48 amended by amending Subsections (b) and (c) and adding Subsections
34-49 (d), (e), and (f) to read as follows:

34-50 (b) An invoice submitted to a state agency under a contract
34-51 for legal services as described by Subsection (a) must be reviewed
34-52 by the attorney general to determine whether the invoice is
34-53 eligible for payment.

34-54 (c) An attorney or law firm must pay an administrative fee
34-55 to the attorney general for the review described in Subsection (b)
34-56 when entering into a contract to provide legal services to a state
34-57 agency.

34-58 (d) For purposes of this section, the functions of a hearing
34-59 examiner, administrative law judge, or other quasi-judicial
34-60 officer are not considered legal services.

34-61 (e) [~~(e)~~] This section shall not apply to the Texas Turnpike
34-62 Authority division of the Texas Department of Transportation.

34-63 (f) The attorney general may adopt rules as necessary to
34-64 implement and administer this section.

34-65 SECTION 27.04. Section 371.051, Transportation Code, is
34-66 amended to read as follows:

34-67 Sec. 371.051. ATTORNEY GENERAL REVIEW AND EXAMINATION FEE.

34-68 (a) A toll project entity may not enter into a comprehensive
34-69 development agreement unless the attorney general reviews the

35-1 proposed agreement and determines that it is legally sufficient.

35-2 (b) A toll project entity shall pay a nonrefundable
 35-3 examination fee to the attorney general on submitting a proposed
 35-4 comprehensive development agreement for review. At the time the
 35-5 examination fee is paid, the toll project entity shall also submit
 35-6 for review a complete transcript of proceedings related to the
 35-7 comprehensive development agreement.

35-8 (c) If the toll project entity submits multiple proposed
 35-9 comprehensive development agreements relating to the same toll
 35-10 project for review, the entity shall pay the examination fee under
 35-11 Subsection (b) for each proposed comprehensive development
 35-12 agreement.

35-13 (d) The attorney general shall provide a legal sufficiency
 35-14 determination not later than the 60th business day after the date
 35-15 the examination fee and transcript of the proceedings required
 35-16 under Subsection (b) are received. If the attorney general cannot
 35-17 provide a legal sufficiency determination within the
 35-18 60-business-day period, the attorney general shall notify the toll
 35-19 project entity in writing of the reason for the delay and may extend
 35-20 the review period for not more than 30 business days.

35-21 (e) After the attorney general issues a legal sufficiency
 35-22 determination, a toll project entity may supplement the transcript
 35-23 of proceedings or amend the comprehensive development agreement to
 35-24 facilitate a redetermination by the attorney general of the prior
 35-25 legal sufficiency determination issued under this section.

35-26 (f) The toll project entity may collect or seek
 35-27 reimbursement of the examination fee under Subsection (b) from the
 35-28 private participant.

35-29 (g) The attorney general by rule shall set the examination
 35-30 fee required under Subsection (b) in a reasonable amount and may
 35-31 adopt other rules as necessary to implement this section. The fee
 35-32 may not be set in an amount that is determined by a percentage of the
 35-33 cost of the toll project. The amount of the fee may not exceed
 35-34 reasonable attorney's fees charged for similar legal services in
 35-35 the private sector.

35-36 SECTION 27.05. The fee prescribed by Section 402.006,
 35-37 Government Code, as amended by this article, applies only to a
 35-38 document electronically submitted to the office of the attorney
 35-39 general on or after the effective date of this article.

35-40 SECTION 27.06. The fee prescribed by Section 402.0212,
 35-41 Government Code, as amended by this article, applies only to
 35-42 invoices for legal services submitted to the office of the attorney
 35-43 general for review on or after the effective date of this article.

35-44 SECTION 27.07. The fee prescribed by Section 371.051,
 35-45 Transportation Code, as amended by this article, applies only to a
 35-46 comprehensive development agreement submitted to the office of the
 35-47 attorney general on or after the effective date of this article.

35-48 SECTION 27.08. The changes in law made by this article apply
 35-49 only to a contract for legal services between a state agency and a
 35-50 private attorney or law firm entered into on or after the effective
 35-51 date of this article. A contract for legal services between a state
 35-52 agency and a private attorney or law firm entered into before the
 35-53 effective date of this article is governed by the law in effect at
 35-54 the time the contract was entered into, and the former law is
 35-55 continued in effect for that purpose.

35-56 SECTION 27.09. Except as otherwise provided by this
 35-57 article, this article takes effect immediately if this Act receives
 35-58 a vote of two-thirds of all the members elected to each house, as
 35-59 provided by Section 39, Article III, Texas Constitution. If this
 35-60 Act does not receive the vote necessary for immediate effect, this
 35-61 article takes effect on the 91st day after the last day of the
 35-62 legislative session.

35-63 ARTICLE 28. TEXAS PRESERVATION TRUST FUND ACCOUNT

35-64 SECTION 28.01. Subsections (a), (b), and (f), Section
 35-65 442.015, Government Code, are amended to read as follows:

35-66 (a) Notwithstanding Section [~~Sections 403.094 and~~] 403.095,
 35-67 the Texas preservation trust fund account is a separate account in
 35-68 the general revenue fund. The account consists of transfers made to
 35-69 the account, loan repayments, grants and donations made for the

36-1 purposes of this program, proceeds of sales, income earned
 36-2 ~~[earnings]~~ on money in the account, and any other money received
 36-3 under this section. Money in ~~[Distributions from]~~ the account may
 36-4 be used only for the purposes of this section and ~~[may not be used]~~
 36-5 to pay operating expenses of the commission. Money allocated to the
 36-6 commission's historic preservation grant program shall be
 36-7 deposited to the credit of the account. Income earned ~~[Earnings]~~
 36-8 money in the account shall be deposited to the credit of the
 36-9 account.

36-10 (b) The commission may use money in ~~[distributions from]~~ the
 36-11 Texas preservation trust fund account to provide financial
 36-12 assistance to public or private entities for the acquisition,
 36-13 survey, restoration, or preservation, or for planning and
 36-14 educational activities leading to the preservation, of historic
 36-15 property in the state that is listed in the National Register of
 36-16 Historic Places or designated as a State Archeological Landmark or
 36-17 Recorded Texas Historic Landmark, or that the commission determines
 36-18 is eligible for such listing or designation. The financial
 36-19 assistance may be in the amount and form and according to the terms
 36-20 that the commission by rule determines. The commission shall give
 36-21 priority to property the commission determines to be endangered by
 36-22 demolition, neglect, underuse, looting, vandalism, or other threat
 36-23 to the property. Gifts and grants deposited to the credit of the
 36-24 account specifically for any eligible projects may be used only for
 36-25 the type of projects specified. If such a specification is not
 36-26 made, the gift or grant shall be unencumbered and accrue to the
 36-27 benefit of the Texas preservation trust fund account. If such a
 36-28 specification is made, the entire amount of the gift or grant may be
 36-29 used during any period for the project or type of project specified.

36-30 (f) The advisory board shall recommend to the commission
 36-31 rules for administering this section ~~[Subsections (a)-(e)]~~.

36-32 SECTION 28.02. Subsections (h), (i), (j), (k), and (l),
 36-33 Section 442.015, Government Code, are repealed.

36-34 SECTION 28.03. The comptroller of public accounts and the
 36-35 Texas Historical Commission shall enter into a memorandum of
 36-36 understanding to facilitate the conversion of assets of the Texas
 36-37 preservation trust fund account into cash for deposit into the
 36-38 state treasury using a method that provides for the lowest amount of
 36-39 revenue loss to the state.

36-40 SECTION 28.04. This article takes effect November 1, 2011.

36-41 ARTICLE 29. FISCAL MATTERS CONCERNING INFORMATION TECHNOLOGY

36-42 SECTION 29.01. Section 2054.380, Government Code, is
 36-43 amended to read as follows:

36-44 Sec. 2054.380. FEES. (a) The department shall set and
 36-45 charge a fee to each state agency that receives a service from a
 36-46 statewide technology center in an amount sufficient to cover the
 36-47 direct and indirect cost of providing the service.

36-48 (b) Revenue derived from the collection of fees imposed
 36-49 under Subsection (a) may be appropriated to the department for:

36-50 (1) developing statewide information resources
 36-51 technology policies and planning under this chapter and Chapter
 36-52 2059; and

36-53 (2) providing shared information resources technology
 36-54 services under this chapter.

36-55 SECTION 29.02. Subsection (d), Section 2157.068,
 36-56 Government Code, is amended to read as follows:

36-57 (d) The department may charge a reasonable administrative
 36-58 fee to a state agency, political subdivision of this state, or
 36-59 governmental entity of another state that purchases commodity items
 36-60 through the department in an amount that is sufficient to recover
 36-61 costs associated with the administration of this section. Revenue
 36-62 derived from the collection of fees imposed under this subsection
 36-63 may be appropriated to the department for:

36-64 (1) developing statewide information resources
 36-65 technology policies and planning under Chapters 2054 and 2059; and

36-66 (2) providing shared information resources technology
 36-67 services under Chapter 2054.

36-68 SECTION 29.03. Subsections (a) and (d), Section 2170.057,
 36-69 Government Code, are amended to read as follows:

37-1 (a) The department shall develop a system of billings and
 37-2 charges for services provided in operating and administering the
 37-3 consolidated telecommunications system that allocates the total
 37-4 state cost to each entity served by the system based on
 37-5 proportionate usage. The department shall set and charge a fee to
 37-6 each entity that receives services provided under this chapter in
 37-7 an amount sufficient to cover the direct and indirect costs of
 37-8 providing the service. Revenue derived from the collection of fees
 37-9 imposed under this subsection may be appropriated to the department
 37-10 for:

37-11 (1) developing statewide information resources
 37-12 technology policies and planning under Chapters 2054 and 2059; and

37-13 (2) providing:
 37-14 (A) shared information resources technology
 37-15 services under Chapter 2054; and

37-16 (B) network security services under Chapter
 37-17 2059.

37-18 (d) The department shall maintain in the revolving fund
 37-19 account sufficient amounts to pay the bills of the consolidated
 37-20 telecommunications system and the centralized capitol complex
 37-21 telephone system. ~~[The department shall certify amounts that~~
 37-22 ~~exceed this amount to the comptroller, and the comptroller shall~~
 37-23 ~~transfer the excess amounts to the credit of the statewide network~~
 37-24 ~~applications account established by Section 2054.011.]~~

37-25 SECTION 29.04. This article takes effect immediately if
 37-26 this Act receives a vote of two-thirds of all the members elected to
 37-27 each house, as provided by Section 39, Article III, Texas
 37-28 Constitution. If this Act does not receive the vote necessary for
 37-29 immediate effect, this article takes effect on the 91st day after
 37-30 the last day of the legislative session.

37-31 ARTICLE 30. STATE DEBT

37-32 SECTION 30.01. Chapter 1231, Government Code, is amended by
 37-33 adding Subchapter G to read as follows:

37-34 SUBCHAPTER G. LIMIT ON STATE DEBT PAYABLE FROM GENERAL REVENUE FUND
 37-35 Sec. 1231.151. DEFINITIONS. In this subchapter:

37-36 (1) "Maximum annual debt service" means the limitation
 37-37 on annual debt service imposed by Section 49-j(a), Article III,
 37-38 Texas Constitution.

37-39 (2) "State debt payable from the general revenue fund"
 37-40 has the meaning assigned by Section 49-j(b), Article III, Texas
 37-41 Constitution.

37-42 (3) "Unissued debt" means state debt payable from the
 37-43 general revenue fund that has been authorized but not issued.

37-44 Sec. 1231.152. COMPUTATION OF DEBT LIMIT. In computing the
 37-45 annual debt service in a state fiscal year on state debt payable
 37-46 from the general revenue fund for purposes of determining whether
 37-47 additional state debt may be authorized without exceeding the
 37-48 maximum annual debt service, the board may employ any assumptions
 37-49 related to unissued debt that the board determines are necessary to
 37-50 reflect common or standard debt issuance practices authorized by
 37-51 law, including assumptions regarding:

37-52 (1) interest rates;
 37-53 (2) debt maturity; and
 37-54 (3) debt service payment structures.

37-55 Sec. 1231.153. REPORT ON COMPUTATION. (a) The board shall
 37-56 publish during each state fiscal year a report providing a detailed
 37-57 description of the method used to compute the annual debt service in
 37-58 that fiscal year on state debt payable from the general revenue fund
 37-59 for purposes of determining whether additional state debt may be
 37-60 authorized. The report must describe:

37-61 (1) the debt service included in the computation,
 37-62 including debt service on issued and unissued debt;

37-63 (2) the assumptions on which the debt service on
 37-64 unissued debt was based; and

37-65 (3) any other factors required by law that affect the
 37-66 computation.

37-67 (b) The board may publish the report required by this
 37-68 section as a component of any other report required by law,
 37-69 including the annual report required by Section 1231.102, or as an

38-1 independent report. The board shall make the report available to
38-2 the public.

38-3 SECTION 30.02. The Bond Review Board shall publish the
38-4 initial report required by Section 1231.153, Government Code, as
38-5 added by this article, during the state fiscal year beginning
38-6 September 1, 2011.

38-7 SECTION 30.03. This article takes effect immediately if
38-8 this Act receives a vote of two-thirds of all the members elected to
38-9 each house, as provided by Section 39, Article III, Texas
38-10 Constitution. If this Act does not receive the vote necessary for
38-11 immediate effect, this article takes effect on the 91st day after
38-12 the last day of the legislative session.

38-13 ARTICLE 31. CONTINUING LEGAL EDUCATION REQUIREMENTS FOR ATTORNEY
38-14 EMPLOYED BY ATTORNEY GENERAL

38-15 SECTION 31.01. Section 81.113, Government Code, is amended
38-16 by adding Subsection (a-1) to read as follows:

38-17 (a-1) The state bar shall credit an attorney licensed in
38-18 this state with meeting the minimum continuing legal education
38-19 requirements of the state bar for a reporting year if during the
38-20 reporting year the attorney is employed full-time as an attorney by
38-21 the office of the attorney general. An attorney credited for
38-22 continuing legal education under this subsection must meet the
38-23 continuing legal education requirements of the state bar in legal
38-24 ethics or professional responsibility. This subsection expires
38-25 January 1, 2014.

38-26 SECTION 31.02. Subchapter A, Chapter 402, Government Code,
38-27 is amended by adding Section 402.010 to read as follows:

38-28 Sec. 402.010. CONTINUING LEGAL EDUCATION PROGRAMS. The
38-29 office of the attorney general shall recognize, prepare, or
38-30 administer continuing legal education programs that meet
38-31 continuing legal education requirements imposed under Section
38-32 81.113(c) for the attorneys employed by the office. This section
38-33 expires January 1, 2014.

38-34 SECTION 31.03. Section 81.113, Government Code, as amended
38-35 by this article, applies only to the requirements for a continuing
38-36 legal education compliance year that ends on or after October 1,
38-37 2011. The requirements for continuing legal education for a
38-38 compliance year that ends before October 1, 2011, are covered by the
38-39 law and rules in effect when the compliance year ended, and that law
38-40 and those rules are continued in effect for that purpose.

38-41 ARTICLE 32. REGISTRATION FEE AND REGISTRATION RENEWAL FEE FOR
38-42 LOBBYISTS

38-43 SECTION 32.01. Subsection (c), Section 305.005, Government
38-44 Code, is amended to read as follows:

38-45 (c) The registration fee and registration renewal fee are:

38-46 (1) \$150 [~~\$100~~] for a registrant employed by an
38-47 organization exempt from federal income tax under Section
38-48 501(c)(3), [~~or~~] 501(c)(4), or 501(c)(6), Internal Revenue Code of
38-49 1986;

38-50 (2) \$75 [~~\$50~~] for any person required to register
38-51 solely because the person is required to register under Section
38-52 305.0041 [~~of this chapter~~]; or

38-53 (3) \$750 [~~\$500~~] for any other registrant.

38-54 ARTICLE 33. ASSESSMENT OF PREMIUM DIFFERENTIAL ON CERTAIN PUBLIC
38-55 EMPLOYEES WHO USE TOBACCO

38-56 SECTION 33.01. Subchapter G, Chapter 1551, Insurance Code,
38-57 is amended by adding Section 1551.3075 to read as follows:

38-58 Sec. 1551.3075. TOBACCO USER PREMIUM DIFFERENTIAL.

38-59 (a) The board of trustees shall assess each participant in a
38-60 health benefit plan provided under the group benefits program who
38-61 uses one or more tobacco products a tobacco user premium
38-62 differential, to be paid in monthly installments. Except as
38-63 provided by Subsection (b), the board of trustees shall determine
38-64 the amount of the monthly installments of the premium differential.

38-65 (b) If the General Appropriations Act for a state fiscal
38-66 biennium sets the amount of the monthly installments of the tobacco
38-67 user premium differential for that biennium, the board of trustees
38-68 shall assess the premium differential during that biennium in the
38-69 amount prescribed by the General Appropriations Act.

39-1 SECTION 33.02. Section 1551.314, Insurance Code, is amended
39-2 to read as follows:

39-3 Sec. 1551.314. CERTAIN STATE CONTRIBUTIONS PROHIBITED. A
39-4 state contribution may not be:

39-5 (1) made for coverages under this chapter selected by
39-6 an individual who receives a state contribution, other than as a
39-7 spouse, dependent, or beneficiary, for coverages under a group
39-8 benefits program provided by an institution of higher education, as
39-9 defined by Section 61.003, Education Code; or

39-10 (2) made for or used to pay a tobacco user premium
39-11 differential assessed under Section 1551.3075.

39-12 SECTION 33.03. The board of trustees of the Employees
39-13 Retirement System of Texas shall implement the tobacco user premium
39-14 differential required under Section 1551.3075, Insurance Code, as
39-15 added by this article, not later than January 1, 2012.

39-16 ARTICLE 34. PUBLIC ASSISTANCE REPORTING INFORMATION SYSTEM

39-17 SECTION 34.01. Subsection (c), Section 434.017, Government
39-18 Code, is amended to read as follows:

39-19 (c) Money in the fund may be appropriated to the Texas
39-20 Veterans Commission to:

39-21 (1) enhance or improve veterans' assistance programs,
39-22 including veterans' representation and counseling;

39-23 (2) make grants to address veterans' needs; ~~and~~

39-24 (3) administer the fund; and

39-25 (4) analyze and investigate data received from the
39-26 federal Public Assistance Reporting Information System (PARIS)
39-27 that is administered by the Administration for Children and
39-28 Families of the United States Department of Health and Human
39-29 Services.

39-30 SECTION 34.02. The comptroller shall credit to the fund for
39-31 veterans' assistance established under Section 434.017, Government
39-32 Code, as amended by this article, the savings generated from the use
39-33 of the federal Public Assistance Reporting Information System
39-34 (PARIS) under that section.

39-35 ARTICLE 35. REGIONAL POISON CONTROL CENTER MANAGEMENT CONTROLS AND
39-36 EFFICIENCY

39-37 SECTION 35.01. Section 777.001, Health and Safety Code, is
39-38 amended by amending Subsection (c) and adding Subsection (d) to
39-39 read as follows:

39-40 (c) The Commission on State Emergency Communications may
39-41 standardize the operations of and implement management controls to
39-42 improve the efficiency of regional poison control centers ~~[vote to~~
39-43 ~~designate a seventh regional or satellite poison control center in~~
39-44 ~~Harris County. That poison control center is subject to all~~
39-45 ~~provisions of this chapter and other law relating to regional~~
39-46 ~~poison control centers].~~

39-47 (d) If the Commission on State Emergency Communications
39-48 implements management controls under Subsection (c), the
39-49 commission shall submit to the governor and the Legislative Budget
39-50 Board a plan for implementing the controls not later than October
39-51 31, 2011. This subsection expires January 1, 2013.

39-52 ARTICLE 36. AUTHORIZED USES FOR CERTAIN DEDICATED PERMANENT FUNDS

39-53 SECTION 36.01. Section 403.105, Government Code, is amended
39-54 by amending Subsection (b) and adding Subsection (b-1) to read as
39-55 follows:

39-56 (b) Except as provided by Subsections (b-1), (c), (e), (f),
39-57 and (h), money in the fund may not be appropriated for any purpose.

39-58 (b-1) Notwithstanding the limitations and requirements of
39-59 Section 403.1068, the legislature may appropriate money in the
39-60 fund, including the corpus and available earnings of the fund
39-61 determined under Section 403.1068, to pay the principal of or
39-62 interest on a bond issued for the purposes of Section 67, Article
39-63 III, Texas Constitution. This subsection does not authorize the
39-64 appropriation under this subsection of money subject to a
39-65 limitation or requirement as described by Subsection (e) that is
39-66 not consistent with the use of the money in accordance with this
39-67 subsection.

39-68 SECTION 36.02. Section 403.1055, Government Code, is
39-69 amended by amending Subsection (b) and adding Subsection (b-1) to

40-1 read as follows:

40-2 (b) Except as provided by Subsections (b-1), (c), (e), (f),
40-3 and (h), money in the fund may not be appropriated for any purpose.

40-4 (b-1) Notwithstanding the limitations and requirements of
40-5 Section 403.1068, the legislature may appropriate money in the
40-6 fund, including the corpus and available earnings of the fund
40-7 determined under Section 403.1068, to pay the principal of or
40-8 interest on a bond issued for the purposes of Section 67, Article
40-9 III, Texas Constitution. This subsection does not authorize the
40-10 appropriation under this subsection of money subject to a
40-11 limitation or requirement as described by Subsection (e) that is
40-12 not consistent with the use of the money in accordance with this
40-13 subsection.

40-14 SECTION 36.03. Section 403.106, Government Code, is amended
40-15 by amending Subsection (b) and adding Subsection (b-1) to read as
40-16 follows:

40-17 (b) Except as provided by Subsections (b-1), (c), (e), (f),
40-18 and (h), money in the fund may not be appropriated for any purpose.

40-19 (b-1) Notwithstanding the limitations and requirements of
40-20 Section 403.1068, the legislature may appropriate money in the
40-21 fund, including the corpus and available earnings of the fund
40-22 determined under Section 403.1068, to pay the principal of or
40-23 interest on a bond issued for the purposes of Section 67, Article
40-24 III, Texas Constitution. This subsection does not authorize the
40-25 appropriation under this subsection of money subject to a
40-26 limitation or requirement as described by Subsection (e) that is
40-27 not consistent with the use of the money in accordance with this
40-28 subsection.

40-29 SECTION 36.04. This article takes effect immediately if
40-30 this Act receives a vote of two-thirds of all the members elected to
40-31 each house, as provided by Section 39, Article III, Texas
40-32 Constitution. If this Act does not receive the vote necessary for
40-33 immediate effect, this article takes effect on the 91st day after
40-34 the last day of the legislative session.

40-35 ARTICLE 37. EMPLOYER ENROLLMENT FEE FOR PARTICIPATION IN CERTAIN
40-36 HEALTH BENEFIT PLANS

40-37 SECTION 37.01. Subchapter G, Chapter 1551, Insurance Code,
40-38 is amended by adding Section 1551.3076 to read as follows:

40-39 Sec. 1551.3076. EMPLOYER ENROLLMENT FEE. (a) The board of
40-40 trustees shall assess each employer whose employees participate in
40-41 the group benefits program an employer enrollment fee in an amount
40-42 not to exceed a percentage of the employer's total payroll, as
40-43 determined by the General Appropriations Act.

40-44 (b) The board of trustees shall deposit the enrollment fees
40-45 to the credit of the employees life, accident, and health insurance
40-46 and benefits fund to be used for the purposes specified by Section
40-47 1551.401.

40-48 ARTICLE 38. FISCAL MATTERS CONCERNING SURPLUS AND SALVAGE PROPERTY

40-49 SECTION 38.01. Subchapter C, Chapter 2175, Government Code,
40-50 is repealed.

40-51 SECTION 38.02. Subsection (a), Section 32.102, Education
40-52 Code, is amended to read as follows:

40-53 (a) As provided by this subchapter, a school district or
40-54 open-enrollment charter school may transfer to a student enrolled
40-55 in the district or school:

40-56 (1) any data processing equipment donated to the
40-57 district or school, including equipment donated by:

40-58 (A) a private donor; or

40-59 (B) a state eleemosynary institution or a state
40-60 agency under Section 2175.905 [~~2175.128~~], Government Code;

40-61 (2) any equipment purchased by the district or school,
40-62 to the extent consistent with Section 32.105; and

40-63 (3) any surplus or salvage equipment owned by the
40-64 district or school.

40-65 SECTION 38.03. Section 2175.002, Government Code, is
40-66 amended to read as follows:

40-67 Sec. 2175.002. ADMINISTRATION OF CHAPTER. The commission
40-68 is responsible for the disposal of surplus and salvage property of
40-69 the state. The commission's surplus and salvage property division

41-1 shall administer this chapter.

41-2 SECTION 38.04. Section 2175.065, Government Code, is
41-3 amended by amending Subsection (a) and adding Subsections (c) and
41-4 (d) to read as follows:

41-5 (a) The commission may authorize a state agency to dispose
41-6 of surplus or salvage property if the agency demonstrates to the
41-7 commission its ability to dispose of the property under this
41-8 chapter [~~Subchapters C and E~~] in a manner that results in cost
41-9 savings to the state, under commission rules adopted under this
41-10 chapter.

41-11 (c) If property is disposed of under this section, the
41-12 disposing state agency shall report the transaction to the
41-13 commission. The report must include a description of the property
41-14 disposed of, the reasons for disposal, the price paid for the
41-15 property disposed of, and the recipient of the property disposed
41-16 of.

41-17 (d) If the commission determines that a violation of a state
41-18 law or rule has occurred based on the report under Subsection (c),
41-19 the commission shall report the violation to the Legislative Budget
41-20 Board.

41-21 SECTION 38.05. The heading to Subchapter D, Chapter 2175,
41-22 Government Code, is amended to read as follows:

41-23 SUBCHAPTER D. DISPOSITION OF SURPLUS OR SALVAGE PROPERTY [~~BY~~
41-24 ~~COMMISSION~~]

41-25 SECTION 38.06. Section 2175.181, Government Code, is
41-26 amended to read as follows:

41-27 Sec. 2175.181. APPLICABILITY. [~~(a) This subchapter~~
41-28 ~~applies only to surplus and salvage property located in:~~

41-29 [~~(1) Travis County;~~

41-30 [~~(2) a county in which federal surplus property is~~
41-31 ~~warehoused by the commission under Subchapter G; or~~

41-32 [~~(3) a county for which the commission determines that~~
41-33 ~~it is cost-effective to follow the procedures created under this~~
41-34 ~~subchapter and informs affected state agencies of that~~
41-35 ~~determination.~~

41-36 [~~(b)~~] This subchapter applies [~~does not apply~~] to a state
41-37 agency delegated the authority to dispose of surplus or salvage
41-38 property under Section 2175.065.

41-39 SECTION 38.07. Section 2175.182, Government Code, is
41-40 amended to read as follows:

41-41 Sec. 2175.182. STATE AGENCY TRANSFER OF PROPERTY [~~TO~~
41-42 ~~COMMISSION~~]. (a) A state agency that determines it has surplus or
41-43 salvage property shall inform the commission of that fact for the
41-44 purpose of determining the method of disposal of the property [~~The~~
41-45 ~~commission is responsible for the disposal of surplus or salvage~~
41-46 ~~property under this subchapter~~]. The commission may take physical
41-47 possession of the property.

41-48 (b) Based on the condition of the property, the commission,
41-49 in conjunction with the state agency, shall determine whether the
41-50 property is:

41-51 (1) surplus property that should be offered for
41-52 transfer under Section 2175.184 or sold to the public; or

41-53 (2) salvage property.

41-54 (c) Following the determination in Subsection (b), the
41-55 [~~The~~] commission shall direct the state agency to inform the
41-56 comptroller's office of the property's kind, number, location,
41-57 condition, original cost or value, and date of acquisition.

41-58 SECTION 38.08. Section 2175.1825, Government Code, is
41-59 amended to read as follows:

41-60 Sec. 2175.1825. ADVERTISING ON COMPTROLLER WEBSITE.

41-61 (a) Not later than the second day after the date the comptroller
41-62 receives notice from a state agency [~~the commission~~] under Section
41-63 2175.182(c), the comptroller shall advertise the property's kind,
41-64 number, location, and condition on the comptroller's website.

41-65 (b) The comptroller shall provide the commission access to
41-66 all records in the state property accounting system related to
41-67 surplus and salvage property.

41-68 SECTION 38.09. Section 2175.183, Government Code, is
41-69 amended to read as follows:

42-1 Sec. 2175.183. COMMISSION NOTICE TO OTHER ENTITIES. The
 42-2 ~~[On taking responsibility for surplus property under this~~
 42-3 ~~subchapter, the]~~ commission shall inform other state agencies,
 42-4 political subdivisions, and assistance organizations of the
 42-5 comptroller's website that lists surplus property that is available
 42-6 for sale.

42-7 SECTION 38.10. Section 2175.184, Government Code, is
 42-8 amended to read as follows:

42-9 Sec. 2175.184. DIRECT TRANSFER. During the 10 business
 42-10 days after the date the property is posted on the comptroller's
 42-11 website, a state agency, political subdivision, or assistance
 42-12 organization shall ~~[may]~~ coordinate with the commission for a
 42-13 transfer of the property at a price established by the commission
 42-14 ~~[in cooperation with the transferring agency]~~. A transfer to a
 42-15 state agency has priority over any other transfer during this
 42-16 period.

42-17 SECTION 38.11. Subsection (a), Section 2175.186,
 42-18 Government Code, is amended to read as follows:

42-19 (a) If a disposition of a state agency's surplus property is
 42-20 not made under Section 2175.184, the commission shall sell the
 42-21 property by competitive bid, auction, or direct sale to the public,
 42-22 including a sale using an Internet auction site. The commission may
 42-23 contract with a private vendor to assist with the sale of the
 42-24 property.

42-25 SECTION 38.12. Section 2175.189, Government Code, is
 42-26 amended to read as follows:

42-27 Sec. 2175.189. ADVERTISEMENT OF SALE. If the value of an
 42-28 item or a lot of property to be sold is estimated to be more than
 42-29 \$25,000 ~~[\$5,000]~~, the commission shall advertise the sale at least
 42-30 once in at least one newspaper of general circulation in the
 42-31 vicinity in which the property is located.

42-32 SECTION 38.13. Subsection (a), Section 2175.191,
 42-33 Government Code, is amended to read as follows:

42-34 (a) Proceeds from the sale of surplus or salvage property,
 42-35 less the cost of advertising the sale, the cost of selling the
 42-36 surplus or salvage property, including the cost of auctioneer
 42-37 services or assistance from a private vendor, and the amount of the
 42-38 fee collected under Section 2175.188, shall be deposited to the
 42-39 credit of the general revenue fund of the state treasury.

42-40 SECTION 38.14. Section 2175.302, Government Code, is
 42-41 amended to read as follows:

42-42 Sec. 2175.302. EXCEPTION FOR ELEEMOSYNARY INSTITUTIONS.
 42-43 Except as provided by Section 2175.905(b) ~~[2175.128(b)]~~, this
 42-44 chapter does not apply to the disposition of surplus or salvage
 42-45 property by a state eleemosynary institution.

42-46 SECTION 38.15. Section 2175.904, Government Code, is
 42-47 amended by amending Subsections (a) and (c) and adding Subsection
 42-48 (d) to read as follows:

42-49 (a) The commission shall establish a program for the sale of
 42-50 gambling equipment received from a municipality, from a
 42-51 commissioners court under Section 263.152(a)(5), Local Government
 42-52 Code, or from a state agency under this chapter.

42-53 (c) Proceeds from the sale of gambling equipment from a
 42-54 municipality or commissioners court, less the costs of the sale,
 42-55 including costs of advertising, storage, shipping, and auctioneer
 42-56 or broker services, and the amount of the fee collected under
 42-57 Section 2175.188 ~~[2175.131]~~, shall be divided according to an
 42-58 agreement between the commission and the municipality or
 42-59 commissioners court that provided the equipment for sale. The
 42-60 agreement must provide that:

42-61 (1) not less than 50 percent of the net proceeds be
 42-62 remitted to the commissioners court; and

42-63 (2) the remainder of the net proceeds retained by the
 42-64 commission be deposited to the credit of the general revenue fund.

42-65 (d) Proceeds from the sale of gambling equipment from a
 42-66 state agency, less the costs of the sale, including costs of
 42-67 advertising, storage, shipping, and auctioneer or broker services,
 42-68 and the amount of the fee collected under Section 2175.188, shall be
 42-69 deposited to the credit of the general revenue fund of the state

43-1 treasury.

43-2 SECTION 38.16. Subchapter Z, Chapter 2175, Government Code,
43-3 is amended by adding Sections 2175.905 and 2175.906 to read as
43-4 follows:

43-5 Sec. 2175.905. DISPOSITION OF DATA PROCESSING EQUIPMENT.

43-6 (a) If a disposition of a state agency's surplus or salvage data
43-7 processing equipment is not made under Section 2175.184, the state
43-8 agency shall transfer the equipment to:

43-9 (1) a school district or open-enrollment charter
43-10 school in this state under Subchapter C, Chapter 32, Education
43-11 Code;

43-12 (2) an assistance organization specified by the school
43-13 district; or

43-14 (3) the Texas Department of Criminal Justice.

43-15 (b) If a disposition of the surplus or salvage data
43-16 processing equipment of a state eleemosynary institution or an
43-17 institution or agency of higher education is not made under other
43-18 law, the institution or agency shall transfer the equipment to:

43-19 (1) a school district or open-enrollment charter
43-20 school in this state under Subchapter C, Chapter 32, Education
43-21 Code;

43-22 (2) an assistance organization specified by the school
43-23 district; or

43-24 (3) the Texas Department of Criminal Justice.

43-25 (c) The state eleemosynary institution or institution or
43-26 agency of higher education or other state agency may not collect a
43-27 fee or other reimbursement from the district, the school, the
43-28 assistance organization, or the Texas Department of Criminal
43-29 Justice for the surplus or salvage data processing equipment
43-30 transferred under this section.

43-31 Sec. 2175.906. ABOLISHED AGENCIES. On abolition of a state
43-32 agency, in accordance with Chapter 325, the commission shall take
43-33 custody of all of the agency's property or other assets as surplus
43-34 property unless other law or the legislature designates another
43-35 appropriate governmental entity to take custody of the property or
43-36 assets.

43-37 ARTICLE 39. LAW ENFORCEMENT AND CUSTODIAL OFFICER SUPPLEMENTAL
43-38 RETIREMENT FUND

43-39 SECTION 39.01. Section 815.317, Government Code, is amended
43-40 by adding Subsection (a-1) to read as follows:

43-41 (a-1) The comptroller shall deposit fees collected under
43-42 Section 133.102(e)(7), Local Government Code, to the credit of the
43-43 law enforcement and custodial officer supplemental retirement
43-44 fund.

43-45 SECTION 39.02. Subsection (e), Section 133.102, Local
43-46 Government Code, is amended to read as follows:

43-47 (e) The comptroller shall allocate the court costs received
43-48 under this section to the following accounts and funds so that each
43-49 receives to the extent practicable, utilizing historical data as
43-50 applicable, the same amount of money the account or fund would have
43-51 received if the court costs for the accounts and funds had been
43-52 collected and reported separately, except that the account or fund
43-53 may not receive less than the following percentages:

43-54 (1) abused children's counseling 0.0088 percent;

43-55 (2) crime stoppers assistance 0.2581 percent;

43-56 (3) breath alcohol testing 0.5507 percent;

43-57 (4) Bill Blackwood Law Enforcement Management
43-58 Institute 2.1683 percent;

43-59 (5) law enforcement officers standards and
43-60 education 5.0034 percent;

43-61 (6) comprehensive rehabilitation 5.3218 percent;

43-62 (7) law enforcement and custodial officer
43-63 supplemental retirement fund [operator's and chauffeur's
43-64 license] 11.1426 percent;

43-65 (8) criminal justice planning 12.5537 percent;

43-66 (9) an account in the state treasury to be used only
43-67 for the establishment and operation of the Center for the Study and
43-68 Prevention of Juvenile Crime and Delinquency at Prairie View A&M
43-69 University 1.2090 percent;

44-1 (10) compensation to victims of crime fund 37.6338
44-2 percent;
44-3 (11) fugitive apprehension account 12.0904 percent;
44-4 (12) judicial and court personnel training fund 4.8362
44-5 percent;
44-6 (13) an account in the state treasury to be used for
44-7 the establishment and operation of the Correctional Management
44-8 Institute of Texas and Criminal Justice Center Account 1.2090
44-9 percent; and
44-10 (14) fair defense account 6.0143 percent.
44-11 SECTION 39.03. This article takes effect September 1, 2013.
44-12 ARTICLE 40. SALES AND USE TAX COLLECTION AND ALLOCATION
44-13 SECTION 40.01. Subsection (b), Section 151.008, Tax Code,
44-14 is amended to read as follows:
44-15 (b) "Seller" and "retailer" include:
44-16 (1) a person in the business of making sales at auction
44-17 of tangible personal property owned by the person or by another;
44-18 (2) a person who makes more than two sales of taxable
44-19 items during a 12-month period, including sales made in the
44-20 capacity of an assignee for the benefit of creditors or receiver or
44-21 trustee in bankruptcy;
44-22 (3) a person regarded by the comptroller as a seller or
44-23 retailer under Section 151.024 ~~[of this code]~~;
44-24 (4) a hotel, motel, or owner or lessor of an office or
44-25 residential building or development that contracts and pays for
44-26 telecommunications services for resale to guests or tenants; ~~and~~
44-27 (5) a person who engages in regular or systematic
44-28 solicitation of sales of taxable items in this state by the
44-29 distribution of catalogs, periodicals, advertising flyers, or
44-30 other advertising, by means of print, radio, or television media,
44-31 or by mail, telegraphy, telephone, computer data base, cable,
44-32 optic, microwave, or other communication system for the purpose of
44-33 effecting sales of taxable items; and
44-34 (6) a person who, under an agreement with another
44-35 person, is:
44-36 (A) entrusted with possession of tangible
44-37 personal property with respect to which the other person has title
44-38 or another ownership interest; and
44-39 (B) authorized to sell, lease, or rent the
44-40 property without additional action by the person having title to or
44-41 another ownership interest in the property.
44-42 SECTION 40.02. Section 151.107, Tax Code, is amended by
44-43 amending Subsection (a) and adding Subsection (d) to read as
44-44 follows:
44-45 (a) For the purpose of this subchapter and in relation to
44-46 the use tax, a retailer is engaged in business in this state if the
44-47 retailer:
44-48 (1) maintains, occupies, or uses in this state
44-49 permanently, temporarily, directly, or indirectly or through a
44-50 subsidiary or agent by whatever name, an office, ~~[place of]~~
44-51 distribution center, sales or sample room or place, warehouse,
44-52 storage place, or any other physical location where ~~[place of]~~
44-53 business is conducted;
44-54 (2) has a representative, agent, salesman, canvasser,
44-55 or solicitor operating in this state under the authority of the
44-56 retailer or its subsidiary for the purpose of selling or delivering
44-57 or the taking of orders for a taxable item;
44-58 (3) derives receipts ~~[rentals]~~ from the sale, [a]
44-59 lease, or rental of tangible personal property situated in this
44-60 state;
44-61 (4) engages in regular or systematic solicitation of
44-62 sales of taxable items in this state by the distribution of
44-63 catalogs, periodicals, advertising flyers, or other advertising,
44-64 by means of print, radio, or television media, or by mail,
44-65 telegraphy, telephone, computer data base, cable, optic,
44-66 microwave, or other communication system for the purpose of
44-67 effecting sales of taxable items;
44-68 (5) solicits orders for taxable items by mail or
44-69 through other media and under federal law is subject to or permitted

45-1 to be made subject to the jurisdiction of this state for purposes of
45-2 collecting the taxes imposed by this chapter;

45-3 (6) has a franchisee or licensee operating under its
45-4 trade name if the franchisee or licensee is required to collect the
45-5 tax under this section; ~~[or]~~

45-6 (7) holds a substantial ownership interest in, or is
45-7 owned in whole or substantial part by, a person who maintains a
45-8 location in this state from which business is conducted and if:

45-9 (A) the retailer sells the same or a
45-10 substantially similar line of products as the person with the
45-11 location in this state and sells those products under a business
45-12 name that is the same as or substantially similar to the business
45-13 name of the person with the location in this state; or

45-14 (B) the facilities or employees of the person
45-15 with the location in this state are used to:

45-16 (i) advertise, promote, or facilitate sales
45-17 by the retailer to consumers; or

45-18 (ii) perform any other activity on behalf
45-19 of the retailer that is intended to establish or maintain a
45-20 marketplace for the retailer in this state, including receiving or
45-21 exchanging returned merchandise;

45-22 (8) holds a substantial ownership interest in, or is
45-23 owned in whole or substantial part by, a person that:

45-24 (A) maintains a distribution center, warehouse,
45-25 or similar location in this state; and

45-26 (B) delivers property sold by the retailer to
45-27 consumers; or

45-28 (9) otherwise does business in this state.

45-29 (d) In this section:

45-30 (1) "Ownership" includes:

45-31 (A) direct ownership;

45-32 (B) common ownership; and

45-33 (C) indirect ownership through a parent entity,
45-34 subsidiary, or affiliate.

45-35 (2) "Substantial" means, with respect to an ownership
45-36 interest, an interest in an entity that is:

45-37 (A) if the entity is a corporation, at least 50
45-38 percent, directly or indirectly, of:

45-39 (i) the total combined voting power of all
45-40 classes of stock of the corporation; or

45-41 (ii) the beneficial ownership interest in
45-42 the voting stock of the corporation;

45-43 (B) if the entity is a trust, at least 50 percent,
45-44 directly or indirectly, of the current beneficial interest in the
45-45 trust corpus or income;

45-46 (C) if the entity is a limited liability company,
45-47 at least 50 percent, directly or indirectly, of:

45-48 (i) the total membership interest of the
45-49 limited liability company; or

45-50 (ii) the beneficial ownership interest in
45-51 the membership interest of the limited liability company; or

45-52 (D) for any entity, including a partnership or
45-53 association, at least 50 percent, directly or indirectly, of the
45-54 capital or profits interest in the entity.

45-55 SECTION 40.03. Subchapter M, Chapter 151, Tax Code, is
45-56 amended by adding Section 151.802 to read as follows:

45-57 Sec. 151.802. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX
45-58 RELIEF FUND. (a) This section applies only:

45-59 (1) during the state fiscal years beginning September
45-60 1 of 2012, 2013, 2014, 2015, and 2016; and

45-61 (2) with respect to unused franchise tax credits
45-62 described by Sections 18(e) and (f), Chapter 1 (H.B. 3), Acts of the
45-63 79th Legislature, 3rd Called Session, 2006.

45-64 (b) Notwithstanding Section 151.801, the comptroller shall
45-65 deposit to the credit of the property tax relief fund under Section
45-66 403.109, Government Code, an amount of the proceeds from the
45-67 collection of the taxes imposed by this chapter equal to the amount
45-68 of revenue the state does not receive from the tax imposed under
45-69 Chapter 171 because taxable entities, as defined by that chapter,

46-1 that are corporations are entitled to claim unused franchise tax
 46-2 credits after December 31, 2012, and during that state fiscal year.

46-3 (c) This section expires September 1, 2017.

46-4 SECTION 40.04. The change in law made by this article does
 46-5 not affect tax liability accruing before the effective date of this
 46-6 article. That liability continues in effect as if this article had
 46-7 not been enacted, and the former law is continued in effect for the
 46-8 collection of taxes due and for civil and criminal enforcement of
 46-9 the liability for those taxes.

46-10 SECTION 40.05. This article takes effect January 1, 2012.

46-11 ARTICLE 41. CARRYFORWARD OF CERTAIN FRANCHISE TAX CREDITS

46-12 SECTION 41.01. Subsections (e) and (f), Section 18, Chapter
 46-13 1 (H.B. 3), Acts of the 79th Legislature, 3rd Called Session, 2006,
 46-14 are amended to read as follows:

46-15 (e) A corporation that has any unused credits established
 46-16 before the effective date of this Act under Subchapter P, Chapter
 46-17 171, Tax Code, may claim those unused credits on or with the tax
 46-18 report for the period in which the credit was established. However,
 46-19 if the corporation was allowed to carry forward unused credits
 46-20 under that subchapter, the corporation may continue to apply those
 46-21 credits on or with each consecutive report until the earlier of the
 46-22 date the credit would have expired under the terms of Subchapter P,
 46-23 Chapter 171, Tax Code, had it continued in existence, or December
 46-24 31, 2016 [2012], and the former law under which the corporation
 46-25 established the credits is continued in effect for purposes of
 46-26 determining the amount of the credits the corporation may claim and
 46-27 the manner in which the corporation may claim the credits.

46-28 (f) A corporation that has any unused credits established
 46-29 before the effective date of this Act under Subchapter Q, Chapter
 46-30 171, Tax Code, may claim those unused credits on or with the tax
 46-31 report for the period in which the credit was established. However,
 46-32 if the corporation was allowed to carry forward unused credits
 46-33 under that subchapter, the corporation may continue to apply those
 46-34 credits on or with each consecutive report until the earlier of the
 46-35 date the credit would have expired under the terms of Subchapter Q,
 46-36 Chapter 171, Tax Code, had it continued in existence, or December
 46-37 31, 2016 [2012], and the former law under which the corporation
 46-38 established the credits is continued in effect for purposes of
 46-39 determining the amount of the credits the corporation may claim and
 46-40 the manner in which the corporation may claim the credits.

46-41 ARTICLE 42. STATE PURCHASING

46-42 SECTION 42.01. Section 2155.082, Government Code, is
 46-43 amended to read as follows:

46-44 Sec. 2155.082. PROVIDING CERTAIN PURCHASING SERVICES ON
 46-45 FEE-FOR-SERVICE BASIS OR THROUGH BENEFIT FUNDING. (a) The
 46-46 comptroller [commission] may provide open market purchasing
 46-47 services on a fee-for-service basis for state agency purchases that
 46-48 are delegated to an agency under Section 2155.131, 2155.132,
 46-49 [2155.133,] or 2157.121 or that are exempted from the purchasing
 46-50 authority of the comptroller [commission]. The comptroller
 46-51 [commission] shall set the fees in an amount that recovers the
 46-52 comptroller's [commission's] costs in providing the services.

46-53 (b) The comptroller [commission] shall publish a schedule
 46-54 of [its] fees for services that are subject to this section. The
 46-55 schedule must include the comptroller's [commission's] fees for:

- 46-56 (1) reviewing bid and contract documents for clarity,
 46-57 completeness, and compliance with laws and rules;
- 46-58 (2) developing and transmitting invitations to bid;
- 46-59 (3) receiving and tabulating bids;
- 46-60 (4) evaluating and determining which bidder offers the
 46-61 best value to the state;
- 46-62 (5) creating and transmitting purchase orders; and
- 46-63 (6) participating in agencies' request for proposal
 46-64 processes.

46-65 (c) If the state agency on behalf of which the procurement
 46-66 is to be made agrees, the comptroller may engage a consultant to
 46-67 assist with a particular procurement on behalf of a state agency and
 46-68 pay the consultant from the cost savings realized by the state
 46-69 agency.

ARTICLE 43. PERIOD FOR SALES AND USE TAX HOLIDAY

SECTION 43.01. Subsection (a), Section 151.326, Tax Code, is amended to read as follows:

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

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

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

SECTION 43.02. Subsection (a), Section 151.326, Tax Code, as amended by this article, does not affect tax liability accruing before the effective date of this article. That liability continues in effect as if this article had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 43.03. This article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect on the 91st day after the last day of the legislative session.

ARTICLE 44. LEGISLATIVE BUDGET BOARD MEETINGS

SECTION 44.01. Section 322.003, Government Code, is amended by adding Subsection (f) to read as follows:

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

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

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

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

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

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

SECTION 44.02. Chapter 322, Government Code, is amended by adding Section 322.0081 to read as follows:

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

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

(c) The document must be downloadable and provide data in a

48-1 format that allows the public to search, extract, organize, and
 48-2 analyze the information in the document.

48-3 (d) The requirement under Subsection (a) does not supersede
 48-4 any exceptions provided under Chapter 552.

48-5 (e) The board shall promulgate rules to implement the
 48-6 provisions of this section.

48-7 SECTION 44.03. Chapter 322, Government Code, is amended by
 48-8 adding Section 322.022 to read as follows:

48-9 Sec. 322.022. PUBLIC HEARING ON INTERIM BUDGET REDUCTION
 48-10 REQUEST. (a) In this section:

48-11 (1) "Interim budget reduction request" means a request
 48-12 communicated in any manner for a state agency to make adjustments to
 48-13 the strategies, methods of finance, performance measures, or riders
 48-14 applicable to the agency through the state budget in effect on the
 48-15 date the request is communicated that, if implemented, would reduce
 48-16 the agency's total expenditures for the current state fiscal
 48-17 biennium to an amount less than the total amount that otherwise
 48-18 would be permissible based on the appropriations made to the agency
 48-19 in the budget.

48-20 (2) "State agency" means an office, department, board,
 48-21 commission, institution, or other entity to which a legislative
 48-22 appropriation is made.

48-23 (b) A state agency shall provide to the board a detailed
 48-24 report of any expenditure reduction plan that:

48-25 (1) the agency develops in response to an interim
 48-26 budget reduction request made by the governor, the lieutenant
 48-27 governor, or a member of the legislature, or any combination of
 48-28 those persons; and

48-29 (2) if implemented, would reduce the agency's total
 48-30 expenditures for the current state fiscal biennium to an amount
 48-31 less than the total amount that otherwise would be permissible
 48-32 based on the appropriations made to the agency in the state budget
 48-33 for the biennium.

48-34 (c) The board shall hold a public hearing to solicit
 48-35 testimony on an expenditure reduction plan a state agency reports
 48-36 to the board as required by Subsection (b) as soon as practicable
 48-37 after receiving the report. The agency may not implement any
 48-38 element of the plan until the conclusion of the hearing.

48-39 (d) This section does not apply to an expenditure reduction
 48-40 a state agency desires to make that does not directly or indirectly
 48-41 result from an interim budget reduction request made by the
 48-42 governor, the lieutenant governor, or a member of the legislature,
 48-43 or any combination of those persons.

48-44 SECTION 44.04. Subchapter B, Chapter 403, Government Code,
 48-45 is amended by adding Section 403.0145 to read as follows:

48-46 Sec. 403.0145. PUBLICATION OF FEES SCHEDULE. As soon as
 48-47 practicable after the end of each state fiscal year, the
 48-48 comptroller shall publish online a schedule of all revenue to the
 48-49 state from fees authorized by statute. For each fee, the schedule
 48-50 must specify:

48-51 (1) the statutory authority for the fee;

48-52 (2) if the fee has been increased during the most
 48-53 recent legislative session, the amount of the increase;

48-54 (3) into which fund the fee revenue will be deposited;
 48-55 and

48-56 (4) the amount of the fee revenue that will be
 48-57 considered available for general governmental purposes and
 48-58 accordingly considered available for the purpose of certification
 48-59 under Section 403.121.

48-60 SECTION 44.05. Section 404.124, Government Code, is amended
 48-61 by amending Subsections (a) and (b) and adding Subsection (b-1) to
 48-62 read as follows:

48-63 (a) Before issuing notes the comptroller shall submit to the
 48-64 committee a general revenue cash flow shortfall forecast, based on
 48-65 the comptroller's most recent anticipated revenue estimate. The
 48-66 forecast must contain a detailed report of estimated revenues and
 48-67 expenditures for each month and each major revenue and expenditure
 48-68 category and must demonstrate the maximum general revenue cash flow
 48-69 shortfall that may be predicted. The committee shall hold a public

49-1 hearing to receive invited testimony on the forecast, including
 49-2 testimony on this state's overall economic condition, as soon as
 49-3 practicable after receiving the forecast.

49-4 (b) Based on the forecast and testimony provided at the
 49-5 hearing required by Subsection (a), the committee may approve the
 49-6 issuance of notes, subject to Subsections (b-1) and (c), and the
 49-7 maximum outstanding balance of notes in any fiscal year. The
 49-8 outstanding balance may not exceed the maximum temporary cash
 49-9 shortfall forecast by the comptroller for any period in the fiscal
 49-10 year. The comptroller may not issue notes in excess of the amount
 49-11 approved.

49-12 (b-1) The committee's approval of the issuance of notes
 49-13 granted under Subsection (b) expires on the 91st day after the date
 49-14 the hearing conducted under Subsection (a) concludes. The
 49-15 comptroller may not issue notes on or after the 91st day unless the
 49-16 comptroller submits another general revenue cash flow shortfall
 49-17 forecast to the committee and the committee subsequently grants
 49-18 approval for the issuance of the notes in accordance with the
 49-19 procedure required by Subsections (a) and (b). Each subsequent
 49-20 approval expires on the 61st day after the date the hearing on which
 49-21 the approval was based concludes.

49-22 ARTICLE 45. ECONOMIC AND WORKFORCE DEVELOPMENT PROGRAMS

49-23 SECTION 45.01. Section 481.078, Government Code, is amended
 49-24 by adding Subsection (m) to read as follows:

49-25 (m) Notwithstanding Subsections (e) and (e-1), during the
 49-26 state fiscal biennium that begins on September 1, 2011, the
 49-27 governor may transfer money from the fund to the Texas Workforce
 49-28 Commission to fund the Texas Back to Work Program established under
 49-29 Chapter 313, Labor Code. This subsection expires September 1,
 49-30 2013.

49-31 SECTION 45.02. Subtitle B, Title 4, Labor Code, is amended
 49-32 by adding Chapter 313 to read as follows:

49-33 CHAPTER 313. TEXAS BACK TO WORK PROGRAM

49-34 Sec. 313.001. DEFINITION. In this chapter, "qualified
 49-35 applicant" means a person who made less than \$40 per hour at the
 49-36 person's last employment before becoming unemployed.

49-37 Sec. 313.002. INITIATIVE ESTABLISHED. (a) The Texas Back
 49-38 to Work Program is established within the commission.

49-39 (b) The purpose of the program is to establish
 49-40 public-private partnerships with employers to transition residents
 49-41 of this state from receiving unemployment compensation to becoming
 49-42 employed as members of the workforce.

49-43 (c) An employer that participates in the initiative may
 49-44 receive a wage subsidy for hiring one or more qualified applicants
 49-45 who are unemployed at the time of hire.

49-46 Sec. 313.003. RULES. The commission may adopt rules as
 49-47 necessary to implement this chapter.

49-48 ARTICLE 46. ELIGIBILITY OF SURVIVING SPOUSE OF DISABLED VETERAN TO
 49-49 PAY AD VALOREM TAXES ON RESIDENCE HOMESTEAD IN INSTALLMENTS

49-50 SECTION 46.01. Section 31.031, Tax Code, is amended by
 49-51 amending Subsection (a) and adding Subsection (a-1) to read as
 49-52 follows:

49-53 (a) This section applies only to:

49-54 (1) [If before the delinquency date] an individual who
 49-55 is:

49-56 (A) disabled or at least 65 years of age; and

49-57 (B) [is] qualified for an exemption under Section
 49-58 11.13(c); or

49-59 (2) an individual who is:

49-60 (A) the unmarried surviving spouse of a disabled
 49-61 veteran; and

49-62 (B) qualified for an exemption under Section
 49-63 11.22.

49-64 (a-1) If before the delinquency date an individual to whom
 49-65 this section applies pays at least one-fourth of a taxing unit's
 49-66 taxes imposed on property that the person owns and occupies as a
 49-67 residence homestead, accompanied by notice to the taxing unit that
 49-68 the person will pay the remaining taxes in installments, the person
 49-69 may pay the remaining taxes without penalty or interest in three

50-1 equal installments. The first installment must be paid before
50-2 April 1, the second installment before June 1, and the third
50-3 installment before August 1.

50-4 SECTION 46.02. This article applies only to an ad valorem
50-5 tax year that begins on or after the effective date of this article.

50-6 SECTION 46.03. This article takes effect January 1, 2012.

50-7 ARTICLE 47. EXTENSION OF FRANCHISE TAX EXEMPTION

50-8 SECTION 47.01. Subsection (c), Section 1, Chapter 286 (H.B.
50-9 4765), Acts of the 81st Legislature, Regular Session, 2009, is
50-10 amended to read as follows:

50-11 (c) This [~~If this section takes effect, this~~] section
50-12 expires December 31, 2013 [~~2011~~].

50-13 SECTION 47.02. Subsection (b), Section 2, Chapter 286 (H.B.
50-14 4765), Acts of the 81st Legislature, Regular Session, 2009, is
50-15 amended to read as follows:

50-16 (b) This section takes effect January 1, 2014 [~~2012, if H.B.
50-17 No. 2154, Acts of the 81st Legislature, Regular Session, 2009,
50-18 amends Section 155.0211, Tax Code, in a manner that results in an
50-19 increase in the revenue from the tax under that section during the
50-20 state fiscal biennium beginning September 1, 2009, that is
50-21 attributable to that change, and that Act is enacted and becomes
50-22 law. If H.B. No. 2154, Acts of the 81st Legislature, Regular
50-23 Session, 2009, does not amend Section 155.0211, Tax Code, in that
50-24 manner or is not enacted or does not become law, this section takes
50-25 effect January 1, 2010~~].

50-26 SECTION 47.03. Subsection (b), Section 3, Chapter 286 (H.B.
50-27 4765), Acts of the 81st Legislature, Regular Session, 2009, is
50-28 amended to read as follows:

50-29 (b) This section takes effect January 1, 2014 [~~2012, if H.B.
50-30 No. 2154, Acts of the 81st Legislature, Regular Session, 2009,
50-31 amends Section 155.0211, Tax Code, in a manner that results in an
50-32 increase in the revenue from the tax under that section during the
50-33 state fiscal biennium beginning September 1, 2009, that is
50-34 attributable to that change, and that Act is enacted and becomes
50-35 law. If H.B. No. 2154, Acts of the 81st Legislature, Regular
50-36 Session, 2009, does not amend Section 155.0211, Tax Code, in that
50-37 manner or is not enacted or does not become law, this section takes
50-38 effect January 1, 2010~~].

50-39 SECTION 47.04. This article takes effect immediately if
50-40 this Act receives a vote of two-thirds of all the members elected to
50-41 each house, as provided by Section 39, Article III, Texas
50-42 Constitution. If this Act does not receive the vote necessary for
50-43 this article to have immediate effect, this article takes effect on
50-44 the 91st day after the last day of the legislative session.

50-45 ARTICLE 48. FISCAL MATTERS REGARDING ASSISTANT PROSECUTORS

50-46 SECTION 48.01. Subsection (f), Section 41.255, Government
50-47 Code, is amended to read as follows:

50-48 (f) A county is not required to pay longevity supplements if
50-49 the county does not receive funds from the comptroller as provided
50-50 by Subsection (d). If sufficient funds are not available to meet
50-51 the requests made by counties for funds for payment of assistant
50-52 prosecutors qualified for longevity supplements;

50-53 (1) [~~7~~] the comptroller shall apportion the available
50-54 funds to the eligible counties by reducing the amount payable to
50-55 each county on an equal percentage basis;

50-56 (2) a county is not entitled to receive the balance of
50-57 the funds at a later date; and

50-58 (3) the longevity pay program under this chapter is
50-59 suspended to the extent of the insufficiency. [~~A county that
50-60 receives from the comptroller an amount less than the amount
50-61 certified by the county to the comptroller under Subsection (d)
50-62 shall apportion the funds received by reducing the amount payable
50-63 to eligible assistant prosecutors on an equal percentage basis, but
50-64 is not required to use county funds to make up any difference
50-65 between the amount certified and the amount received.~~]

50-66 SECTION 48.02. Subsection (g), Section 41.255, Government
50-67 Code, is repealed.

50-68 ARTICLE 49. FISCAL MATTERS REGARDING PROCESS SERVERS

50-69 SECTION 49.01. Subchapter B, Chapter 72, Government Code,

51-1 is amended by adding Sections 72.013 and 72.014 to read as follows:
 51-2 Sec. 72.013. PROCESS SERVER REVIEW BOARD. A person
 51-3 appointed to the process server review board established by supreme
 51-4 court order serves without compensation but is entitled to
 51-5 reimbursement for actual and necessary expenses incurred in
 51-6 traveling and performing official board duties.

51-7 Sec. 72.014. CERTIFICATION DIVISION. The office shall
 51-8 establish a certification division to oversee the regulatory
 51-9 programs assigned to the office by law or by the supreme court.

51-10 ARTICLE 50. FISCAL MATTERS REGARDING REIMBURSEMENT OF JURORS

51-11 SECTION 50.01. Section 61.001, Government Code, is amended
 51-12 by adding Subsections (a-1) and (a-2) to read as follows:

51-13 (a-1) Notwithstanding Subsection (a), and except as
 51-14 provided by Subsection (c), during the state fiscal biennium
 51-15 beginning September 1, 2011, a person who reports for jury service
 51-16 in response to the process of a court is entitled to receive as
 51-17 reimbursement for travel and other expenses an amount:

51-18 (1) not less than \$6 for the first day or fraction of
 51-19 the first day the person is in attendance in court in response to
 51-20 the process and discharges the person's duty for that day; and

51-21 (2) not less than the amount provided in the General
 51-22 Appropriations Act for each day or fraction of each day the person
 51-23 is in attendance in court in response to the process after the first
 51-24 day and discharges the person's duty for that day.

51-25 (a-2) This subsection and Subsection (a-1) expire September
 51-26 1, 2013.

51-27 SECTION 50.02. Section 61.0015, Government Code, is amended
 51-28 by adding Subsections (a-1), (a-2), and (e-1) to read as follows:

51-29 (a-1) Notwithstanding Subsection (a), during the state
 51-30 fiscal biennium beginning September 1, 2011, the state shall
 51-31 reimburse a county the appropriate amount as provided in the
 51-32 General Appropriations Act for the reimbursement paid under Section
 51-33 61.001 to a person who reports for jury service in response to the
 51-34 process of a court for each day or fraction of each day after the
 51-35 first day in attendance in court in response to the process.

51-36 (a-2) This subsection and Subsections (a-1) and (e-1)
 51-37 expire September 1, 2013.

51-38 (e-1) Notwithstanding Subsection (e), during the state
 51-39 fiscal biennium beginning September 1, 2011, if a payment on a
 51-40 county's claim for reimbursement is reduced under Subsection (d),
 51-41 or if a county fails to file the claim for reimbursement in a timely
 51-42 manner, the comptroller may, as provided by rule, apportion the
 51-43 payment of the balance owed the county. The comptroller's rules may
 51-44 permit a different rate of reimbursement for each quarterly payment
 51-45 under Subsection (c).

51-46 ARTICLE 51. COLLECTION IMPROVEMENT PROGRAM

51-47 SECTION 51.01. Subsections (f), (h), (i), and (j), Article
 51-48 103.0033, Code of Criminal Procedure, are amended to read as
 51-49 follows:

51-50 (f) The [~~comptroller, in cooperation with the~~] office[~~,~~]
 51-51 shall develop a methodology for determining the collection rate of
 51-52 counties and municipalities described by Subsection (e) before
 51-53 implementation of a program. The office [~~comptroller~~] shall
 51-54 determine the rate for each county and municipality not later than
 51-55 the first anniversary of the county's or municipality's adoption of
 51-56 a program.

51-57 (h) The office[~~, in consultation with the comptroller,~~]
 51-58 may:

51-59 (1) use case dispositions, population, revenue data,
 51-60 or other appropriate measures to develop a prioritized
 51-61 implementation schedule for programs; and

51-62 (2) determine whether it is not cost-effective to
 51-63 implement a program in a county or municipality and grant a waiver
 51-64 to the county or municipality.

51-65 (i) Each county and municipality shall at least annually
 51-66 submit to the office [~~and the comptroller~~] a written report that
 51-67 includes updated information regarding the program, as determined
 51-68 by the office [~~in cooperation with the comptroller~~]. The report
 51-69 must be in a form approved by the office [~~in cooperation with the~~]

52-1 ~~comptroller].~~

52-2 (j) The office ~~[comptroller]~~ shall periodically audit
52-3 counties and municipalities to verify information reported under
52-4 Subsection (i) and confirm that the county or municipality is
52-5 conforming with requirements relating to the program. ~~[The~~
52-6 ~~comptroller shall consult with the office in determining how~~
52-7 ~~frequently to conduct audits under this section.]~~

52-8 SECTION 51.02. Subsection (e), Section 133.058, Local
52-9 Government Code, is amended to read as follows:

52-10 (e) A municipality or county may not retain a service fee
52-11 if, during an audit under ~~[Section 133.059 of this code or]~~ Article
52-12 103.0033(j), Code of Criminal Procedure, the Office of Court
52-13 Administration of the Texas Judicial System ~~[comptroller]~~
52-14 determines that the municipality or county is not in compliance
52-15 with Article 103.0033, Code of Criminal Procedure. The
52-16 municipality or county may continue to retain a service fee under
52-17 this section on receipt of a written confirmation from the Office of
52-18 Court Administration of the Texas Judicial System ~~[comptroller]~~
52-19 that the municipality or county is in compliance with Article
52-20 103.0033, Code of Criminal Procedure.

52-21 SECTION 51.03. Subsection (c-1), Section 133.103, Local
52-22 Government Code, is amended to read as follows:

52-23 (c-1) The treasurer shall send 100 percent of the fees
52-24 collected under this section to the ~~comptroller~~ if, during an audit
52-25 under ~~[Section 133.059 of this code or]~~ Article 103.0033(j), Code
52-26 of Criminal Procedure, the Office of Court Administration of the
52-27 Texas Judicial System ~~[comptroller]~~ determines that the
52-28 municipality or county is not in compliance with Article 103.0033,
52-29 Code of Criminal Procedure. The municipality or county shall
52-30 continue to dispose of fees as otherwise provided by this section on
52-31 receipt of a written confirmation from the Office of Court
52-32 Administration of the Texas Judicial System ~~[comptroller]~~ that the
52-33 municipality or county is in compliance with Article 103.0033, Code
52-34 of Criminal Procedure.

52-35 ARTICLE 52. CORRECTIONAL MANAGED HEALTH CARE

52-36 SECTION 52.01. Subsection (a), Section 501.133, Government
52-37 Code, is amended to read as follows:

52-38 (a) The committee consists of five voting ~~[nine]~~ members and
52-39 one nonvoting member ~~[appointed]~~ as follows:

52-40 (1) one member ~~[two members]~~ employed full-time by the
52-41 department, ~~[at least one of whom is a physician,]~~ appointed by the
52-42 executive director;

52-43 (2) one member who is a physician and ~~[two members]~~
52-44 employed full-time by The University of Texas Medical Branch at
52-45 Galveston, ~~[at least one of whom is a physician,]~~ appointed by the
52-46 president of the medical branch;

52-47 (3) one member who is a physician and ~~[two members]~~
52-48 employed full-time by the Texas Tech University Health Sciences
52-49 Center, ~~[at least one of whom is a physician,]~~ appointed by the
52-50 president of the university; ~~[and]~~

52-51 (4) two ~~[three]~~ public members appointed by the
52-52 governor who are not affiliated with the department or with any
52-53 entity with which the committee has contracted to provide health
52-54 care services under this chapter, at least one ~~[two]~~ of whom is
52-55 ~~[are]~~ licensed to practice medicine in this state; and

52-56 (5) the state Medicaid director, to serve ex officio
52-57 as a nonvoting member.

52-58 SECTION 52.02. Subsection (b), Section 501.135, Government
52-59 Code, is amended to read as follows:

52-60 (b) A person may not be an appointed ~~[a]~~ member of the
52-61 committee and may not be a committee employee employed in a "bona
52-62 fide executive, administrative, or professional capacity," as that
52-63 phrase is used for purposes of establishing an exemption to the
52-64 overtime provisions of the federal Fair Labor Standards Act of 1938
52-65 (29 U.S.C. Section 201 et seq.) and its subsequent amendments if:

52-66 (1) the person is an officer, employee, or paid
52-67 consultant of a Texas trade association in the field of health care
52-68 or health care services; or

52-69 (2) the person's spouse is an officer, manager, or paid

53-1 consultant of a Texas trade association in the field of health care
53-2 or health care services.

53-3 SECTION 52.03. Section 501.136, Government Code, is amended
53-4 to read as follows:

53-5 Sec. 501.136. TERMS OF OFFICE FOR PUBLIC MEMBERS.
53-6 Committee members appointed by the governor serve staggered
53-7 four-year [~~six-year~~] terms, with the term of one of those members
53-8 expiring on February 1 of each odd-numbered year. Other committee
53-9 members serve at the will of the appointing official or until
53-10 termination of the member's employment with the entity the member
53-11 represents.

53-12 SECTION 52.04. Section 501.147, Government Code, is amended
53-13 to read as follows:

53-14 Sec. 501.147. DEPARTMENT [~~COMMITTEE~~] AUTHORITY TO
53-15 CONTRACT. (a) The department [~~committee~~] may enter into a
53-16 contract [~~on behalf of the department~~] to fully implement the
53-17 managed health care plan under this subchapter. A contract entered
53-18 into under this subsection must include provisions necessary to
53-19 ensure that The University of Texas Medical Branch at Galveston is
53-20 eligible for and makes reasonable efforts to participate in the
53-21 purchase of prescription drugs under Section 340B, Public Health
53-22 Service Act (42 U.S.C. Section 256b).

53-23 (b) The department [~~committee~~] may [~~, in addition to~~
53-24 ~~providing services to the department,~~] contract with other
53-25 governmental entities for similar health care services and
53-26 integrate those services into the managed health care provider
53-27 network.

53-28 (c) In contracting for implementation of the managed health
53-29 care plan, the department [~~committee~~], to the extent possible,
53-30 shall integrate the managed health care provider network with the
53-31 public medical schools of this state and the component and
53-32 affiliated hospitals of those medical schools. The contract must
53-33 authorize The University of Texas Medical Branch at Galveston to
53-34 contract directly with the Texas Tech University Health Sciences
53-35 Center for the provision of health care services. The Texas Tech
53-36 University Health Sciences Center shall cooperate with The
53-37 University of Texas Medical Branch at Galveston in its efforts to
53-38 participate in the purchase of prescription drugs under Section
53-39 340B, Public Health Service Act (42 U.S.C. Section 256b).

53-40 (d) For services that the public medical schools and their
53-41 components and affiliates cannot provide, the department
53-42 [~~committee~~] shall initiate a competitive bidding process for
53-43 contracts with other providers for medical care to persons confined
53-44 by the department.

53-45 (e) The department, in cooperation with the committee, may
53-46 contract with an individual or firm for a biennial review of, and
53-47 report concerning, expenditures under the managed health care plan.
53-48 The review must be conducted by an individual or firm experienced in
53-49 auditing the state's Medicaid expenditures and other medical
53-50 expenditures. Not later than September 1 of each even-numbered
53-51 year, the department shall submit a copy of a report under this
53-52 section to the health care providers that are part of the managed
53-53 health care provider network established under this subchapter, the
53-54 Legislative Budget Board, the governor, the lieutenant governor,
53-55 and the speaker of the house of representatives.

53-56 SECTION 52.05. Subsection (a), Section 501.148, Government
53-57 Code, is amended to read as follows:

53-58 (a) The committee may [~~shall~~]:

53-59 (1) develop statewide policies for the delivery of
53-60 correctional health care;

53-61 (2) [~~maintain contracts for health care services in~~
53-62 ~~consultation with the department and the health care providers,~~

53-63 [(3)] communicate with the department and the
53-64 legislature regarding the financial needs of the correctional
53-65 health care system;

53-66 (3) in conjunction with the department,
53-67 [~~(4) allocate funding made available through legislative~~
53-68 ~~appropriations for correctional health care,~~

53-69 [(5)] monitor the expenditures of The University of

54-1 Texas Medical Branch at Galveston and the Texas Tech University
 54-2 Health Sciences Center to ensure that those expenditures comply
 54-3 with applicable statutory and contractual requirements;

54-4 (4) [~~(6)~~] serve as a dispute resolution forum in the
 54-5 event of a disagreement relating to inmate health care services
 54-6 between:

54-7 (A) the department and the health care providers;
 54-8 or

54-9 (B) The University of Texas Medical Branch at
 54-10 Galveston and the Texas Tech University Health Sciences Center;

54-11 (5) [~~(7)~~] address problems found through monitoring
 54-12 activities by the department and health care providers, including
 54-13 requiring corrective action if care does not meet expectations as
 54-14 determined by those monitoring activities;

54-15 (6) [~~(8)~~] identify and address long-term needs of the
 54-16 correctional health care system; and

54-17 (7) [~~(9)~~] report to the Texas Board of Criminal
 54-18 Justice at the board's regularly scheduled meeting each quarter on
 54-19 the committee's policy recommendations [~~decisions~~], the financial
 54-20 status of the correctional health care system, and corrective
 54-21 actions taken by or required of the department or the health care
 54-22 providers.

54-23 SECTION 52.06. (a) The Correctional Managed Health Care
 54-24 Committee established under Section 501.133, Government Code, as
 54-25 that section existed before amendment by this article, is abolished
 54-26 effective November 30, 2011.

54-27 (b) An appointing official under Section 501.133,
 54-28 Government Code, shall appoint the members of the Correctional
 54-29 Managed Health Care Committee under Section 501.133, Government
 54-30 Code, as amended by this Act, not later than November 30, 2011. The
 54-31 governor shall appoint one public member to serve a term that
 54-32 expires February 1, 2013, and one public member to serve a term that
 54-33 expires February 1, 2015.

54-34 (c) The term of a person who is serving as a member of the
 54-35 Correctional Managed Health Care Committee immediately before the
 54-36 abolition of that committee under Subsection (a) of this section
 54-37 expires on November 30, 2011. Such a person is eligible for
 54-38 appointment by an appointing official to the new committee under
 54-39 Section 501.133, Government Code, as amended by this article.

54-40 ARTICLE 53. GENERAL HOUSING MATTERS

54-41 SECTION 53.01. Section 481.078, Government Code, is amended
 54-42 by amending Subsection (c) and adding Subsection (d-1) to read as
 54-43 follows:

54-44 (c) Except as provided by Subsections [~~Subsection~~] (d) and
 54-45 (d-1), the fund may be used only for economic development,
 54-46 infrastructure development, community development, job training
 54-47 programs, and business incentives.

54-48 (d-1) The fund may be used for the Texas homeless housing
 54-49 and services program administered by the Texas Department of
 54-50 Housing and Community Affairs. Subsections (e-1), (f), (g), (h),
 54-51 (i), and (j) and Section 481.080 do not apply to a grant awarded for
 54-52 a purpose specified by this subsection.

54-53 SECTION 53.02. Section 481.079, Government Code, is amended
 54-54 by adding Subsection (a-1) to read as follows:

54-55 (a-1) For grants awarded for a purpose specified by Section
 54-56 481.078(d-1), the report must include only the amount and purpose
 54-57 of each grant.

54-58 SECTION 53.03. Subchapter K, Chapter 2306, Government Code,
 54-59 is amended by adding Section 2306.2585 to read as follows:

54-60 Sec. 2306.2585. HOMELESS HOUSING AND SERVICES PROGRAM.

54-61 (a) The department may administer a homeless housing and services
 54-62 program in each municipality in this state with a population of
 54-63 285,500 or more to:

54-64 (1) provide for the construction, development, or
 54-65 procurement of housing for homeless persons; and

54-66 (2) provide local programs to prevent and eliminate
 54-67 homelessness.

54-68 (b) The department may adopt rules to govern the
 54-69 administration of the program, including rules that:

55-1 (1) provide for the allocation of any available
 55-2 funding; and

55-3 (2) provide detailed guidelines as to the scope of the
 55-4 local programs in the municipalities described by Subsection (a).

55-5 (c) The department may use any available revenue, including
 55-6 legislative appropriations, and shall solicit and accept gifts and
 55-7 grants for the purposes of this section. The department shall use
 55-8 gifts and grants received for the purposes of this section before
 55-9 using any other revenue.

55-10 SECTION 53.04. This article takes effect immediately if
 55-11 this Act receives a vote of two-thirds of all the members elected to
 55-12 each house, as provided by Section 39, Article III, Texas
 55-13 Constitution. If this Act does not receive the vote necessary for
 55-14 immediate effect, this article takes effect on the 91st day after
 55-15 the last day of the legislative session.

55-16 ARTICLE 54. UNIFORM GRANT AND CONTRACT MANAGEMENT

55-17 SECTION 54.01. Section 783.004, Government Code, is amended
 55-18 to read as follows:

55-19 Sec. 783.004. OFFICE OF THE COMPTROLLER [~~GOVERNOR'S~~
 55-20 ~~OFFICE~~]. The office of the comptroller [~~governor's office~~] is the
 55-21 state agency for uniform grant and contract management.

55-22 SECTION 54.02. Subsections (a) and (b), Section 783.005,
 55-23 Government Code, are amended to read as follows:

55-24 (a) The comptroller [~~governor's office~~] shall develop
 55-25 uniform and concise language for any assurances that a local
 55-26 government is required to make to a state agency.

55-27 (b) The comptroller [~~governor's office~~] may:

55-28 (1) categorize assurances according to the type of
 55-29 grant or contract;

55-30 (2) designate programs to which the assurances are
 55-31 applicable; and

55-32 (3) revise the assurances.

55-33 SECTION 54.03. Section 783.006, Government Code, is amended
 55-34 to read as follows:

55-35 Sec. 783.006. STANDARD FINANCIAL MANAGEMENT CONDITIONS.

55-36 (a) The comptroller [~~governor's office~~] shall compile and
 55-37 distribute to each state agency an official compilation of standard
 55-38 financial management conditions.

55-39 (b) The comptroller [~~governor's office~~] shall develop the
 55-40 compilation from Federal Management Circular A-102 or from a
 55-41 revision of that circular and from other applicable statutes and
 55-42 regulations.

55-43 (c) The comptroller [~~governor's office~~] shall include in
 55-44 the compilation official commentary regarding administrative or
 55-45 judicial interpretations that affect the application of financial
 55-46 management standards.

55-47 (d) The comptroller [~~governor's office~~] may:

55-48 (1) categorize the financial management conditions
 55-49 according to the type of grant or contract;

55-50 (2) designate programs to which the conditions are
 55-51 applicable; and

55-52 (3) revise the conditions.

55-53 SECTION 54.04. Subsection (d), Section 783.007, Government
 55-54 Code, is amended to read as follows:

55-55 (d) The agency shall file a notice of each proposed rule
 55-56 that establishes a variation from uniform assurances or standard
 55-57 conditions with the comptroller [~~governor's office~~].

55-58 SECTION 54.05. Subsection (b), Section 783.008, Government
 55-59 Code, is amended to read as follows:

55-60 (b) On receipt of a request for a single audit or audit
 55-61 coordination, the comptroller [~~governor's office~~] in consultation
 55-62 with the state auditor shall not later than the 30th day after the
 55-63 date of the request designate a single state agency to coordinate
 55-64 state audits of the local government.

55-65 ARTICLE 55. FRANCHISE TAX APPLICABILITY AND EXCLUSIONS

55-66 SECTION 55.01. Section 171.0001, Tax Code, is amended by
 55-67 adding Subdivisions (1-a), (10-a), (10-b), and (11-b) to read as
 55-68 follows:

55-69 (1-a) "Artist" means a natural person or an entity that

56-1 contracts to perform or entertain at a live entertainment event.

56-2 (10-a) "Live entertainment event" means an event that
 56-3 occurs on a specific date to which tickets are sold in advance by a
 56-4 third-party vendor and at which:

56-5 (A) a natural person or a group of natural
 56-6 persons, physically present at the venue, performs for the purpose
 56-7 of entertaining a ticket holder who is present at the event;

56-8 (B) a traveling circus or animal show performs
 56-9 for the purpose of entertaining a ticket holder who is present at
 56-10 the event; or

56-11 (C) a historical, museum-quality artifact is on
 56-12 display in an exhibition.

56-13 (10-b) "Live event promotion services" means services
 56-14 related to the promotion, coordination, operation, or management of
 56-15 a live entertainment event. The term includes services related to:

56-16 (A) the provision of staff for the live
 56-17 entertainment event; or

56-18 (B) the scheduling and promotion of an artist
 56-19 performing or entertaining at the live entertainment event.

56-20 (11-b) "Qualified live event promotion company" means
 56-21 a taxable entity that:

56-22 (A) receives at least 60 percent of the entity's
 56-23 annual total revenue from the provision or arrangement for the
 56-24 provision of three or more live event promotion services;

56-25 (B) maintains a permanent nonresidential office
 56-26 from which the live event promotion services are provided or
 56-27 arranged;

56-28 (C) employs 10 or more full-time employees during
 56-29 all or part of the period for which taxable margin is calculated;

56-30 (D) does not provide services for a wedding or
 56-31 carnival; and

56-32 (E) is not a movie theater.

56-33 SECTION 55.02. Subsection (c), Section 171.0002, Tax Code,
 56-34 is amended to read as follows:

56-35 (c) "Taxable entity" does not include an entity that is:

56-36 (1) a grantor trust as defined by Sections 671 and
 56-37 7701(a)(30)(E), Internal Revenue Code, all of the grantors and
 56-38 beneficiaries of which are natural persons or charitable entities
 56-39 as described in Section 501(c)(3), Internal Revenue Code, excluding
 56-40 a trust taxable as a business entity pursuant to Treasury
 56-41 Regulation Section 301.7701-4(b);

56-42 (2) an estate of a natural person as defined by Section
 56-43 7701(a)(30)(D), Internal Revenue Code, excluding an estate taxable
 56-44 as a business entity pursuant to Treasury Regulation Section
 56-45 301.7701-4(b);

56-46 (3) an escrow;

56-47 (4) a real estate investment trust (REIT) as defined
 56-48 by Section 856, Internal Revenue Code, and its "qualified REIT
 56-49 subsidiary" entities as defined by Section 856(i)(2), Internal
 56-50 Revenue Code, provided that:

56-51 (A) a REIT with any amount of its assets in direct
 56-52 holdings of real estate, other than real estate it occupies for
 56-53 business purposes, as opposed to holding interests in limited
 56-54 partnerships or other entities that directly hold the real estate,
 56-55 is a taxable entity; and

56-56 (B) a limited partnership or other entity that
 56-57 directly holds the real estate as described in Paragraph (A) is not
 56-58 exempt under this subdivision, without regard to whether a REIT
 56-59 holds an interest in it;

56-60 (5) a real estate mortgage investment conduit (REMIC),
 56-61 as defined by Section 860D, Internal Revenue Code;

56-62 (6) a nonprofit self-insurance trust created under
 56-63 Chapter 2212, Insurance Code, or a predecessor statute;

56-64 (7) a trust qualified under Section 401(a), Internal
 56-65 Revenue Code; ~~or~~

56-66 (8) a trust or other entity that is exempt under
 56-67 Section 501(c)(9), Internal Revenue Code; or

56-68 (9) an unincorporated entity organized as a political
 56-69 committee under the Election Code or the provisions of the Federal

57-1 Election Campaign Act of 1971 (2 U.S.C. Section 431 et seq.).

57-2 SECTION 55.03. Section 171.1011, Tax Code, is amended by
 57-3 adding Subsections (g-5) and (g-7) to read as follows:

57-4 (g-5) A taxable entity that is a qualified live event
 57-5 promotion company shall exclude from its total revenue, to the
 57-6 extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3), a
 57-7 payment made to an artist in connection with the provision of a live
 57-8 entertainment event or live event promotion services.

57-9 (g-7) A taxable entity that is a qualified courier and
 57-10 logistics company shall exclude from its total revenue, to the
 57-11 extent included under Subsection (c)(1)(A), (c)(2)(A), or (c)(3),
 57-12 subcontracting payments made by the taxable entity to nonemployee
 57-13 agents for the performance of delivery services on behalf of the
 57-14 taxable entity. For purposes of this subsection, "qualified
 57-15 courier and logistics company" means a taxable entity that:

57-16 (1) receives at least 80 percent of the taxable
 57-17 entity's annual total revenue from its entire business from a
 57-18 combination of at least two of the following courier and logistics
 57-19 services:

57-20 (A) expedited same-day delivery of an envelope,
 57-21 package, parcel, roll of architectural drawings, box, or pallet;

57-22 (B) temporary storage and delivery of the
 57-23 property of another entity, including an envelope, package, parcel,
 57-24 roll of architectural drawings, box, or pallet; and

57-25 (C) brokerage of same-day or expedited courier
 57-26 and logistics services to be completed by a person or entity under a
 57-27 contract that includes a contractual obligation by the taxable
 57-28 entity to make payments to the person or entity for those services;

57-29 (2) during the period on which margin is based, is
 57-30 registered as a motor carrier under Chapter 643, Transportation
 57-31 Code, and if the taxable entity operates on an interstate basis, is
 57-32 registered as a motor carrier or broker under the unified carrier
 57-33 registration system, as defined by Section 643.001, Transportation
 57-34 Code, during that period;

57-35 (3) maintains an automobile liability insurance
 57-36 policy covering individuals operating vehicles owned, hired, or
 57-37 otherwise used in the taxable entity's business, with a combined
 57-38 single limit for each occurrence of at least \$1 million;

57-39 (4) maintains at least \$25,000 of cargo insurance;

57-40 (5) maintains a permanent nonresidential office from
 57-41 which the courier and logistics services are provided or arranged;

57-42 (6) has at least five full-time employees during the
 57-43 period on which margin is based;

57-44 (7) is not doing business as a livery service, floral
 57-45 delivery service, motor coach service, taxicab service, building
 57-46 supply delivery service, water supply service, fuel or energy
 57-47 supply service, restaurant supply service, commercial moving and
 57-48 storage company, or overnight delivery service; and

57-49 (8) is not delivering items that the taxable entity or
 57-50 an affiliated entity sold.

57-51 SECTION 55.04. This article applies only to a report
 57-52 originally due on or after January 1, 2012.

57-53 SECTION 55.05. This article takes effect January 1, 2012.

57-54 ARTICLE 56. ENTERPRISE AND EMERGING TECHNOLOGY FUNDS

57-55 SECTION 56.01. Section 481.078, Government Code, is amended
 57-56 by amending Subsections (e) and (j) and adding Subsections (f-1),
 57-57 (f-2), and (h-1) to read as follows:

57-58 (e) The administration of the fund is considered to be a
 57-59 trusteed program within the office of the governor. The governor
 57-60 may negotiate on behalf of the state regarding awarding, by grant,
 57-61 money appropriated from the fund. The governor may award money
 57-62 appropriated from the fund only with the [~~express written~~] prior
 57-63 approval of the lieutenant governor and speaker of the house of
 57-64 representatives. For purposes of this subsection, an award of
 57-65 money appropriated from the fund is considered disapproved by the
 57-66 lieutenant governor or speaker of the house of representatives if
 57-67 that officer does not approve the proposal to award the grant before
 57-68 the 91st day after the date of receipt of the proposal from the
 57-69 governor. The lieutenant governor or the speaker of the house of

58-1 representatives may extend the review deadline applicable to that
 58-2 officer for an additional 14 days by submitting a written notice to
 58-3 that effect to the governor before the expiration of the initial
 58-4 review period.

58-5 (f-1) A grant agreement must contain a provision:

58-6 (1) requiring the creation of a minimum number of jobs
 58-7 in this state; and

58-8 (2) specifying the date by which the recipient intends
 58-9 to create those jobs.

58-10 (f-2) A grant agreement must contain a provision providing
 58-11 that if the recipient does not meet job creation performance
 58-12 targets as of the dates specified in the agreement, the recipient
 58-13 shall repay the grant in accordance with Subsection (j).

58-14 (h-1) At least 14 days before the date the governor intends
 58-15 to amend a grant agreement, the governor shall notify and provide a
 58-16 copy of the proposed amendment to the speaker of the house of
 58-17 representatives and the lieutenant governor.

58-18 (j) Repayment of a grant under Subsection (f)(1)(A) shall
 58-19 [may] be prorated to reflect a partial attainment of job creation
 58-20 performance targets, and may be prorated for a partial attainment
 58-21 of other performance targets.

58-22 SECTION 56.02. Subsections (a) and (b), Section 490.005,
 58-23 Government Code, are amended to read as follows:

58-24 (a) Not later than January 31 [~~1~~] of each year, the governor
 58-25 shall submit to the lieutenant governor, the speaker of the house of
 58-26 representatives, and the standing committee of each house of the
 58-27 legislature with primary jurisdiction over economic development
 58-28 matters and post on the office of the governor's Internet website a
 58-29 report that includes the following information regarding awards
 58-30 made under the fund during each [~~for the~~] preceding [~~three~~] state
 58-31 fiscal year [~~years~~]:

58-32 (1) the total number and amount of awards made;

58-33 (2) the number and amount of awards made under
 58-34 Subchapters D, E, and F;

58-35 (3) the aggregate total of private sector investment,
 58-36 federal government funding, and contributions from other sources
 58-37 obtained in connection with awards made under each of the
 58-38 subchapters listed in Subdivision (2);

58-39 (4) the name of each award recipient and the amount of
 58-40 the award made to the recipient; and

58-41 (5) a brief description of the equity position that
 58-42 the governor, on behalf of the state, may take in companies
 58-43 receiving awards and the names of the companies in which the state
 58-44 has taken an equity position.

58-45 (b) The annual report must also contain:

58-46 (1) the total number of jobs actually created by each
 58-47 project receiving funding under this chapter;

58-48 (2) an analysis of the number of jobs actually created
 58-49 by each project receiving funding under this chapter; and

58-50 (3) a brief description regarding:

58-51 (A) the methodology used to determine the
 58-52 information provided under Subdivisions (1) and (2), which may be
 58-53 developed in consultation with the comptroller's office;

58-54 (B) [~~(1)~~] the intended outcomes of projects
 58-55 funded under Subchapter D during each [~~the~~] preceding [~~two~~] state
 58-56 fiscal year [~~years~~]; and

58-57 (C) [~~(2)~~] the actual outcomes of all projects
 58-58 funded under Subchapter D during each preceding state fiscal year
 58-59 [~~the fund's existence~~], including any financial impact on the state
 58-60 resulting from a liquidity event involving a company whose project
 58-61 was funded under that subchapter.

58-62 SECTION 56.03. Subchapter A, Chapter 490, Government Code,
 58-63 is amended by adding Section 490.006 to read as follows:

58-64 Sec. 490.006. VALUATION OF INVESTMENTS; INCLUSION IN ANNUAL
 58-65 REPORT. To the maximum extent practicable, the office of the
 58-66 governor shall annually perform a valuation of the equity positions
 58-67 taken by the governor, on behalf of the state, in companies
 58-68 receiving awards under the fund and of other investments made by the
 58-69 governor, on behalf of the state, in connection with an award under

59-1 the fund. The valuation must:

59-2 (1) be based on a methodology that:

59-3 (A) may be developed in consultation with the
59-4 comptroller's office; and

59-5 (B) is consistent with generally accepted
59-6 accounting principles; and

59-7 (2) be included with the annual report required under
59-8 Section 490.005.

59-9 SECTION 56.04. The heading to Section 490.052, Government
59-10 Code, is amended to read as follows:

59-11 Sec. 490.052. APPOINTMENT TO COMMITTEE [~~BY GOVERNOR~~];
59-12 NOMINATIONS.

59-13 SECTION 56.05. Section 490.052, Government Code, is amended
59-14 by amending Subsection (a) and adding Subsections (a-1) and (a-2)
59-15 to read as follows:

59-16 (a) The governor shall appoint to the committee 13
59-17 individuals nominated as provided by Subsection (b).

59-18 (a-1) The lieutenant governor shall appoint two individuals
59-19 to the committee.

59-20 (a-2) The speaker of the house of representatives shall
59-21 appoint two individuals to the committee.

59-22 SECTION 56.06. Subchapter B, Chapter 490, Government Code,
59-23 is amended by adding Section 490.0521 to read as follows:

59-24 Sec. 490.0521. FINANCIAL STATEMENT REQUIRED. (a) Each
59-25 member of the committee shall file with the office of the governor a
59-26 verified financial statement complying with Sections
59-27 572.022-572.0252 as is required of a state officer by Section
59-28 572.021.

59-29 (b) All information obtained and maintained pursuant to
59-30 Subsection (a), including information derived from the financial
59-31 statements, is confidential and is not subject to disclosure under
59-32 Chapter 552.

59-33 (c) The governor, on request or in the normal course of
59-34 official business, shall provide information that is confidential
59-35 under Subsection (b) to the state auditor's office.

59-36 (d) This section does not affect release of information for
59-37 legislative purposes pursuant to Section 552.008.

59-38 SECTION 56.07. Section 490.054, Government Code, is amended
59-39 to read as follows:

59-40 Sec. 490.054. TERMS. (a) Members of the committee
59-41 appointed by the governor serve staggered two-year terms, subject
59-42 to the pleasure of the governor.

59-43 (b) Members of the committee appointed by the lieutenant
59-44 governor or the speaker of the house of representatives serve
59-45 two-year terms.

59-46 SECTION 56.08. Section 490.056, Government Code, is amended
59-47 by adding Subsections (c), (d), and (e) to read as follows:

59-48 (c) Each entity recommended by the committee for an award of
59-49 money from the fund as provided by this chapter shall obtain and
59-50 provide the following information to the office of the governor:

59-51 (1) a federal criminal history background check for
59-52 each principal of the entity;

59-53 (2) a state criminal history background check for each
59-54 principal of the entity;

59-55 (3) a credit check for each principal of the entity;

59-56 (4) a copy of a government-issued form of photo
59-57 identification for each principal of the entity; and

59-58 (5) information regarding whether the entity or a
59-59 principal of the entity has ever been subject to a sanction imposed
59-60 by the Securities and Exchange Commission for a violation of
59-61 applicable federal law.

59-62 (d) For purposes of Subsection (c), "principal" means:

59-63 (1) an officer of an entity; or

59-64 (2) a person who has at least a 10 percent ownership
59-65 interest in an entity.

59-66 (e) With each proposal to award funding submitted by the
59-67 governor to the lieutenant governor and speaker of the house of
59-68 representatives for purposes of obtaining prior approval, the
59-69 governor shall provide each officer with a copy of the information

60-1 provided by the appropriate entity under Subsection (c).

60-2 SECTION 56.09. Section 490.057, Government Code, is amended
60-3 to read as follows:

60-4 Sec. 490.057. CONFIDENTIALITY. (a) Except as provided by
60-5 Subsection (b), information [~~Information~~] collected by the
60-6 governor's office, the committee, or the committee's advisory
60-7 panels concerning the identity, background, finance, marketing
60-8 plans, trade secrets, or other commercially or academically
60-9 sensitive information of an individual or entity being considered
60-10 for, receiving, or having received an award from the fund is
60-11 confidential unless the individual or entity consents to disclosure
60-12 of the information.

60-13 (b) The following information collected by the governor's
60-14 office, the committee, or the committee's advisory panels under
60-15 this chapter is public information and may be disclosed under
60-16 Chapter 552:

60-17 (1) the name and address of an individual or entity
60-18 receiving or having received an award from the fund;

60-19 (2) the amount of funding received by an award
60-20 recipient;

60-21 (3) a brief description of the project that is funded
60-22 under this chapter;

60-23 (4) if applicable, a brief description of the equity
60-24 position that the governor, on behalf of the state, has taken in an
60-25 entity that has received an award from the fund; and

60-26 (5) any other information designated by the committee
60-27 with the consent of:

60-28 (A) the individual or entity receiving or having
60-29 received an award from the fund, as applicable;

60-30 (B) the governor;

60-31 (C) the lieutenant governor; and

60-32 (D) the speaker of the house of representatives.

60-33 SECTION 56.10. Section 490.101, Government Code, is amended
60-34 by amending Subsection (f) and adding Subsection (f-1) to read as
60-35 follows:

60-36 (f) The administration of the fund is considered to be a
60-37 trusteed program within the office of the governor. The governor
60-38 may negotiate on behalf of the state regarding awards from the
60-39 fund. The governor may award money appropriated from the fund only
60-40 with the [~~express written~~] prior approval of the lieutenant
60-41 governor and speaker of the house of representatives.

60-42 (f-1) For purposes of Subsection (f), an award of money
60-43 appropriated from the fund is considered disapproved by the
60-44 lieutenant governor or speaker of the house of representatives if
60-45 that officer does not approve the proposal to award funding before
60-46 the 91st day after the date of receipt of the proposal from the
60-47 governor. The lieutenant governor or the speaker of the house of
60-48 representatives may extend the review deadline applicable to that
60-49 officer for an additional 14 days by submitting a written notice to
60-50 that effect to the governor before the expiration of the initial
60-51 review period.

60-52 SECTION 56.11. Subchapter D, Chapter 490, Government Code,
60-53 is amended by adding Section 490.1521 to read as follows:

60-54 Sec. 490.1521. MINUTES OF CERTAIN MEETINGS. (a) Each
60-55 regional center of innovation and commercialization established
60-56 under Section 490.152, including the Texas Life Science Center for
60-57 Innovation and Commercialization, shall keep minutes of each
60-58 meeting at which applications for funding under this subchapter are
60-59 evaluated. The minutes must:

60-60 (1) include the name of each applicant recommended by
60-61 the regional center of innovation and commercialization to the
60-62 committee for funding; and

60-63 (2) indicate the vote of each member of the governing
60-64 body of the regional center of innovation and commercialization,
60-65 including any recusal by a member and the member's reason for
60-66 recusal, with regard to each application reviewed.

60-67 (b) Each regional center of innovation and
60-68 commercialization shall retain a copy of the minutes of each
60-69 meeting to which this section applies for at least three years.

61-1 SECTION 56.12. Section 203.021, Labor Code, is amended by
61-2 adding Subsection (e) to read as follows:

61-3 (e) Money in the compensation fund may not be transferred to
61-4 the:

61-5 (1) Texas Enterprise Fund created under Section
61-6 481.078, Government Code; or

61-7 (2) Texas emerging technology fund established under
61-8 Section 490.101, Government Code.

61-9 SECTION 56.13. Section 204.123, Labor Code, is amended to
61-10 read as follows:

61-11 Sec. 204.123. TRANSFER TO [~~TEXAS ENTERPRISE FUND,~~] SKILLS
61-12 DEVELOPMENT FUND, TRAINING STABILIZATION FUND, AND COMPENSATION
61-13 FUND. (a) If, on September 1 of a year, the commission determines
61-14 that the amount in the compensation fund will exceed 100 percent of
61-15 its floor as computed under Section 204.061 on the next October 1
61-16 computation date, the commission shall transfer from the holding
61-17 fund created under Section 204.122:

61-18 (1) [~~from the first \$160 million deposited in the~~
61-19 ~~holding fund in any state fiscal biennium:~~

61-20 [~~(A) during the state fiscal biennium ending~~
61-21 ~~August 31, 2007:~~

61-22 [~~(i) 67 percent to the Texas Enterprise~~
61-23 ~~Fund created under Section 481.078, Government Code, except that~~
61-24 ~~the amount transferred under this paragraph may not exceed the~~
61-25 ~~amount appropriated by the legislature to the Texas Enterprise Fund~~
61-26 ~~in that biennium; and~~

61-27 [~~(ii) 33 percent to the skills development~~
61-28 ~~fund created under Section 303.003, except that the amount~~
61-29 ~~transferred under this paragraph may not exceed the amount~~
61-30 ~~appropriated by the legislature to the skills development program~~
61-31 ~~strategies and activities in that biennium; and~~

61-32 [~~(B)] during any state fiscal biennium beginning~~
61-33 ~~on or after September 1, 2007, 100 [+~~

61-34 [~~(i) 75 percent to the Texas Enterprise~~
61-35 ~~Fund created under Section 481.078, Government Code, except that~~
61-36 ~~the amount transferred under this paragraph may not exceed the~~
61-37 ~~amount appropriated by the legislature to the Texas Enterprise Fund~~
61-38 ~~in that biennium; and~~

61-39 [~~(ii) 25] percent to the skills development~~
61-40 ~~fund created under Section 303.003, except that the amount~~
61-41 ~~transferred under this subdivision [paragraph] may not exceed the~~
61-42 ~~amount appropriated by the legislature to the skills development~~
61-43 ~~program strategies and activities in that biennium; and~~

61-44 (2) any remaining amount in the holding fund after the
61-45 distribution under Subdivision (1) to the training stabilization
61-46 fund created under Section 302.101.

61-47 (b) If, on September 1 of a year, the commission determines
61-48 that the amount in the compensation fund will be at or below 100
61-49 percent of its floor as computed under Section 204.061 on the next
61-50 October 1 computation date, the commission shall transfer to the
61-51 compensation fund as much of the amount in the holding fund as is
61-52 necessary to raise the amount in the compensation fund to 100
61-53 percent of its floor, up to and including the entire amount in the
61-54 holding fund. The commission shall transfer any remaining balance
61-55 in the holding fund to the [~~Texas Enterprise Fund, the~~] skills
61-56 ~~development fund[7] and the training stabilization fund~~ in the
61-57 manner [~~in the percentages] prescribed by Subsection (a).~~

61-58 SECTION 56.14. Subsections (b) and (c), Section 302.101,
61-59 Labor Code, are amended to read as follows:

61-60 (b) Money in the training stabilization fund may be used in
61-61 a year in which the amounts in the employment and training
61-62 investment holding fund are insufficient to meet the legislative
61-63 appropriation for that fiscal year for [~~either the Texas Enterprise~~
61-64 ~~Fund or] the skills development program strategies and activities.~~

61-65 (c) Money in the training stabilization fund shall be
61-66 transferred to the [~~Texas Enterprise Fund and the] skills~~
61-67 ~~development fund under Subsection (b) not later than September~~
61-68 ~~30. [The transfer under Subsection (b) shall consist of~~
61-69 ~~transferring 67 percent of the money in the training stabilization~~

62-1 ~~fund to the Texas Enterprise Fund and 33 percent of the money in the~~
 62-2 ~~training stabilization fund to the skills development fund.]~~ The
 62-3 amount transferred from the training stabilization fund may not
 62-4 exceed the amounts appropriated to the [~~Texas Enterprise Fund and~~]
 62-5 skills development program strategies and activities in the fiscal
 62-6 year in which the transfer is made.

62-7 SECTION 56.15. Subsection (e), Section 481.078, and
 62-8 Subsection (f), Section 490.101, Government Code, as amended by
 62-9 this article, and Subsection (f-1), Section 490.101, Government
 62-10 Code, as added by this article, apply only to a proposal for an
 62-11 award from the Texas Enterprise Fund or Texas emerging technology
 62-12 fund submitted by the governor to the lieutenant governor or
 62-13 speaker of the house of representatives for prior approval on or
 62-14 after the effective date of this article. A proposal submitted by
 62-15 the governor for prior approval before the effective date of this
 62-16 article is governed by the law in effect on the date the proposal
 62-17 was submitted for that approval, and the former law is continued in
 62-18 effect for that purpose.

62-19 SECTION 56.16. Subsection (j), Section 481.078, Government
 62-20 Code, as amended by this article, and Subsections (f-1) and (f-2),
 62-21 Section 481.078, Government Code, as added by this article, apply
 62-22 only to a grant agreement that is entered into on or after the
 62-23 effective date of this article. A grant agreement that is entered
 62-24 into before the effective date of this article is governed by the
 62-25 law in effect on the date the agreement was entered into, and the
 62-26 former law is continued in effect for that purpose.

62-27 SECTION 56.17. (a) The terms of the members of the Texas
 62-28 Emerging Technology Advisory Committee serving immediately before
 62-29 the effective date of this article expire on the 91st day after the
 62-30 last day of the legislative session.

62-31 (b) As soon as practicable after this article takes effect,
 62-32 the governor, lieutenant governor, and speaker of the house of
 62-33 representatives shall appoint members to the Texas Emerging
 62-34 Technology Advisory Committee established under Subchapter B,
 62-35 Chapter 490, Government Code, in a manner that complies with that
 62-36 subchapter, as amended by this article.

62-37 (c) At the first meeting of members of the Texas Emerging
 62-38 Technology Advisory Committee established under Subchapter B,
 62-39 Chapter 490, Government Code, as amended by this article, occurring
 62-40 on or after the 91st day after the last day of the legislative
 62-41 session, the members appointed by the governor shall draw lots to
 62-42 determine which six members will serve a term expiring September 1,
 62-43 2012, and which seven members will serve a term expiring September
 62-44 1, 2013.

62-45 ARTICLE 57. AD VALOREM TAXATION OF LAND USED TO RAISE OR KEEP BEES

62-46 SECTION 57.01. Subdivision (2), Section 23.51, Tax Code, is
 62-47 amended to read as follows:

62-48 (2) "Agricultural use" includes but is not limited to
 62-49 the following activities: cultivating the soil, producing crops
 62-50 for human food, animal feed, or planting seed or for the production
 62-51 of fibers; floriculture, viticulture, and horticulture; raising
 62-52 or keeping livestock; raising or keeping exotic animals for the
 62-53 production of human food or of fiber, leather, pelts, or other
 62-54 tangible products having a commercial value; planting cover crops
 62-55 or leaving land idle for the purpose of participating in a
 62-56 governmental program, provided the land is not used for residential
 62-57 purposes or a purpose inconsistent with agricultural use; and
 62-58 planting cover crops or leaving land idle in conjunction with
 62-59 normal crop or livestock rotation procedure. The term also
 62-60 includes the use of land to produce or harvest logs and posts for
 62-61 the use in constructing or repairing fences, pens, barns, or other
 62-62 agricultural improvements on adjacent qualified open-space land
 62-63 having the same owner and devoted to a different agricultural use.
 62-64 The term also includes the use of land for wildlife management. The
 62-65 term also includes the use of land to raise or keep bees for
 62-66 pollination or for the production of human food or other tangible
 62-67 products having a commercial value, provided that the land used is
 62-68 not less than 5 or more than 20 acres.

62-69 SECTION 57.02. This article applies only to the appraisal

63-1 of land for ad valorem tax purposes for a tax year that begins on or
 63-2 after the effective date of this Act.

63-3 ARTICLE 58. PLACE OF BUSINESS OF A RETAILER FOR SALES TAX PURPOSES
 63-4 SECTION 58.01. Subdivision (3), Subsection (a), Section
 63-5 321.002, Tax Code, is amended to read as follows:

63-6 (3) "Place of business of the retailer" means an
 63-7 established outlet, office, or location operated by the retailer or
 63-8 the retailer's agent or employee for the purpose of receiving
 63-9 orders for taxable items and includes any location at which three or
 63-10 more orders are received by the retailer during a calendar year. A
 63-11 warehouse, storage yard, or manufacturing plant is not a "place of
 63-12 business of the retailer" unless at least three orders are received
 63-13 by the retailer during the calendar year at the warehouse, storage
 63-14 yard, or manufacturing plant. An outlet, office, facility, or any
 63-15 location that contracts with a retail or commercial business
 63-16 [engaged in activities to which this chapter applies] to process
 63-17 for that business invoices, purchase orders, [or] bills of lading,
 63-18 or other equivalent records onto which sales tax is added,
 63-19 including an office operated for the purpose of buying and selling
 63-20 taxable goods to be used or consumed by the retail or commercial
 63-21 business, is not a "place of business of the retailer" if the
 63-22 comptroller determines that the outlet, office, facility, or
 63-23 location functions or exists to avoid the tax imposed by this
 63-24 chapter or to rebate a portion of the tax imposed by this chapter to
 63-25 the contracting business. Notwithstanding any other provision of
 63-26 this subdivision, a kiosk is not a "place of business of the
 63-27 retailer." In this subdivision, "kiosk" means a small stand-alone
 63-28 area or structure that:

63-29 (A) is used solely to display merchandise or to
 63-30 submit orders for taxable items from a data entry device, or both;

63-31 (B) is located entirely within a location that is
 63-32 a place of business of another retailer, such as a department store
 63-33 or shopping mall; and

63-34 (C) at which taxable items are not available for
 63-35 immediate delivery to a customer.

63-36 SECTION 58.02. This article takes effect October 1, 2011.

63-37 ARTICLE 59. TEXAS FARM AND RANCH LANDS CONSERVATION PROGRAM

63-38 SECTION 59.01. Subsection (b), Section 183.059, Natural
 63-39 Resources Code, is amended to read as follows:

63-40 (b) To receive a grant from the fund under this subchapter,
 63-41 an applicant who is qualified to be an easement holder under this
 63-42 subchapter must submit an application to the council. The
 63-43 application must:

63-44 (1) set out the parties' clear conservation goals
 63-45 consistent with the program;

63-46 (2) include a site-specific estimate-of-value
 63-47 appraisal by a licensed appraiser qualified to determine the market
 63-48 value of the easement; and

63-49 (3) ~~demonstrate that the applicant is able to match~~
 63-50 ~~50 percent of the amount of the grant being sought, considering that~~
 63-51 ~~the council may choose to allow a donation of part of the appraised~~
 63-52 ~~value of the easement to be considered as in-kind matching funds,~~
 63-53 ~~and~~

63-54 ~~[(4)]~~ include a memorandum of understanding signed by
 63-55 the landowner and the applicant indicating intent to sell an
 63-56 agricultural conservation easement and containing the terms of the
 63-57 contract for the sale of the easement.

63-58 ARTICLE 60. CERTAIN CONTRIBUTION RATE COMPUTATIONS

63-59 SECTION 60.01. Section 815.402, Government Code, is amended
 63-60 by adding Subsections (a-1) and (h-1) to read as follows:

63-61 (a-1) Notwithstanding Subsection (a)(1), if the state
 63-62 contribution to the retirement system is computed using a
 63-63 percentage less than 6.5 percent for the state fiscal year
 63-64 beginning September 1, 2011, the member's contribution is not
 63-65 required to be computed using a percentage equal to the percentage
 63-66 used to compute the state contribution for that biennium. This
 63-67 subsection expires September 1, 2012.

63-68 (h-1) Notwithstanding Subsection (h), if the state
 63-69 contribution to the law enforcement and custodial officer

64-1 supplemental retirement fund is computed using a percentage less
 64-2 than 0.5 percent for the state fiscal year beginning September 1,
 64-3 2011, the member's contribution is not required to be computed
 64-4 using a percentage equal to the percentage used to compute the state
 64-5 contribution for that biennium. This subsection expires September
 64-6 1, 2012.

64-7 ARTICLE 61. QUINQUENNIAL REPORTING OF CERTAIN INFORMATION FOR
 64-8 UNCLAIMED PROPERTY

64-9 SECTION 61.01. Subsection (a), Section 411.0111,
 64-10 Government Code, is amended to read as follows:

64-11 (a) Not later than June 1 of every fifth ~~[each]~~ year, the
 64-12 department shall provide to the comptroller, for the purpose of
 64-13 assisting the comptroller in the identification of persons entitled
 64-14 to unclaimed property reported to the comptroller, the name,
 64-15 address, social security number, date of birth, and driver's
 64-16 license or state identification number of each person about whom
 64-17 the department has such information in its records.

64-18 SECTION 61.02. Subsection (a), Section 811.010, Government
 64-19 Code, as added by Chapter 232 (S.B. 1589), Acts of the 81st
 64-20 Legislature, Regular Session, 2009, is amended to read as follows:

64-21 (a) Not later than June 1 of every fifth ~~[each]~~ year, the
 64-22 retirement system shall provide to the comptroller, for the purpose
 64-23 of assisting the comptroller in the identification of persons
 64-24 entitled to unclaimed property reported to the comptroller, the
 64-25 name, address, social security number, and date of birth of each
 64-26 member, retiree, and beneficiary from the retirement system's
 64-27 records.

64-28 SECTION 61.03. Subsection (a), Section 821.010, Government
 64-29 Code, is amended to read as follows:

64-30 (a) Not later than June 1 of every fifth ~~[each]~~ year, the
 64-31 retirement system shall provide to the comptroller, for the purpose
 64-32 of assisting the comptroller in the identification of persons
 64-33 entitled to unclaimed property reported to the comptroller, the
 64-34 name, address, social security number, and date of birth of each
 64-35 member, retiree, and beneficiary from the retirement system's
 64-36 records.

64-37 SECTION 61.04. Subsection (a), Section 301.086, Labor Code,
 64-38 is amended to read as follows:

64-39 (a) Not later than June 1 of every fifth ~~[each]~~ year, the
 64-40 commission shall provide to the comptroller, for the purpose of
 64-41 assisting the comptroller in the identification of persons entitled
 64-42 to unclaimed property reported to the comptroller, the name,
 64-43 address, social security number, and date of birth of each person
 64-44 about whom the commission has such information in its records.

64-45 SECTION 61.05. The Department of Public Safety of the State
 64-46 of Texas, the Employees Retirement System of Texas, the Teacher
 64-47 Retirement System of Texas, and the Texas Workforce Commission
 64-48 shall provide information to the comptroller as required by
 64-49 Subsection (a), Section 411.0111, Subsection (a), Section 811.010,
 64-50 and Subsection (a), Section 821.010, Government Code, and
 64-51 Subsection (a), Section 301.086, Labor Code, as amended by this
 64-52 article, beginning in 2016.

64-53 ARTICLE 62. AD VALOREM TAXATION OF CERTAIN STORED PROPERTY

64-54 SECTION 62.01. Subsection (a), Section 11.253, Tax Code, is
 64-55 amended by amending Subdivision (2) and adding Subdivisions (5) and
 64-56 (6) to read as follows:

64-57 (2) "Goods-in-transit" means tangible personal
 64-58 property that:

64-59 (A) is acquired in or imported into this state to
 64-60 be forwarded to another location in this state or outside this
 64-61 state;

64-62 (B) is stored under a contract of bailment by a
 64-63 public warehouse operator ~~[detained]~~ at one or more public
 64-64 warehouse facilities ~~[a location]~~ in this state that are not in any
 64-65 way owned or controlled by ~~[in which]~~ the owner of the personal
 64-66 property ~~[does not have a direct or indirect ownership interest]~~
 64-67 for the account of ~~[assembling, storing, manufacturing,~~
 64-68 ~~processing, or fabricating purposes by]~~ the person who acquired or
 64-69 imported the property;

65-1 (C) is transported to another location in this
 65-2 state or outside this state not later than 175 days after the date
 65-3 the person acquired the property in or imported the property into
 65-4 this state; and

65-5 (D) does not include oil, natural gas, petroleum
 65-6 products, aircraft, dealer's motor vehicle inventory, dealer's
 65-7 vessel and outboard motor inventory, dealer's heavy equipment
 65-8 inventory, or retail manufactured housing inventory.

65-9 (5) "Bailee" and "warehouse" have the meanings
 65-10 assigned by Section 7.102, Business & Commerce Code.

65-11 (6) "Public warehouse operator" means a person that:

65-12 (A) is both a bailee and a warehouse; and

65-13 (B) stores under a contract of bailment, at one
 65-14 or more public warehouse facilities, tangible personal property
 65-15 that is owned by other persons solely for the account of those
 65-16 persons and not for the operator's account.

65-17 SECTION 62.02. Section 11.253, Tax Code, is amended by
 65-18 amending Subsections (e) and (h) and adding Subsections (j-1) and
 65-19 (j-2) to read as follows:

65-20 (e) In determining the market value of goods-in-transit
 65-21 that in the preceding year were [~~assembled,~~] stored [~~, manufactured,~~
 65-22 ~~processed, or fabricated~~] in this state, the chief appraiser shall
 65-23 exclude the cost of equipment, machinery, or materials that entered
 65-24 into and became component parts of the goods-in-transit but were
 65-25 not themselves goods-in-transit or that were not transported to
 65-26 another location in this state or outside this state before the
 65-27 expiration of 175 days after the date they were brought into this
 65-28 state by the property owner or acquired by the property owner in
 65-29 this state. For component parts held in bulk, the chief appraiser
 65-30 may use the average length of time a component part was held by the
 65-31 owner of the component parts during the preceding year at a location
 65-32 in this state that was not owned by or under the control of the owner
 65-33 of the component parts in determining whether the component parts
 65-34 were transported to another location in this state or outside this
 65-35 state before the expiration of 175 days.

65-36 (h) The chief appraiser by written notice delivered to a
 65-37 property owner who claims an exemption under this section may
 65-38 require the property owner to provide copies of property records so
 65-39 the chief appraiser can determine the amount and value of
 65-40 goods-in-transit and that the location in this state where the
 65-41 goods-in-transit were detained for storage [~~assembling, storing,~~
 65-42 ~~manufacturing, processing, or fabricating purposes~~] was not owned
 65-43 by or under the control of the owner of the goods-in-transit. If
 65-44 the property owner fails to deliver the information requested in
 65-45 the notice before the 31st day after the date the notice is
 65-46 delivered to the property owner, the property owner forfeits the
 65-47 right to claim or receive the exemption for that year.

65-48 (j-1) Notwithstanding Subsection (j) or official action
 65-49 that was taken under that subsection before October 1, 2011, to tax
 65-50 goods-in-transit exempt under Subsection (b) and not exempt under
 65-51 other law, a taxing unit may not tax such goods-in-transit in a tax
 65-52 year that begins on or after January 1, 2012, unless the governing
 65-53 body of the taxing unit takes action on or after October 1, 2011, in
 65-54 the manner required for official action by the governing body, to
 65-55 provide for the taxation of the goods-in-transit. The official
 65-56 action to tax the goods-in-transit must be taken before January 1 of
 65-57 the first tax year in which the governing body proposes to tax
 65-58 goods-in-transit. Before acting to tax the exempt property, the
 65-59 governing body of the taxing unit must conduct a public hearing as
 65-60 required by Section 1-n(d), Article VIII, Texas Constitution. If
 65-61 the governing body of a taxing unit provides for the taxation of the
 65-62 goods-in-transit as provided by this subsection, the exemption
 65-63 prescribed by Subsection (b) does not apply to that unit. The
 65-64 goods-in-transit remain subject to taxation by the taxing unit
 65-65 until the governing body of the taxing unit, in the manner required
 65-66 for official action, rescinds or repeals its previous action to tax
 65-67 goods-in-transit or otherwise determines that the exemption
 65-68 prescribed by Subsection (b) will apply to that taxing unit.

65-69 (j-2) Notwithstanding Subsection (j-1), if under Subsection

66-1 (j) the governing body of a taxing unit, before October 1, 2011,
66-2 took action to provide for the taxation of goods-in-transit and
66-3 pledged the taxes imposed on the goods-in-transit for the payment
66-4 of a debt of the taxing unit, the tax officials of the taxing unit
66-5 may continue to impose the taxes against the goods-in-transit until
66-6 the debt is discharged, if cessation of the imposition would impair
66-7 the obligation of the contract by which the debt was created.

66-8 SECTION 62.03. Subdivision (2), Subsection (a), Section
66-9 11.253, Tax Code, as amended by this article, applies only to an ad
66-10 valorem tax year that begins on or after January 1, 2012.

66-11 SECTION 62.04. (a) Except as provided by Subsection (b) of
66-12 this section, this article takes effect January 1, 2012.

66-13 (b) Section 63.02 of this article takes effect October 1,
66-14 2011.

66-15 ARTICLE 63. FISCAL MATTERS CONCERNING ADVANCED PLACEMENT

66-16 SECTION 63.01. Subsection (h), Section 28.053, Education
66-17 Code, is amended to read as follows:

66-18 (h) The commissioner may enter into agreements with the
66-19 college board and the International Baccalaureate Organization to
66-20 pay for all examinations taken by eligible public school students.
66-21 An eligible student is a student ~~[one]~~ who:

66-22 (1) takes a college advanced placement or
66-23 international baccalaureate course at a public school or who is
66-24 recommended by the student's principal or teacher to take the test;
66-25 and

66-26 (2) demonstrates financial need as determined in
66-27 accordance with guidelines adopted by the board that are consistent
66-28 with the definition of financial need adopted by the college board
66-29 or the International Baccalaureate Organization.

66-30 ARTICLE 64. FISCAL MATTERS CONCERNING TUITION EXEMPTIONS

66-31 SECTION 64.01. Subsection (c), Section 54.214, Education
66-32 Code, is amended to read as follows:

66-33 (c) To be eligible for an exemption under this section, a
66-34 person must:

- 66-35 (1) be a resident of this state;
- 66-36 (2) be a school employee serving in any capacity;
- 66-37 (3) for the initial term or semester for which the
66-38 person receives an exemption under this section, have worked as an
66-39 educational aide for at least one school year during the five years
66-40 preceding that term or semester;

66-41 (4) establish financial need as determined by
66-42 coordinating board rule;

66-43 (5) be enrolled at the institution of higher education
66-44 granting the exemption in courses required for teacher
66-45 certification in one or more subject areas determined by the Texas
66-46 Education Agency to be experiencing a critical shortage of teachers
66-47 at the public schools in this state [at the institution of higher
66-48 education granting the exemption];

66-49 (6) maintain an acceptable grade point average as
66-50 determined by coordinating board rule; and

66-51 (7) comply with any other requirements adopted by the
66-52 coordinating board under this section.

66-53 SECTION 64.02. The change in law made by this article
66-54 applies beginning with tuition and fees charged for the 2011 fall
66-55 semester. Tuition and fees charged for a term or semester before
66-56 the 2011 fall semester are covered by the law in effect during the
66-57 term or semester for which the tuition and fees are charged, and the
66-58 former law is continued in effect for that purpose.

66-59 ARTICLE 65. FISCAL MATTERS CONCERNING DUAL HIGH SCHOOL AND JUNIOR
66-60 COLLEGE CREDIT

66-61 SECTION 65.01. Subsection (c), Section 130.008, Education
66-62 Code, is amended to read as follows:

66-63 (c) The contact hours attributable to the enrollment of a
66-64 high school student in a course offered for joint high school and
66-65 junior college credit under this section, excluding a course for
66-66 which the student attending high school may receive course credit
66-67 toward the physical education curriculum requirement under Section
66-68 28.002(a)(2)(C), shall be included in the contact hours used to
66-69 determine the junior college's proportionate share of the state

67-1 money appropriated and distributed to public junior colleges under
67-2 Sections 130.003 and 130.0031, even if the junior college waives
67-3 all or part of the tuition or fees for the student under Subsection
67-4 (b).

67-5 SECTION 65.02. This article applies beginning with funding
67-6 for the 2011 fall semester.

67-7 ARTICLE 66. CLASSIFICATION OF ENTITIES AS ENGAGED IN RETAIL TRADE
67-8 FOR PURPOSES OF THE FRANCHISE TAX

67-9 SECTION 66.01. Subdivision (12), Section 171.0001, Tax
67-10 Code, is amended to read as follows:

67-11 (12) "Retail trade" means:
67-12 (A) the activities described in Division G of the
67-13 1987 Standard Industrial Classification Manual published by the
67-14 federal Office of Management and Budget; and

67-15 (B) apparel rental activities classified as
67-16 Industry 5999 or 7299 of the 1987 Standard Industrial
67-17 Classification Manual published by the federal Office of Management
67-18 and Budget.

67-19 SECTION 66.02. This article applies only to a report
67-20 originally due on or after the effective date of this Act.

67-21 SECTION 66.03. This article takes effect January 1, 2012.

67-22 ARTICLE 67. RETENTION OF CERTAIN FOUNDATION SCHOOL FUND PAYMENTS

67-23 SECTION 67.01. Subchapter E, Chapter 42, Education Code, is
67-24 amended by adding Section 42.2511 to read as follows:

67-25 Sec. 42.2511. AUTHORIZATION FOR CERTAIN DISTRICTS TO RETAIN
67-26 ADDITIONAL STATE AID. (a) This section applies only to a school
67-27 district that was provided with state aid under former Section
67-28 42.2516 for the 2009-2010 or 2010-2011 school year based on the
67-29 amount of aid to which the district would have been entitled under
67-30 that section if Section 42.2516(g), as it existed on January 1,
67-31 2009, applied to determination of the amount to which the district
67-32 was entitled for that school year.

67-33 (b) Notwithstanding any other law, a district to which this
67-34 section applies may retain the state aid provided to the district as
67-35 described by Subsection (a).

67-36 (c) This section expires September 1, 2013.

67-37 SECTION 67.02. It is the intent of the legislature that the
67-38 authorization provided by Section 42.2511, Education Code, as added
67-39 by this article, to retain state aid described by that section is
67-40 not affected by the expiration of that provision on September 1,
67-41 2013.

67-42 ARTICLE 68. THE STATE COMPRESSION PERCENTAGE

67-43 SECTION 68.01. Section 42.2516, Education Code, is amended
67-44 by adding Subsection (b-2) to read as follows:

67-45 (b-2) If a school district adopts a maintenance and
67-46 operations tax rate that is below the rate equal to the product of
67-47 the state compression percentage multiplied by the maintenance and
67-48 operations tax rate adopted by the district for the 2005 tax year,
67-49 the commissioner shall reduce the district's entitlement under this
67-50 section in proportion to the amount by which the adopted rate is
67-51 less than the rate equal to the product of the state compression
67-52 percentage multiplied by the rate adopted by the district for the
67-53 2005 tax year. The reduction required by this subsection applies
67-54 beginning with the maintenance and operations tax rate adopted for
67-55 the 2009 tax year.

67-56 ARTICLE 69. TEXAS GUARANTEED STUDENT LOAN CORPORATION; BOARD OF
67-57 DIRECTORS

67-58 SECTION 69.01. Subsections (a) and (b), Section 57.13,
67-59 Education Code, are amended to read as follows:

67-60 (a) The corporation is governed by a board of nine [~~11~~]
67-61 directors in accordance with this section.

67-62 (b) The governor, with the advice and consent of the senate,
67-63 shall appoint the [~~10~~] members of [~~10~~] the board as follows:

67-64 (1) four [~~five~~] members who must have knowledge of or
67-65 experience in finance, including management of funds or business
67-66 operations;

67-67 (2) one member who must be a student enrolled at a
67-68 postsecondary educational institution for the number of credit
67-69 hours required by the institution to be classified as a full-time

68-1 student of the institution; and

68-2 (3) four members who must be members of the faculty or
68-3 administration of a [an eligible] postsecondary educational
68-4 institution that is an eligible institution for purposes of the
68-5 Higher Education Act of 1965, as amended~~[, as defined by Section~~
68-6 ~~57.46]~~.

68-7 SECTION 69.02. Section 57.17, Education Code, is amended to
68-8 read as follows:

68-9 Sec. 57.17. OFFICERS. The governor shall designate the
68-10 chairman from among the board's membership. The board shall elect
68-11 from among its members a ~~[chairman,]~~ vice-chairman~~[,]~~ and other
68-12 officers that the board considers necessary. The chairman and
68-13 vice-chairman serve for a term of one year and may be redesignated
68-14 or reelected, as applicable.

68-15 SECTION 69.03. Subsection (d), Section 57.13, Education
68-16 Code, is repealed.

68-17 ARTICLE 70. FISCAL MATTERS CONCERNING LEASES OF PUBLIC LAND FOR
68-18 MINERAL DEVELOPMENT

68-19 SECTION 70.01. Subsections (a) and (c), Section 85.66,
68-20 Education Code, are amended to read as follows:

68-21 (a) If oil or other minerals are developed on any of the
68-22 lands leased by the board, the royalty or money as stipulated in the
68-23 sale shall be paid to the general land office at Austin on or before
68-24 the last day of each month for the preceding month during the life
68-25 of the rights purchased, and shall be set aside ~~[in the state~~
68-26 ~~treasury]~~ as specified in Section 85.70 ~~[of this code]~~. The royalty
68-27 or money paid to the general land office shall be accompanied by the
68-28 sworn statement of the owner, manager, or other authorized agent
68-29 showing the gross amount of oil, gas, sulphur, mineral ore, and
68-30 other minerals produced and saved since the last report, the amount
68-31 of oil, gas, sulphur, mineral ore, and other minerals produced and
68-32 sold off the premises, and the market value of the oil, gas,
68-33 sulphur, mineral ore, and other minerals, together with a copy of
68-34 all daily gauges, or vats, tanks, gas meter readings, pipeline
68-35 receipts, gas line receipts and other checks and memoranda of the
68-36 amounts produced and put into pipelines, tanks, vats, or pool and
68-37 gas lines, gas storage, other places of storage, and other means of
68-38 transportation.

68-39 (c) The commissioner of the general land office shall tender
68-40 to the board on or before the 10th day of each month a report of all
68-41 receipts that are collected from the lease or sale of oil, gas,
68-42 sulphur, mineral ore, and other minerals and that are deposited
68-43 ~~[turned into the state treasury,]~~ as provided by Section 85.70
68-44 during ~~[of this code, of]~~ the preceding month.

68-45 SECTION 70.02. Section 85.69, Education Code, is amended to
68-46 read as follows:

68-47 Sec. 85.69. PAYMENTS; DISPOSITION. Payments under this
68-48 subchapter shall be made to the commissioner of the general land
68-49 office at Austin, who shall transmit to the board ~~[comptroller]~~ all
68-50 royalties, lease fees, rentals for delay in drilling or mining, and
68-51 all other payments, including all filing assignments and
68-52 relinquishment fees, to be deposited ~~[in the state treasury]~~ as
68-53 provided by Section 85.70 ~~[of this code]~~.

68-54 SECTION 70.03. Section 85.70, Education Code, is amended to
68-55 read as follows:

68-56 Sec. 85.70. CERTAIN MINERAL LEASES; DISPOSITION OF MONEY;
68-57 SPECIAL FUNDS; INVESTMENT. (a) Except as provided by Subsection
68-58 (c) ~~[of this section]~~, all money received under and by virtue of
68-59 this subchapter shall be deposited in ~~[the state treasury to the~~
68-60 ~~credit of]~~ a special fund managed by the board to be known as The
68-61 Texas A&M University System Special Mineral Investment Fund. Money
68-62 in the fund is considered to be institutional funds, as defined by
68-63 Section 51.009, of the system and its component institutions. The
68-64 ~~[With the approval of the comptroller, the board of regents of The~~
68-65 ~~Texas A&M University System may appoint one or more commercial~~
68-66 ~~banks, depository trust companies, or other entities to serve as~~
68-67 ~~custodian or custodians of the Special Mineral Investment Fund's~~
68-68 ~~securities with authority to hold the money realized from those~~
68-69 ~~securities pending completion of an investment transaction if the~~

69-1 ~~money held is reinvested within one business day of receipt in~~
 69-2 ~~investments determined by the board of regents. Money not~~
 69-3 ~~reinvested within one business day of receipt shall be deposited in~~
 69-4 ~~the state treasury not later than the fifth day after the date of~~
 69-5 ~~receipt. In the judgment of the board, this] special fund may be~~
 69-6 ~~invested so as to produce [an] income which may be expended under~~
 69-7 ~~the direction of the board for the general use of any component of~~
 69-8 ~~The Texas A&M University System, including erecting permanent~~
 69-9 ~~improvements and in payment of expenses incurred in connection with~~
 69-10 ~~the administration of this subchapter. The unexpended income~~
 69-11 ~~likewise may be invested as [herein] provided by this section.~~

69-12 (b) The income from the investment of the special mineral
 69-13 investment fund created by [under] Subsection (a) [of this section]
 69-14 shall be deposited in [to the credit of] a fund managed by the board
 69-15 to be known as The Texas A&M University System Special Mineral
 69-16 Income Fund, and is considered to be institutional funds, as
 69-17 defined by Section 51.009, of the system and its component
 69-18 institutions [shall be appropriated by the legislature exclusively
 69-19 for the university system for the purposes herein provided].

69-20 (c) The board shall lease for oil, gas, sulphur, or other
 69-21 mineral development, as prescribed by this subchapter, all or part
 69-22 of the land under the exclusive control of the board owned by the
 69-23 State of Texas and acquired for the use of Texas A&M
 69-24 University--Kingsville and its divisions. Any money received by
 69-25 the board concerning such land under this subchapter shall be
 69-26 deposited in [the state treasury to the credit of] a special fund
 69-27 managed by the board to be known as the Texas A&M
 69-28 University--Kingsville special mineral fund. Money in the fund is
 69-29 considered to be institutional funds, as defined by Section 51.009,
 69-30 of the university and is[] to be used exclusively for the
 69-31 university [Texas A&M University--Kingsville] and its branches and
 69-32 divisions.

69-33 (d) All deposits in and investments of the fund under this
 69-34 section shall be made in accordance with Section 51.0031.

69-35 (e) Section 34.017, Natural Resources Code, does not apply
 69-36 to funds created by this section [Money may not be expended from
 69-37 this fund except as authorized by the general appropriations act].

69-38 SECTION 70.04. Subsection (b), Section 95.36, Education
 69-39 Code, is amended to read as follows:

69-40 (b) Except as provided in Subsection (c) of this section,
 69-41 any money received by virtue of this section and the income from the
 69-42 investment of such money shall be deposited in [the State Treasury
 69-43 to the credit of] a special fund managed by the board to be known as
 69-44 the Texas State University System special mineral fund. Money in
 69-45 the fund is considered to be institutional funds, as defined by
 69-46 Section 51.009, of the system and its component institutions and
 69-47 is[] to be used exclusively for those entities. All deposits in
 69-48 and investments of the fund shall be made in accordance with Section
 69-49 51.0031. Section 34.017, Natural Resources Code, does not apply to
 69-50 the fund [the university system and the universities in the system.
 69-51 However, no money shall ever be expended from this fund except as
 69-52 authorized by the General Appropriations Act].

69-53 SECTION 70.05. Subsection (b), Section 109.61, Education
 69-54 Code, is amended to read as follows:

69-55 (b) Any money received by virtue of this section shall be
 69-56 deposited in [the state treasury to the credit of] a special fund
 69-57 managed by the board to be known as the Texas Tech University
 69-58 special mineral fund. Money in the fund is considered to be
 69-59 institutional funds, as defined by Section 51.009, of the
 69-60 university and is[] to be used exclusively for the university and
 69-61 its branches and divisions. All deposits in and investments of the
 69-62 fund shall be made in accordance with Section 51.0031. Section
 69-63 34.017, Natural Resources Code, does not apply to the fund
 69-64 [However, no money shall ever be expended from this fund except as
 69-65 authorized by the general appropriations act].

69-66 SECTION 70.06. Subsections (a) and (c), Section 109.75,
 69-67 Education Code, are amended to read as follows:

69-68 (a) If oil or other minerals are developed on any of the
 69-69 lands leased by the board, the royalty as stipulated in the sale

70-1 shall be paid to the general land office in Austin on or before the
 70-2 last day of each month for the preceding month during the life of
 70-3 the rights purchased. The royalty payments shall be set aside [~~in~~
 70-4 ~~the state treasury~~] as specified in Section 109.61 [~~of this code~~]
 70-5 and used as provided in that section.

70-6 (c) The commissioner of the general land office shall tender
 70-7 to the board on or before the 10th day of each month a report of all
 70-8 receipts that are collected from the lease or sale of oil, gas,
 70-9 sulphur, or other minerals and that are deposited in [~~turned into~~]
 70-10 the special fund as provided by Section 109.61 [~~in the state~~
 70-11 ~~treasury~~] during the preceding month.

70-12 SECTION 70.07. Subsection (b), Section 109.78, Education
 70-13 Code, is amended to read as follows:

70-14 (b) Payment of all royalties, lease fees, rentals for delay
 70-15 in drilling or mining, filing fees for assignments and
 70-16 relinquishments, and all other payments shall be made to the
 70-17 commissioner of the general land office at Austin. The
 70-18 commissioner shall transmit all payments received to the board
 70-19 [~~comptroller~~] for deposit to the credit of the Texas Tech
 70-20 University special mineral fund as provided by Section 109.61.

70-21 SECTION 70.08. Section 85.72, Education Code, is repealed.

70-22 SECTION 70.09. This article takes effect September 1, 2011.

70-23 ARTICLE 71. FOUNDATION SCHOOL PROGRAM FINANCING; CERTAIN TAX
 70-24 INCREMENT FUND REPORTING MATTERS

70-25 SECTION 71.01. (a) This section applies only to a school
 70-26 district that, before May 1, 2011, received from the commissioner
 70-27 of education a notice of a reduction in state funding for the
 70-28 2004-2005, 2005-2006, 2006-2007, 2007-2008, and 2008-2009 school
 70-29 years based on the district's reporting related to deposits of
 70-30 taxes into a tax increment fund under Chapter 311, Tax Code.

70-31 (b) Notwithstanding any other law, including Subdivision
 70-32 (2), Subsection (b), Section 42.302, Education Code, the
 70-33 commissioner of education shall reduce by one-half the amounts of
 70-34 the reduction of entitlement amounts computed for purposes of
 70-35 adjusting entitlement amounts to account for taxes deposited into a
 70-36 tax increment fund for any of the school years described by
 70-37 Subsection (a) of this section.

70-38 (c) This section expires September 1, 2013.

70-39 ARTICLE 72. FISCAL MATTERS RELATING TO PUBLIC SCHOOL FINANCE

70-40 SECTION 72.01. Effective September 1, 2011, Section 12.106,
 70-41 Education Code, is amended by amending Subsection (a) and adding
 70-42 Subsection (a-3) to read as follows:

70-43 (a) A charter holder is entitled to receive for the
 70-44 open-enrollment charter school funding under Chapter 42 equal to
 70-45 the greater of:

70-46 (1) the percentage specified by Section 42.2516(i)
 70-47 multiplied by the amount of funding per student in weighted average
 70-48 daily attendance, excluding enrichment funding under Sections
 70-49 42.302(a-1)(2) and (3), as they existed on January 1, 2009, that
 70-50 would have been received for the school during the 2009-2010 school
 70-51 year under Chapter 42 as it existed on January 1, 2009, and an
 70-52 additional amount of the percentage specified by Section 42.2516(i)
 70-53 multiplied by \$120 for each student in weighted average daily
 70-54 attendance; or

70-55 (2) the amount of funding per student in weighted
 70-56 average daily attendance, excluding enrichment funding under
 70-57 Section 42.302(a), to which the charter holder would be entitled
 70-58 for the school under Chapter 42 if the school were a school district
 70-59 without a tier one local share for purposes of Section 42.253 and
 70-60 without any local revenue for purposes of Section 42.2516.

70-61 (a-3) In determining funding for an open-enrollment charter
 70-62 school under Subsection (a), the commissioner shall apply the
 70-63 regular program adjustment factor provided under Section 42.101 to
 70-64 calculate the regular program allotment to which a charter school
 70-65 is entitled.

70-66 SECTION 72.02. Effective September 1, 2017, Subsection (a),
 70-67 Section 12.106, Education Code, is amended to read as follows:

70-68 (a) A charter holder is entitled to receive for the
 70-69 open-enrollment charter school funding under Chapter 42 equal to

71-1 ~~[the greater of:~~
 71-2 ~~[(1) the amount of funding per student in weighted~~
 71-3 ~~average daily attendance, excluding enrichment funding under~~
 71-4 ~~Sections 42.302(a-1)(2) and (3), as they existed on January 1,~~
 71-5 ~~2009, that would have been received for the school during the~~
 71-6 ~~2009-2010 school year under Chapter 42 as it existed on January 1,~~
 71-7 ~~2009, and an additional amount of \$120 for each student in weighted~~
 71-8 ~~average daily attendance; or~~

71-9 ~~[(2)] the amount of funding per student in weighted~~
 71-10 ~~average daily attendance, excluding enrichment funding under~~
 71-11 ~~Section 42.302(a), to which the charter holder would be entitled~~
 71-12 ~~for the school under Chapter 42 if the school were a school district~~
 71-13 ~~without a tier one local share for purposes of Section 42.253 [and~~
 71-14 ~~without any local revenue for purposes of Section 42.2516].~~

71-15 SECTION 72.03. Effective September 1, 2011, Section 21.402,
 71-16 Education Code, is amended by amending Subsections (a), (b), (c),
 71-17 and (c-1) and adding Subsection (i) to read as follows:

71-18 (a) Except as provided by Subsection (d)~~[(e)],~~ or (f), a
 71-19 school district must pay each classroom teacher, full-time
 71-20 librarian, full-time counselor certified under Subchapter B, or
 71-21 full-time school nurse not less than the minimum monthly salary,
 71-22 based on the employee's level of experience in addition to other
 71-23 factors, as determined by commissioner rule, determined by the
 71-24 following formula:

$$MS = SF \times FS$$

71-25 where:

71-26 "MS" is the minimum monthly salary;

71-27 "SF" is the applicable salary factor specified by Subsection
 71-28 (c); and

71-29 "FS" is the amount, as determined by the commissioner under
 71-30 Subsection (b), of the basic allotment as provided by Section
 71-31 42.101 (a) or (b) for a school district with a maintenance and
 71-32 operations tax rate at least equal to the state maximum compressed
 71-33 tax rate, as defined by Section 42.101 (a) [state and local funds
 71-34 per weighted student, including funds provided under Section
 71-35 42.2516, available to a district eligible to receive state
 71-36 assistance under Section 42.302 with a maintenance and operations
 71-37 tax rate per \$100 of taxable value equal to the product of the state
 71-38 compression percentage, as determined under Section 42.2516,
 71-39 multiplied by \$1.50, except that the amount of state and local funds
 71-40 per weighted student does not include the amount attributable to
 71-41 the increase in the guaranteed level made by Chapter 1187, Acts of
 71-42 the 77th Legislature, Regular Session, 2001].

71-43 (b) Not later than June 1 of each year, the commissioner
 71-44 shall determine the basic allotment and resulting monthly salaries
 71-45 to be paid by school districts as provided by Subsection (a) [amount
 71-46 of state and local funds per weighted student available, for
 71-47 purposes of Subsection (a), to a district described by that
 71-48 subsection for the following school year].

71-49 (c) The salary factors per step are as follows:

71-51	Years Experience	0	1	2	3	4					
71-52	Salary Factor	<u>.5464</u>	[-.6226]	<u>.5582</u>	[-.6360]	<u>.5698</u>	[-.6492]	<u>.5816</u>	[-.6627]	<u>.6064</u>	[-.6909]
71-53	Years Experience	5	6	7	8	9					
71-54	Salary Factor	<u>.6312</u>	[-.7192]	<u>.6560</u>	[-.7474]	<u>.6790</u>	[-.7737]	<u>.7008</u>	[-.7985]	<u>.7214</u>	[-.8220]
71-55	Years Experience	10	11	12	13	14					
71-56	Salary Factor	<u>.7408</u>	[-.8441]	<u>.7592</u>	[-.8650]	<u>.7768</u>	[-.8851]	<u>.7930</u>	[-.9035]	<u>.8086</u>	[-.9213]
71-57	Years Experience	15	16	17	18	19					
71-58	Salary Factor	<u>.8232</u>	[-.9390]	<u>.8372</u>	[-.9539]	<u>.8502</u>	[-.9687]	<u>.8626</u>	[-.9828]	<u>.8744</u>	[-.9963]
71-59	Years Experience	20 and over									

72-1 Salary Factor .8854 [~~1.009~~]
 72-2 (c-1) Notwithstanding Subsections [Subsection] (a) and
 72-3 (b) [for the 2009-2010 and 2010-2011 school years], each school
 72-4 district shall pay a monthly salary to [increase the monthly salary
 72-5 of] each classroom teacher, full-time speech pathologist,
 72-6 full-time librarian, full-time counselor certified under
 72-7 Subchapter B, and full-time school nurse that is at least equal to
 72-8 the following monthly salary or the monthly salary determined by
 72-9 the commissioner under Subsections (a) and (b), whichever is [by
 72-10 the] greater [of]:

	<u>Years of Experience</u>	<u>Monthly Salary</u>
72-11	<u>0</u>	<u>2,732</u>
72-12	<u>1</u>	<u>2,791</u>
72-13	<u>2</u>	<u>2,849</u>
72-14	<u>3</u>	<u>2,908</u>
72-15	<u>4</u>	<u>3,032</u>
72-16	<u>5</u>	<u>3,156</u>
72-17	<u>6</u>	<u>3,280</u>
72-18	<u>7</u>	<u>3,395</u>
72-19	<u>8</u>	<u>3,504</u>
72-20	<u>9</u>	<u>3,607</u>
72-21	<u>10</u>	<u>3,704</u>
72-22	<u>11</u>	<u>3,796</u>
72-23	<u>12</u>	<u>3,884</u>
72-24	<u>13</u>	<u>3,965</u>
72-25	<u>14</u>	<u>4,043</u>
72-26	<u>15</u>	<u>4,116</u>
72-27	<u>16</u>	<u>4,186</u>
72-28	<u>17</u>	<u>4,251</u>
72-29	<u>18</u>	<u>4,313</u>
72-30	<u>19</u>	<u>4,372</u>
72-31	<u>20 & Over</u>	<u>4,427</u>

72-34 [~~(1) \$80, or~~
 72-35 [~~(2) the maximum uniform amount that, when combined~~
 72-36 ~~with any resulting increases in the amount of contributions made by~~
 72-37 ~~the district for social security coverage for the specified~~
 72-38 ~~employees or by the district on behalf of the specified employees~~
 72-39 ~~under Section 825.405, Government Code, may be provided using an~~
 72-40 ~~amount equal to the product of \$60 multiplied by the number of~~
 72-41 ~~students in weighted average daily attendance in the school during~~
 72-42 ~~the 2009-2010 school year.]~~

72-43 (i) Not later than January 1, 2013, the commissioner shall
 72-44 submit to the governor, the lieutenant governor, the speaker of the
 72-45 house of representatives, and the presiding officer of each
 72-46 legislative standing committee with primary jurisdiction over
 72-47 primary and secondary education a written report that evaluates and
 72-48 provides recommendations regarding the salary schedule. This
 72-49 subsection expires September 1, 2013.

72-50 SECTION 72.04. Effective September 1, 2017, Section 21.402,
 72-51 Education Code, is amended by amending Subsection (a) and adding
 72-52 Subsection (e-1) to read as follows:

72-53 (a) Except as provided by Subsection (d), (e-1) [~~(e)~~], or
 72-54 (f), a school district must pay each classroom teacher, full-time
 72-55 librarian, full-time counselor certified under Subchapter B, or
 72-56 full-time school nurse not less than the minimum monthly salary,
 72-57 based on the employee's level of experience in addition to other
 72-58 factors, as determined by commissioner rule, determined by the
 72-59 following formula:

$$MS = SF \times FS$$

72-60 where:
 72-61 "MS" is the minimum monthly salary;
 72-62 "SF" is the applicable salary factor specified by Subsection
 72-63 (c); and
 72-64 "FS" is the amount, as determined by the commissioner under
 72-65 Subsection (b), of the basic allotment as provided by Section
 72-66 42.101(a) or (b) for a school district with a maintenance and
 72-67 operations tax rate at least equal to the state maximum compressed
 72-68 tax rate, as defined by Section 42.101(a) [state and local funds per
 72-69

73-1 ~~weighted student, including funds provided under Section 42.2516,~~
 73-2 ~~available to a district eligible to receive state assistance under~~
 73-3 ~~Section 42.302 with a maintenance and operations tax rate per \$100~~
 73-4 ~~of taxable value equal to the product of the state compression~~
 73-5 ~~percentage, as determined under Section 42.2516, multiplied by~~
 73-6 ~~\$1.50, except that the amount of state and local funds per weighted~~
 73-7 ~~student does not include the amount attributable to the increase in~~
 73-8 ~~the guaranteed level made by Chapter 1187, Acts of the 77th~~
 73-9 ~~Legislature, Regular Session, 2001].~~

73-10 (e-1) If the minimum monthly salary determined under
 73-11 Subsection (a) for a particular level of experience is less than the
 73-12 minimum monthly salary for that level of experience in the
 73-13 preceding year, the minimum monthly salary is the minimum monthly
 73-14 salary for the preceding year.

73-15 SECTION 72.05. Subsection (a), Section 41.002, Education
 73-16 Code, is amended to read as follows:

73-17 (a) A school district may not have a wealth per student that
 73-18 exceeds:

73-19 (1) the wealth per student that generates the amount
 73-20 of maintenance and operations tax revenue per weighted student
 73-21 available to a district with maintenance and operations tax revenue
 73-22 per cent of tax effort equal to the maximum amount provided per cent
 73-23 under Section 42.101(a) or (b) ~~[42.101]~~, for the district's
 73-24 maintenance and operations tax effort equal to or less than the rate
 73-25 equal to the product of the state compression percentage, as
 73-26 determined under Section 42.2516, multiplied by the maintenance and
 73-27 operations tax rate adopted by the district for the 2005 tax year;

73-28 (2) the wealth per student that generates the amount
 73-29 of maintenance and operations tax revenue per weighted student
 73-30 available to the Austin Independent School District, as determined
 73-31 by the commissioner in cooperation with the Legislative Budget
 73-32 Board, for the first six cents by which the district's maintenance
 73-33 and operations tax rate exceeds the rate equal to the product of the
 73-34 state compression percentage, as determined under Section 42.2516,
 73-35 multiplied by the maintenance and operations tax rate adopted by
 73-36 the district for the 2005 tax year, subject to Section 41.093(b-1);
 73-37 or

73-38 (3) \$319,500, for the district's maintenance and
 73-39 operations tax effort that exceeds the first six cents by which the
 73-40 district's maintenance and operations tax effort exceeds the rate
 73-41 equal to the product of the state compression percentage, as
 73-42 determined under Section 42.2516, multiplied by the maintenance and
 73-43 operations tax rate adopted by the district for the 2005 tax year.

73-44 SECTION 72.06. The heading to Section 42.101, Education
 73-45 Code, is amended to read as follows:

73-46 Sec. 42.101. BASIC AND REGULAR PROGRAM ALLOTMENTS
 73-47 ~~[ALLOTMENT]~~.

73-48 SECTION 72.07. Section 42.101, Education Code, is amended
 73-49 by amending Subsections (a) and (b) and adding Subsections (c) and
 73-50 (c-1) to read as follows:

73-51 (a) The basic ~~[For each student in average daily attendance,~~
 73-52 ~~not including the time students spend each day in special education~~
 73-53 ~~programs in an instructional arrangement other than mainstream or~~
 73-54 ~~career and technology education programs, for which an additional~~
 73-55 ~~allotment is made under Subchapter C, a district is entitled to an]~~
 73-56 allotment is an amount equal to the lesser of \$4,765 or the amount
 73-57 that results from the following formula:

$$A = \$4,765 \times (\text{DCR}/\text{MCR})$$

73-59 where:

73-60 "A" is the resulting amount for ~~[allotment to which]~~ a
 73-61 district ~~[is entitled];~~

73-62 "DCR" is the district's compressed tax rate, which is the
 73-63 product of the state compression percentage, as determined under
 73-64 Section 42.2516, multiplied by the maintenance and operations tax
 73-65 rate adopted by the district for the 2005 tax year; and

73-66 "MCR" is the state maximum compressed tax rate, which is the
 73-67 product of the state compression percentage, as determined under
 73-68 Section 42.2516, multiplied by \$1.50.

73-69 (b) A greater amount for any school year for the basic

74-1 allotment under Subsection (a) may be provided by appropriation.
 74-2 (c) A school district is entitled to a regular program
 74-3 allotment equal to the amount that results from the following
 74-4 formula:

$$\text{RPA} = \text{ADA} \times \text{AA} \times \text{RPAF}$$

74-5 where:

74-6 "RPA" is the regular program allotment to which the district
 74-7 is entitled;

74-8 "ADA" is the number of students in average daily attendance
 74-9 in a district, not including the time students spend each day in
 74-10 special education programs in an instructional arrangement other
 74-11 than mainstream or career and technology education programs, for
 74-12 which an additional allotment is made under Subchapter C;

74-13 "AA" is the district's adjusted basic allotment, as
 74-14 determined under Section 42.102 and, if applicable, as further
 74-15 adjusted under Section 42.103; and

74-16 "RPAF" is the regular program adjustment factor, which is an
 74-17 amount established by appropriation.

74-18 (c-1) Notwithstanding Subsection (c), the regular program
 74-19 adjustment factor ("RPAF") is 0.9239 for the 2011-2012 school year
 74-20 and 0.98 for the 2012-2013 school year. This subsection expires
 74-21 September 1, 2013.

74-22 SECTION 72.08. Section 42.105, Education Code, is amended
 74-23 to read as follows:

74-24 Sec. 42.105. SPARSITY ADJUSTMENT. Notwithstanding
 74-25 Sections 42.101, 42.102, and 42.103, a school district that has
 74-26 fewer than 130 students in average daily attendance shall be
 74-27 provided a regular program ~~[an adjusted basic]~~ allotment on the
 74-28 basis of 130 students in average daily attendance if it offers a
 74-29 kindergarten through grade 12 program and has preceding or current
 74-30 year's average daily attendance of at least 90 students or is 30
 74-31 miles or more by bus route from the nearest high school district. A
 74-32 district offering a kindergarten through grade 8 program whose
 74-33 preceding or current year's average daily attendance was at least
 74-34 50 students or which is 30 miles or more by bus route from the
 74-35 nearest high school district shall be provided a regular program
 74-36 ~~[an adjusted basic]~~ allotment on the basis of 75 students in average
 74-37 daily attendance. An average daily attendance of 60 students shall
 74-38 be the basis of providing the regular program ~~[adjusted basic]~~
 74-39 allotment if a district offers a kindergarten through grade 6
 74-40 program and has preceding or current year's average daily
 74-41 attendance of at least 40 students or is 30 miles or more by bus
 74-42 route from the nearest high school district.

74-43 SECTION 72.09. Subsection (a), Section 42.251, Education
 74-44 Code, is amended to read as follows:

74-45 (a) The sum of the regular program ~~[basic]~~ allotment under
 74-46 Subchapter B and the special allotments under Subchapter C,
 74-47 computed in accordance with this chapter, constitute the tier one
 74-48 allotments. The sum of the tier one allotments and the guaranteed
 74-49 yield allotments under Subchapter F, computed in accordance with
 74-50 this chapter, constitute the total cost of the Foundation School
 74-51 Program.

74-52 SECTION 72.10. Subchapter E, Chapter 42, Education Code, is
 74-53 amended by adding Section 42.2514 to read as follows:

74-54 Sec. 42.2514. ADDITIONAL STATE AID FOR TAX INCREMENT
 74-55 FINANCING PAYMENTS. For each school year, a school district,
 74-56 including a school district that is otherwise ineligible for state
 74-57 aid under this chapter, is entitled to state aid in an amount equal
 74-58 to the amount the district is required to pay into the tax increment
 74-59 fund for a reinvestment zone under Section 311.013(n), Tax Code.

74-60 SECTION 72.11. Effective September 1, 2011, Section
 74-61 42.2516, Education Code, is amended by amending Subsections (a),
 74-62 (b), (d), and (f-2) and adding Subsection (i) to read as follows:

74-63 (a) In this title ~~[section]~~, "state compression percentage"
 74-64 means the percentage ~~[, as determined by the commissioner,]~~ of a
 74-65 school district's adopted maintenance and operations tax rate for
 74-66 the 2005 tax year that serves as the basis for state funding ~~[for~~
 74-67 ~~tax rate reduction under this section]~~. If the state compression
 74-68 percentage is not established by appropriation for a school year,
 74-69

75-1 ~~the [The]~~ commissioner shall determine the state compression
 75-2 percentage for each school year based on the percentage by which a
 75-3 district is able to reduce the district's maintenance and
 75-4 operations tax rate for that year, as compared to the district's
 75-5 adopted maintenance and operations tax rate for the 2005 tax year,
 75-6 as a result of state funds appropriated for distribution under this
 75-7 section for that year from the property tax relief fund established
 75-8 under Section 403.109, Government Code, or from another funding
 75-9 source available for school district property tax relief.

75-10 (b) Notwithstanding any other provision of this title, a
 75-11 school district that imposes a maintenance and operations tax at a
 75-12 rate at least equal to the product of the state compression
 75-13 percentage multiplied by the maintenance and operations tax rate
 75-14 adopted by the district for the 2005 tax year is entitled to at
 75-15 least the amount of state revenue necessary to provide the district
 75-16 with the sum of:

75-17 (1) the percentage specified by Subsection (i) of the
 75-18 amount, as calculated under Subsection (e), [the amount] of state
 75-19 and local revenue per student in weighted average daily attendance
 75-20 for maintenance and operations that the district would have
 75-21 received during the 2009-2010 school year under Chapter 41 and this
 75-22 chapter, as those chapters existed on January 1, 2009, at a
 75-23 maintenance and operations tax rate equal to the product of the
 75-24 state compression percentage for that year multiplied by the
 75-25 maintenance and operations tax rate adopted by the district for the
 75-26 2005 tax year;

75-27 (2) the percentage specified by Subsection (i) of an
 75-28 amount equal to the product of \$120 multiplied by the number of
 75-29 students in weighted average daily attendance in the district; and

75-30 (3) ~~[an amount equal to the amount the district is~~
 75-31 ~~required to pay into the tax increment fund for a reinvestment zone~~
 75-32 ~~under Section 311.013(n), Tax Code, in the current tax year; and~~

75-33 ~~[(4)]~~ any amount to which the district is entitled
 75-34 under Section 42.106.

75-35 (d) In determining the amount to which a district is
 75-36 entitled under Subsection (b)(1), the commissioner shall:

75-37 (1) include the percentage specified by Subsection (i)
 75-38 of any amounts received by the district during the 2008-2009 school
 75-39 year under Rider 86, page III-23, Chapter 1428 (H.B. 1), Acts of the
 75-40 80th Legislature, Regular Session, 2007 (the General
 75-41 Appropriations Act); and

75-42 (2) for a school district that paid tuition under
 75-43 Section 25.039 during the 2008-2009 school year, reduce the amount
 75-44 to which the district is entitled by the amount of tuition paid
 75-45 during that school year.

75-46 (f-2) The rules adopted by the commissioner under
 75-47 Subsection (f-1) must:

75-48 (1) require the commissioner to determine, as if this
 75-49 section did not exist, the effect under Chapter 41 and this chapter
 75-50 of a school district's action described by Subsection (f-1)(1),
 75-51 (2), (3), or (4) on the total state revenue to which the district
 75-52 would be entitled or the cost to the district of purchasing
 75-53 sufficient attendance credits to reduce the district's wealth per
 75-54 student to the equalized wealth level; and

75-55 (2) require an increase or reduction in the amount of
 75-56 state revenue to which a school district is entitled under
 75-57 Subsection (b)(1) ~~[(b)]~~ that is substantially equivalent to any
 75-58 change in total state revenue or the cost of purchasing attendance
 75-59 credits that would apply to the district if this section did not
 75-60 exist.

75-61 (i) The percentage to be applied for purposes of Subsections
 75-62 (b)(1) and (2) and Subsection (d)(1) is 100.00 percent for the
 75-63 2011-2012 school year and 92.35 percent for the 2012-2013 school
 75-64 year. For the 2013-2014 school year and each subsequent school
 75-65 year, the legislature by appropriation shall establish the
 75-66 percentage reduction to be applied.

75-67 SECTION 72.12. Effective September 1, 2017, the heading to
 75-68 Section 42.2516, Education Code, is amended to read as follows:

75-69 Sec. 42.2516. STATE COMPRESSION PERCENTAGE [~~ADDITIONAL~~

76-1 ~~STATE AID FOR TAX REDUCTION~~].

76-2 SECTION 72.13. Effective September 1, 2017, Subsection (a),
76-3 Section 42.2516, Education Code, is amended to read as follows:

76-4 (a) In this title [section], "state compression percentage"
76-5 means the percentage ~~[, as determined by the commissioner,]~~ of a
76-6 school district's adopted maintenance and operations tax rate for
76-7 the 2005 tax year that serves as the basis for state funding ~~[for~~
76-8 ~~tax rate reduction under this section]~~. If the state compression
76-9 percentage is not established by appropriation for a school year,
76-10 the [The] commissioner shall determine the state compression
76-11 percentage for each school year based on the percentage by which a
76-12 district is able to reduce the district's maintenance and
76-13 operations tax rate for that year, as compared to the district's
76-14 adopted maintenance and operations tax rate for the 2005 tax year,
76-15 as a result of state funds appropriated for [distribution under
76-16 this section for] that year from the property tax relief fund
76-17 established under Section 403.109, Government Code, or from another
76-18 funding source available for school district property tax relief.

76-19 SECTION 72.14. Effective September 1, 2011, Subsection (a),
76-20 Section 42.25161, Education Code, is amended to read as follows:

76-21 (a) The commissioner shall provide South Texas Independent
76-22 School District with the amount of state aid necessary to ensure
76-23 that the district receives an amount of state and local revenue per
76-24 student in weighted average daily attendance that is at least the
76-25 percentage specified by Section 42.2516(i) of \$120 greater than the
76-26 amount the district would have received per student in weighted
76-27 average daily attendance during the 2009-2010 school year under
76-28 this chapter, as it existed on January 1, 2009, at a maintenance and
76-29 operations tax rate equal to the product of the state compression
76-30 percentage multiplied by the maintenance and operations tax rate
76-31 adopted by the district for the 2005 tax year, provided that the
76-32 district imposes a maintenance and operations tax at that rate.

76-33 SECTION 72.15. Subchapter E, Chapter 42, Education Code, is
76-34 amended by adding Section 42.2525 to read as follows:

76-35 Sec. 42.2525. ADJUSTMENTS FOR CERTAIN DEPARTMENT OF DEFENSE
76-36 DISTRICTS. The commissioner is granted the authority to ensure
76-37 that Department of Defense school districts do not receive more
76-38 than an eight percent reduction should the federal government
76-39 reduce appropriations to those schools.

76-40 SECTION 72.16. Effective September 1, 2011, Subsections (h)
76-41 and (i), Section 42.253, Education Code, are amended to read as
76-42 follows:

76-43 (h) If the amount appropriated for the Foundation School
76-44 Program for the second year of a state fiscal biennium is less than
76-45 the amount to which school districts are entitled for that year, the
76-46 commissioner shall certify the amount of the difference to the
76-47 Legislative Budget Board not later than January 1 of the second year
76-48 of the state fiscal biennium. The Legislative Budget Board shall
76-49 propose to the legislature that the certified amount be transferred
76-50 to the foundation school fund from the economic stabilization fund
76-51 and appropriated for the purpose of increases in allocations under
76-52 this subsection. If the legislature fails during the regular
76-53 session to enact the proposed transfer and appropriation and there
76-54 are not funds available under Subsection (j), the commissioner
76-55 shall adjust [reduce] the total amounts due to each school district
76-56 under this chapter and the total amounts necessary for each school
76-57 district to comply with the requirements of Chapter 41 [amount of
76-58 state funds allocated to each district] by an amount determined by
76-59 applying to each district, including a district receiving funds
76-60 under Section 42.2516, the same percentage adjustment so that the
76-61 total amount of the adjustment to all districts [a method under
76-62 which the application of the same number of cents of increase in tax
76-63 rate in all districts applied to the taxable value of property of
76-64 each district, as determined under Subchapter M, Chapter 403,
76-65 Government Code,] results in an amount [a total levy] equal to the
76-66 total adjustment necessary. A school district is not entitled to
76-67 reimbursement in a subsequent fiscal year of the amount resulting
76-68 from the adjustment authorized by this subsection [reduction. The
76-69 following fiscal year, a district's entitlement under this section

77-1 ~~is increased by an amount equal to the reduction made under this~~
 77-2 ~~subsection].~~

77-3 (i) Not later than March 1 each year, the commissioner shall
 77-4 determine the actual amount of state funds to which each school
 77-5 district is entitled under the allocation formulas in this chapter
 77-6 for the current school year, as adjusted in accordance with
 77-7 Subsection (h), if applicable, and shall compare that amount with
 77-8 the amount of the warrants issued to each district for that year.
 77-9 If the amount of the warrants differs from the amount to which a
 77-10 district is entitled because of variations in the district's tax
 77-11 rate, student enrollment, or taxable value of property, the
 77-12 commissioner shall adjust the district's entitlement for the next
 77-13 fiscal year accordingly.

77-14 SECTION 72.17. Effective September 1, 2017, Subsection (h),
 77-15 Section 42.253, Education Code, is amended to read as follows:

77-16 (h) If the amount appropriated for the Foundation School
 77-17 Program for the second year of a state fiscal biennium is less than
 77-18 the amount to which school districts are entitled for that year, the
 77-19 commissioner shall certify the amount of the difference to the
 77-20 Legislative Budget Board not later than January 1 of the second year
 77-21 of the state fiscal biennium. The Legislative Budget Board shall
 77-22 propose to the legislature that the certified amount be transferred
 77-23 to the foundation school fund from the economic stabilization fund
 77-24 and appropriated for the purpose of increases in allocations under
 77-25 this subsection. If the legislature fails during the regular
 77-26 session to enact the proposed transfer and appropriation and there
 77-27 are not funds available under Subsection (j), the commissioner
 77-28 shall adjust [reduce] the total amounts due to each school district
 77-29 under this chapter and the total amounts necessary for each school
 77-30 district to comply with the requirements of Chapter 41 [amount of
 77-31 state funds allocated to each district] by an amount determined by
 77-32 applying to each district the same percentage adjustment so that
 77-33 the total amount of the adjustment to all districts [a method under
 77-34 which the application of the same number of cents of increase in tax
 77-35 rate in all districts applied to the taxable value of property of
 77-36 each district, as determined under Subchapter M, Chapter 403,
 77-37 Government Code,] results in an amount [a total levy] equal to the
 77-38 total adjustment necessary. A school district is not entitled to
 77-39 reimbursement in a subsequent fiscal year of the amount resulting
 77-40 from the adjustment authorized by this subsection [reduction. The
 77-41 following fiscal year, a district's entitlement under this section
 77-42 is increased by an amount equal to the reduction made under this
 77-43 subsection].

77-44 SECTION 72.18. Section 42.258, Education Code, is amended
 77-45 by amending Subsection (a) and adding Subsection (a-1) to read as
 77-46 follows:

77-47 (a) If a school district has received an overallocation of
 77-48 state funds, the agency shall, by withholding from subsequent
 77-49 allocations of state funds for the current or subsequent school
 77-50 year or by requesting and obtaining a refund, recover from the
 77-51 district an amount equal to the overallocation.

77-52 (a-1) Notwithstanding Subsection (a), the agency may
 77-53 recover an overallocation of state funds over a period not to exceed
 77-54 the subsequent five school years if the commissioner determines
 77-55 that the overallocation was the result of exceptional circumstances
 77-56 reasonably caused by statutory changes to Chapter 41 or 46 or this
 77-57 chapter and related reporting requirements.

77-58 SECTION 72.19. Subsection (b), Section 42.260, Education
 77-59 Code, is amended to read as follows:

77-60 (b) For each year, the commissioner shall certify to each
 77-61 school district or participating charter school the amount of [+

77-62 ~~(1)]~~ additional funds to which the district or school
 77-63 is entitled due to the increase made by H.B. No. 3343, Acts of the
 77-64 77th Legislature, Regular Session, 2001, to:

77-65 (1) [~~A~~] the equalized wealth level under Section
 77-66 41.002; or

77-67 (2) [~~B~~] the guaranteed level of state and local
 77-68 funds per weighted student per cent of tax effort under Section
 77-69 42.302 [~~+~~ or

78-1 ~~[(2) additional state aid to which the district or~~
78-2 ~~school is entitled under Section 42.2513].~~

78-3 SECTION 72.20. Section 44.004, Education Code, is amended
78-4 by adding Subsection (g-1) to read as follows:

78-5 (g-1) If the rate calculated under Subsection
78-6 (c)(5)(A)(ii)(b) decreases after the publication of the notice
78-7 required by this section, the president is not required to publish
78-8 another notice or call another meeting to discuss and adopt the
78-9 budget and the proposed lower tax rate.

78-10 SECTION 72.21. Subsection (a), Section 26.05, Tax Code, is
78-11 amended to read as follows:

78-12 (a) The governing body of each taxing unit, before the later
78-13 of September 30 or the 60th day after the date the certified
78-14 appraisal roll is received by the taxing unit, shall adopt a tax
78-15 rate for the current tax year and shall notify the assessor for the
78-16 unit of the rate adopted. The tax rate consists of two components,
78-17 each of which must be approved separately. The components are:

78-18 (1) for a taxing unit other than a school district, the
78-19 rate that, if applied to the total taxable value, will impose the
78-20 total amount published under Section 26.04(e)(3)(C), less any
78-21 amount of additional sales and use tax revenue that will be used to
78-22 pay debt service, or, for a school district, the rate calculated
78-23 [published] under Section 44.004(c)(5)(A)(ii)(b), Education Code;
78-24 and

78-25 (2) the rate that, if applied to the total taxable
78-26 value, will impose the amount of taxes needed to fund maintenance
78-27 and operation expenditures of the unit for the next year.

78-28 SECTION 72.22. Effective September 1, 2017, Subsection (i),
78-29 Section 26.08, Tax Code, is amended to read as follows:

78-30 (i) For purposes of this section, the effective maintenance
78-31 and operations tax rate of a school district is the tax rate that,
78-32 applied to the current total value for the district, would impose
78-33 taxes in an amount that, when added to state funds that would be
78-34 distributed to the district under Chapter 42, Education Code, for
78-35 the school year beginning in the current tax year using that tax
78-36 rate, ~~[including state funds that will be distributed to the~~
78-37 ~~district in that school year under Section 42.2516, Education~~
78-38 ~~Code,]~~ would provide the same amount of state funds distributed
78-39 under Chapter 42, Education Code, ~~[including state funds~~
78-40 ~~distributed under Section 42.2516, Education Code,]~~ and
78-41 maintenance and operations taxes of the district per student in
78-42 weighted average daily attendance for that school year that would
78-43 have been available to the district in the preceding year if the
78-44 funding elements for Chapters 41 and 42, Education Code, for the
78-45 current year had been in effect for the preceding year.

78-46 SECTION 72.23. Subsection (n), Section 311.013, Tax Code,
78-47 is amended to read as follows:

78-48 (n) This subsection applies only to a school district whose
78-49 taxable value computed under Section 403.302(d), Government Code,
78-50 is reduced in accordance with Subdivision (4) of that
78-51 subsection. In addition to the amount otherwise required to be
78-52 paid into the tax increment fund, the district shall pay into the
78-53 fund an amount equal to the amount by which the amount of taxes the
78-54 district would have been required to pay into the fund in the
78-55 current year if the district levied taxes at the rate the district
78-56 levied in 2005 exceeds the amount the district is otherwise
78-57 required to pay into the fund in the year of the reduction. This
78-58 additional amount may not exceed the amount the school district
78-59 receives in state aid for the current tax year under Section
78-60 42.2514, Education Code. The school district shall pay the
78-61 additional amount after the district receives the state aid to
78-62 which the district is entitled for the current tax year under
78-63 Section 42.2514, Education Code.

78-64 SECTION 72.24. Effective September 1, 2011, the following
78-65 provisions of the Education Code are repealed:

- 78-66 (1) Subsections (c-2), (c-3), and (e), Section 21.402;
- 78-67 (2) Section 42.008; and
- 78-68 (3) Subsections (a-1) and (a-2), Section 42.101.

78-69 SECTION 72.25. (a) Effective September 1, 2017, the

79-1 following provisions of the Education Code are repealed:

- 79-2 (1) Section 41.0041;
- 79-3 (2) Subsections (b), (b-1), (b-2), (c), (d), (e), (f),
- 79-4 (f-1), (f-2), (f-3), and (i), Section 42.2516;
- 79-5 (3) Section 42.25161;
- 79-6 (4) Subsection (c), Section 42.2523;
- 79-7 (5) Subsection (g), Section 42.2524;
- 79-8 (6) Subsection (c-1), Section 42.253; and
- 79-9 (7) Section 42.261.

79-10 (b) Effective September 1, 2017, Subsections (i-1) and (j),
79-11 Section 26.08, Tax Code, are repealed.

79-12 SECTION 72.26. (a) The speaker of the house of
79-13 representatives and the lieutenant governor shall establish a joint
79-14 legislative interim committee to conduct a comprehensive study of
79-15 the public school finance system in this state.

79-16 (b) Not later than January 15, 2013, the committee shall
79-17 make recommendations to the 83rd Legislature regarding changes to
79-18 the public school finance system.

79-19 (c) The committee is dissolved September 1, 2013.

79-20 SECTION 72.27. It is the intent of the legislature, between
79-21 fiscal year 2014 and fiscal year 2018, to continue to reduce the
79-22 amount of Additional State Aid For Tax Reduction (ASATR) to which a
79-23 school district is entitled under Section 42.2516, Education Code,
79-24 and to increase the basic allotment to which a school district is
79-25 entitled under Section 42.101, Education Code.

79-26 SECTION 72.28. Except as otherwise provided by this Act,
79-27 the changes in law made by this Act to Chapter 42, Education Code,
79-28 apply beginning with the 2011-2012 school year.

79-29 SECTION 72.29. The change in law made by Subsection (g-1),
79-30 Section 44.004, Education Code, as added by this Act, applies
79-31 beginning with adoption of a tax rate for the 2011 tax year.

79-32 ARTICLE 73. MIXED BEVERAGE TAX REIMBURSEMENTS

79-33 SECTION 73.01. Effective September 1, 2013, Subsection (b),
79-34 Section 183.051, Tax Code, is amended to read as follows:

79-35 (b) The comptroller shall issue to each county described in
79-36 Subsection (a) a warrant drawn on the general revenue fund in an
79-37 amount appropriated by the legislature that may not be less
79-38 [~~greater~~] than 10.7143 percent of receipts from permittees within
79-39 the county during the quarter and shall issue to each incorporated
79-40 municipality described in Subsection (a) a warrant drawn on that
79-41 fund in an amount appropriated by the legislature that may not be
79-42 less [~~greater~~] than 10.7143 percent of receipts from permittees
79-43 within the incorporated municipality during the quarter.

79-44 ARTICLE 74. EFFECTIVE DATE

79-45 SECTION 74.01. Except as otherwise provided by this Act:

79-46 (1) this Act takes effect September 1, 2011, if this
79-47 Act receives a vote of two-thirds of all the members elected to each
79-48 house, as provided by Section 39, Article III, Texas Constitution;
79-49 and

79-50 (2) if this Act does not receive the vote necessary for
79-51 this Act to take effect on that date, this Act takes effect on the
79-52 91st day after the last day of the legislative session.

79-53 * * * * *