

**BILL ANALYSIS**

Senate Research Center  
78S30147 KEG-D

S.B. 5  
By: Bivins  
Finance  
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As Filed

**DIGEST AND PURPOSE**

As proposed, S.B. 5 amends provisions relating to government organization. The bill reassigns functions and duties of the State Aircraft Pooling Board; the Research and Oversight Council on Workers' Compensation; the Texas Commission on Private Security; and the Texas Council on Environmental Technology. S.B. 5 also amends provisions relating to the computation of property values for school district funding purposes.

**RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the State Aircraft Pooling Board is transferred to the Texas Department of Transportation in SECTION 1.12 (Section 2205.043, Government Code) of this bill.

**SECTION BY SECTION ANALYSIS**

ARTICLE 1. STATE AIRCRAFT POOLING

SECTION 1.01. Amends the heading to Subchapter A, Chapter 2205, Government Code, to read as follows:

SUBCHAPTER A. STATE AIRCRAFT POOLING; GENERAL PROVISIONS

SECTION 1.02. Amends Section 2205.002(1), Government Code, to define "department" and delete the definition of "board."

SECTION 1.03. Amends Section 2205.032, Government Code, to substitute references to the State Aircraft Pooling Board with the Texas Department of Transportation (TxDOT).

SECTION 1.04. Amends Section 2205.034, Government Code, to make conforming changes.

SECTION 1.05. Amends Section 2205.035, Government Code, to make conforming changes.

SECTION 1.06. Amends Section 2205.036, Government Code, to require TxDOT to monitor and ensure compliance with the requirements of this section. Makes conforming changes.

SECTION 1.07. Amends Section 2205.038, Government Code, to make conforming changes.

SECTION 1.08. Amends Section 2205.039, Government Code, to require TxDOT to monitor and ensure compliance by state agencies with the requirements of this section. Requires TxDOT to annually report to the Legislative Budget Board on air travel information received under this section. Makes conforming changes.

SECTION 1.09. Amends Section 2205.040, Government Code, as follows:

- (a) Requires TxDOT to adopt rates for interagency aircraft services that are sufficient to

recover all expenses incurred under this chapter, rather than direct costs for the services provided, including current obligations for capital equipment financed under the Texas Public Finance Authority's master lease purchase program and aircraft replacement costs. Deletes references to major maintenance, equipment and facility overhaul, and pilot salaries.

(b) Requires TxDOT to deposit all revenue received under this chapter to the credit of the state highway fund. Makes money deposited to the credit of the state highway fund under this chapter exempt from the application of Section 403.095. Deletes text regarding certain entities prescribing a billing procedure for passenger travel on state-operated aircraft.

(c) Authorizes TxDOT to spend money from the state highway fund for expenses incurred under this chapter.

(d) Provides that it is the intent of the legislature that receipts and expenditures that relate to the state highway fund under this chapter be balanced over time so that, to the extent practicable, the receipts and expenditures do not result in a net gain or net loss to the fund.

SECTION 1.10. Amends Section 2205.041(a), Government Code, to make a conforming change.

SECTION 1.11. Amends Section 2205.042, Government Code, to make conforming changes.

SECTION 1.12. Amends Section 2205.043(b), Government Code, to make conforming changes.

SECTION 1.13. Amends Section 2205.044, Government Code, to make a conforming change.

SECTION 1.14. Amends Section 2205.045(a), Government Code, to make conforming changes.

SECTION 1.15. Amends Section 2205.046, Government Code, to make conforming changes.

SECTION 1.16. Amends Section 2205.047, Government Code, to make conforming changes.

SECTION 1.17. Repealers: Sections 2205.003-2205.019 (relating to the State Aircraft Pooling Board), Government Code.

SECTION 1.18. Provides that on the effective date of this Act, the State Aircraft Pooling Board is abolished and its functions are transferred to TxDOT; its rules, policies, and procedures are continued in effect; a reference to the State Aircraft Pooling Board means TxDOT; and the number of full-time equivalent (FTE) positions allocated to the State Aircraft Pooling Board by the 78th Legislature, Regular Session, 2003, is reduced by 39 for fiscal years 2004 and 2005, and the number of FTEs allocated to TxDOT is increased commensurately.

SECTION 1.19. (a) Provides that all money collected by TxDOT under Chapter 2205 (Aircraft Pooling), Government Code, during the state fiscal biennium beginning September 1, 2003, is appropriated to TxDOT for that biennium for the purpose of administering Chapter 2205, Government Code.

(b) Provides that the unexpended balance of the appropriation to the State Aircraft Pooling Board for all or part of the state fiscal biennium ending August 31, 2003, is appropriated to TxDOT for the state fiscal biennium beginning September 1, 2003, for the purpose of administering Chapter 2205, Government Code.

SECTION 1.20. Requires TxDOT, before March 1, 2004, to file with certain officials and entities a complete and detailed report on the transfer of powers and duties from the State Aircraft Pooling Board to TxDOT.

## ARTICLE 2. WORKERS' COMPENSATION RESEARCH

SECTION 2.01. Amends Subtitle A, Title 5, Labor Code, by adding Chapter 405, as follows:

### CHAPTER 405. WORKERS' COMPENSATION RESEARCH

Sec. 405.001. DEFINITION. Defines "department."

Sec. 405.002. WORKERS' COMPENSATION RESEARCH DUTIES OF DEPARTMENT. (a) Requires the Texas Department of Insurance (TDI) to conduct professional studies and research related to certain matters relevant to the workers' compensation system.

(b) Requires TDI to identify, collect, maintain, and analyze the key information required to assess the operational effectiveness of the workers' compensation system. Requires TDI to provide the information obtained under this section to the governor and the legislature not later than December 31 of each even-numbered year.

(c) Authorizes TDI to apply for and spend grant funds to implement this chapter.

(d) Requires TDI to ensure that all research reports prepared under this chapter or by the former Research and Oversight Council on Workers' Compensation are accessible to the public through the Internet to the extent practicable.

Sec. 405.003. FUNDING; MAINTENANCE TAX. (a) Provides that TDI's duties under this chapter are funded through the assessment of a maintenance tax collected annually from all insurance carriers and self-insurance groups that hold certificates of approval under Chapter 407A, except governmental entities.

(b) Requires TDI to set the rate of the maintenance tax based on the expenditures authorized and receipts anticipated in legislative appropriations. Prohibits the tax rates for insurance companies, certified self-insurers, and self-insurance groups from exceeding a certain percentage of certain bases.

(c) Provides that the tax imposed under Subsection (a) is in addition to all other taxes imposed on those insurance carriers for workers' compensation purposes.

(d) Requires the taxes on insurance companies and self-insurance groups described by Subsection (a) to be assessed, collected, and paid in the same manner and at the same time as the maintenance tax established for the support of TDI under Article 5.68 (Maintenance Tax on Gross Premiums), Insurance Code. Provides that the tax on certified self-insurers shall be assessed, collected, and paid in the same manner and at the same time as the self-insurer maintenance tax collected under Section 407.104.

(e) Requires amounts received under this section to be deposited in the state treasury in accordance with Article 5.68(e), Insurance Code, to be used for certain purposes.

(f) Provides that Section 403.095 (Use of Dedicated Revenue), Government Code, does not apply to the special account established under this section.

Sec. 405.004. COORDINATION WITH OTHER STATE AGENCIES; CONFIDENTIALITY. (a) Entitles TDI to access to certain files and records as required to fulfill TDI's objectives under this chapter.

(b) Requires a state agency to assist and cooperate in providing the information to

TDI.

(c) Provides that information that is confidential under state law is accessible to TDI under rules of confidentiality and remains confidential.

(d) Provides that the identity of an individual or entity selected to participate in a TDI survey or who participates in such a survey is confidential and is not subject to public disclosure under Chapter 552 (Public Information), Government Code.

SECTION 2.02. (a) Repealers: Chapter 404 (Research and Oversight Council on Workers' Compensation) and Section 413.021(f) (regarding return-to-work coordination services), Labor Code.

(b) Abolishes the Research and Oversight Council on Workers' Compensation, including its board of directors, on the effective date of this Act. Transfers all state records and other property to TDI. Provides that any reference in law to the Research and Oversight Council on Workers' Compensation, its board of directors, the Texas Workers' Compensation Research Center, or the research center's board, means TDI or the commissioner of insurance, as appropriate.

(c) Requires TDI to assume responsibility for any obligation incurred or contract entered into by the Research and Oversight Council on Workers' Compensation before the effective date of this article.

(d) Requires TDI to enter into an interagency agreement with the Texas Workers' Compensation Commission to share the costs of continued participation in the Workers' Compensation Research Institute's CompScope multistate report series.

SECTION 2.03. Recreates and transfers the special account established under Section 404.003, Labor Code, as that section existed before being repealed by this Act, to TDI's General Revenue and Insurance Companies Maintenance Tax and Insurance Department Fees Account to be used for the purposes described by Section 405.003, Labor Code, as added by this Act.

### ARTICLE 3. TEXAS COMMISSION ON PRIVATE SECURITY

SECTION 3.01. Amends Section 1702.002, Occupations Code, by adding Subdivisions (1-a) and (5-a), to define "board" and "department."

SECTION 3.02. Amends Subchapter A, Chapter 1702, Occupations Code, by adding Section 1702.005, as follows:

Sec. 1702.005. DEPARTMENT OF PUBLIC SAFETY. (a) Provides that the Texas Private Security Board (TPSB) created under Section 1702.021 is a part of the Department of Public Safety (DPS). Requires DPS to administer this chapter through TPSB.

(b) Provides that a reference in this chapter or another law to the Texas Commission on Private Security means TPSB.

SECTION 3.03. Amends Section 1702.021(a), Occupations Code, to provide that TPSB consists of seven, rather than eight, certain members, appointed by the governor with the advice and consent of the senate.

SECTION 3.04. Amends Section 1702.025, Occupations Code, as amended by Chapter 1170, Acts of the 78th Legislature, Regular Session, 2003, and Section 1702.026, Occupations Code, to make conforming changes.

SECTION 3.05. Repealer: Section 1702.022 (Ex Officio Commission Member), Occupations Code.

SECTION 3.06. Requires the governor to appoint the members of TPSB, as required under Section 1702.021, Occupations Code, as amended by this Act, not later than the 60th day after the effective date of this Act. Sets forth terms for the initial appointments.

SECTION 3.07. (a) Provides that on the 60th day after the effective date of this Act, all functions and activities performed by the Texas Commission on Private Security are transferred to TPSB; rules and forms are transferred and remain in effect; a reference to the Texas Commission on Private Security means TPSB; a complaint, investigation, or other proceeding before the Texas Commission on Private Security is transferred without change to TPSB; all property is transferred; and the unexpended and unobligated balance of any appropriation is transferred.

(b) Authorizes the Texas Commission on Private Security, before the 60th day after the effective date of this Act, to agree with DPS to transfer any property to DPS to implement the transfer required by this Act.

(c) Requires the Texas Commission on Private Security, during the period between the effective date of this Act and the 60th day after, to continue to perform functions and activities as if that chapter had not been amended by this Act, and continues the former law in effect for that purpose.

#### ARTICLE 4. TEXAS COUNCIL ON ENVIRONMENTAL TECHNOLOGY

SECTION 4.01. Amends Sections 386.051(a) and (b), Health and Safety Code, to delete references to the Texas Council on Environmental Technology (TCET).

SECTION 4.02. Amends Section 387.001. Health and Safety Code, as follows:

Sec. 387.001. New heading: DEFINITIONS. Defines “commission.”

SECTION 4.03. Amends Section 387.003, Health and Safety Code, as amended by Section 2, Chapter 29, and Section 13, Chapter 1331, Acts of the 78th Legislature, Regular Session, 2003, to include responsibilities for the Texas Commission on Environmental Quality (TCEQ) and to replace a reference to TCET with TCEQ. Deletes existing Subsection (c), regarding grant making under the technology research and development program.

SECTION 4.04. Amends Section 387.004, Health and Safety Code, to make a conforming change.

SECTION 4.05. Amends Sections 387.005(b) and (c), Health and Safety Code, and Section 387.005(f), Health and Safety Code, as added by Section 3, Chapter 29, Acts of the 78th Legislature, Regular Session, 2003, to make conforming changes.

SECTION 4.06. Amends Section 387.006(b), Health and Safety Code, to make a conforming change.

SECTION 4.07. Amends Section 387.007, Health and Safety Code, to make conforming changes.

SECTION 4.08. Amends Section 387.008, Health and Safety Code, as amended by Section 4, Chapter 29, Acts of the 78th Legislature, Regular Session, 2003, to delete a reference to fees collected under Section 387.003(c). Provides that Sections 403.095 (Use of Dedicated Revenue) and 404.071 (Disposition of Interest on Investments), Government Code, do not apply to the environmental research fund. Requires interest earned on the fund to be credited to the fund. Makes conforming changes.

SECTION 4.09. Amends Sections 387.009 and 387.010, Health and Safety Code, to require TCEQ

to ensure that all research reports under the technology research and development program are accessible to the public, including, as practicable, through TCEQ's Internet website. Makes conforming and nonsubstantive changes.

SECTION 4.10. Repealer: Section 387.002(c) (regarding offices at the Center for Energy and Environmental Resources at The University of Texas at Austin), Health and Safety Code.

SECTION 4.11. Provides that, on the effective date of this Act, the functions of TCET are transferred to TCEQ, including particular functions; any contract or other obligation of TCET is transferred; and the property and records of TCET and its predecessor agencies are transferred.

#### ARTICLE 5. EQUITABLE USE OF REVENUE AND UNIFORMITY IN RELATION TO SCHOOL DISTRICT PROPERTY VALUES

SECTION 5.01. Amends Section 403.302, Government Code, by adding Subsection (c-1), to provide that if after conducting the annual study for the year 2002 the comptroller of public accounts (comptroller) determines that the local value for a school district is invalid and the local value exceeds the state value for the school district determined by the comptroller, the taxable value for the school district for that year is the district's state value as established by the comptroller. Provides that this subsection expires September 30, 2004.

SECTION 5.02. Repealer: Section 403.302(m) (relating to determination of school district property values), Government Code, as added by Chapter 1183, Acts of the 78th Legislature, Regular Session, 2003.

SECTION 5.03. Requires the commissioner of education (commissioner) to compute the amount of funding under Chapters 42 (Foundation School Program) and 46 (Assistance With Instructional Facilities and Payment of Existing Debt), Education Code, to which each school district is entitled for the 2003-2004 school year, and the wealth per student of each district for purposes of Chapter 41 (Equalized Wealth Level), Education Code, for the 2003-2004 school year, without regard to Chapter 1183, Acts of the 78th Legislature, Regular Session, 2003. Requires the commissioner, if a school district received an underallocation or overallocation of state funds because a payment was computed in accordance with Chapter 1183, Acts of the 78th Legislature, Regular Session, 2003, to adjust the computation of the amount of payments for the remainder of the 2003-2004 school year or take other action so that the total payments made to that district for that school year equal the amount the district would have received for that year had none of the payments been computed in accordance with Chapter 1183.

#### ARTICLE 6. EFFECTIVE DATE

SECTION 6.01. Effective date: upon passage or on the 91st day after the last day of the legislative session.