

1-1 By: Shapleigh S.B. No. 1152
1-2 (In the Senate - Filed March 11, 2003; March 17, 2003, read
1-3 first time and referred to Committee on Government Organization;
1-4 April 23, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 23, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1152 By: Armbrister

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the use of TexasOnline.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subsection (e), Section 2054.111, Government
1-13 Code, is amended to read as follows:

1-14 (e) A state agency or local government that uses the project
1-15 may charge a fee if:

1-16 (1) the fee is necessary to recover the actual costs
1-17 directly and reasonably incurred by the agency or local government
1-18 because of the project for:

1-19 (A) the use of electronic payment methods; or

1-20 (B) interfacing with other information

1-21 technology systems;

1-22 (2) the fee does not include an amount to recover state

1-23 agency or local government employee costs;

1-24 (3) the state agency or local government approves the
1-25 amount of the fee using the state agency's or local government's
1-26 standard approval process for fee increases;

1-27 (4) the chief financial officer for the state agency
1-28 or local government certifies that the amount of the fee is
1-29 necessary to recover the actual costs incurred because of the
1-30 project; and

1-31 (5) [~~2~~] the authority approves the amount of the
1-32 fee.

1-33 SECTION 2. Subchapter F, Chapter 2054, Government Code, is
1-34 amended by adding Section 2054.1115 to read as follows:

1-35 Sec. 2054.1115. ELECTRONIC PAYMENTS ON TEXASONLINE. (a) A
1-36 state agency or local government that uses TexasOnline may use
1-37 electronic payment methods, including the acceptance of credit and
1-38 debit cards, for point-of-sale, telephone, or mail transactions.

1-39 (b) The state agency or local government may charge a
1-40 reasonable fee, as provided by Section 2054.111, to recover costs
1-41 incurred through electronic payment methods used under this
1-42 section.

1-43 SECTION 3. Section 2054.113, Government Code, is amended by
1-44 amending Subsection (b) and adding Subsection (c) to read as
1-45 follows:

1-46 (b) A state agency may not duplicate an infrastructure
1-47 component of TexasOnline, unless the program management office
1-48 approves the duplication. In this subsection, "infrastructure"
1-49 does not include the development of applications, and the
1-50 supporting platform, for electronic government projects.

1-51 (c) Before a state agency may contract with a third party
1-52 for Internet application development that duplicates a TexasOnline
1-53 function, the state agency must notify the TexasOnline Authority of
1-54 its intent to bid for such services at the same time that others
1-55 have the opportunity to bid. The program management office may
1-56 exempt a state agency from this section if it determines the agency
1-57 has fully complied with Section 2054.111.

1-58 SECTION 4. Section 2054.125, Government Code, is amended by
1-59 adding Subsection (d) to read as follows:

1-60 (d) Each state agency that maintains a generally accessible
1-61 Internet site shall include a link to TexasOnline on the front page
1-62 of the Internet site.

1-63 SECTION 5. Subdivision (5), Section 2054.251, Government

Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

(5) "Occupational license" means a license, certificate, registration, permit, or other form of authorization, including a renewal of the authorization, that:

(A) a person must obtain to practice or engage in a particular business, occupation, or profession; or

(B) a facility must obtain before a particular business, occupation, or profession is practiced or engaged in within the facility.

SECTION 6. Section 2054.251, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 2054.251. DEFINITIONS. In this subchapter, "authority," "licensing entity," and "occupational[+]

~~[(1) "Licensing authority" means a department, commission, board, office, or other agency of the state or a political subdivision of the state that issues an occupational license.~~

~~[(2) "Occupational] license" have the meanings assigned those terms by Section 2054.251, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001 [means a license, certificate, registration, or other form of authorization that a person must obtain to practice or engage in a particular business, occupation, or profession].~~

SECTION 7. Section 2054.252, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, is amended to read as follows:

Sec. 2054.252. APPLICABILITY. (a) The following licensing entities ~~[authorities]~~ shall participate in the system established under Section 2054.253, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001:

- (1) State Board of Barber Examiners;
- (2) Texas Board of Chiropractic Examiners;
- (3) Texas Cosmetology Commission;
- (4) Court Reporters Certification Board;
- (5) State Board of Dental Examiners;
- (6) Texas Funeral Service Commission;
- (7) Texas Board of Professional Land Surveying;
- (8) Texas State Board of Medical Examiners;
- (9) Board of Nurse Examiners;
- (10) Board of Vocational Nurse Examiners;
- (11) Texas Optometry Board;
- (12) Texas Structural Pest Control Board;
- (13) Texas State Board of Pharmacy;
- (14) Executive Council of Physical Therapy and Occupational Therapy Examiners;
- (15) Texas State Board of Plumbing Examiners;
- (16) Texas State Board of Podiatric Medical Examiners;
- (17) Board of Tax Professional Examiners;
- (18) Polygraph Examiners Board;
- (19) Texas State Board of Examiners of Psychologists;
- (20) State Board of Veterinary Medical Examiners;
- (21) Texas Real Estate Commission;
- (22) Texas Appraiser Licensing and Certification Board; ~~[and]~~
- (23) Texas Department of Licensing and Regulation;
- (24) Texas State Board of Public Accountancy;
- (25) State Board for Educator Certification;
- (26) Texas Board of Professional Engineers;
- (27) Texas Department of Health;
- (28) Texas Board of Architectural Examiners;
- (29) Texas Racing Commission;
- (30) Commission on Law Enforcement Officer Standards and Education; and

(31) Texas Commission on Private Security.

(b) The authority ~~[comptroller]~~ may add additional agencies as system capabilities are developed.

(c) A licensing entity ~~[authority]~~ other than an entity

3-1 [~~authority~~] listed by Subsection (a) may participate in the system
3-2 established under Section 2054.253, as added by Chapter 353, Acts
3-3 of the 77th Legislature, Regular Session, 2001, subject to the
3-4 approval of the authority [~~department~~].

3-5 SECTION 8. Section 2054.253, Government Code, as added by
3-6 Chapter 342, Acts of the 77th Legislature, Regular Session, 2001,
3-7 is amended to read as follows:

3-8 (a) The authority consists of the comptroller, who serves ex
3-9 officio, or the designee of the comptroller, and 16 [~~15~~] members
3-10 appointed by the governor, as follows:

3-11 (1) a board member who serves at the prerogative of the
3-12 governor [~~a representative of each of the following state officers~~
3-13 ~~or agencies appointed by the state officer or the governing body of~~
3-14 ~~the agency:~~

- 3-15 [~~(A) the comptroller, and~~
- 3-16 [~~(B) the department~~];

3-17 (2) three representatives of local governments
3-18 appointed by the governor, including one representative from a
3-19 junior college district;

3-20 (3) three representatives of businesses that are
3-21 regulated by a state agency or local government, appointed by the
3-22 governor, including one representative from a rural area;

3-23 (4) four representatives of state agencies, including
3-24 an institution of higher education other than a junior college
3-25 district, appointed by the governor, including one representative
3-26 from a rural area; and

3-27 (5) five [~~three~~] public members appointed by the
3-28 governor, including one representative from a rural area.

3-29 SECTION 9. Section 2054.253, Government Code, as added by
3-30 Chapter 353, Acts of the 77th Legislature, Regular Session, 2001,
3-31 is amended to read as follows:

3-32 Sec. 2054.253. ELECTRONIC SYSTEM FOR OCCUPATIONAL
3-33 LICENSING TRANSACTIONS. (a) The authority [~~department~~] shall
3-34 administer a common electronic system using the Internet through
3-35 which a licensing entity [~~authority~~] can electronically:

3-36 (1) send occupational licenses and other documents to
3-37 persons regulated by the authority and to the public;

3-38 (2) receive applications for occupational licenses
3-39 and other documents for filing from persons regulated by the
3-40 authority and from the public, including documents that can be
3-41 electronically signed if necessary; and

3-42 (3) receive required payments from persons regulated
3-43 by the authority and from the public.

3-44 (b) The authority [~~department~~] may implement this section
3-45 in phases. Each licensing entity [~~authority~~] that participates in
3-46 the system established under this section shall comply with the
3-47 schedule established by the authority [~~department~~].

3-48 (c) The authority [~~department~~] may use any Internet portal
3-49 established under a demonstration project administered by the
3-50 authority [~~department~~].

3-51 (d) The authority may exempt a licensing entity from
3-52 participating in the system established by this section if the
3-53 authority determines that:

3-54 (1) the licensing entity has established an Internet
3-55 portal that allows the performance of the functions described by
3-56 Subsection (a); or

3-57 (2) online license renewal for the licensing entity
3-58 would not be cost-effective or in the best interest of the project
3-59 [The department may contract with a private vendor to implement
3-60 this section. A contract under this subsection is payable only from
3-61 fees collected under Subsection (e)].

3-62 [~~(e) The department shall charge fees in amounts sufficient~~
3-63 ~~to cover the cost of implementing this section. The department may~~
3-64 ~~charge:~~

3-65 [~~(1) a transaction fee for each transaction performed~~
3-66 ~~on the system, and~~

3-67 [~~(2) a subscription fee to be paid by each licensing~~
3-68 ~~authority that participates in the system.]~~

3-69 SECTION 10. Subsections (a), (b), and (c), Section

4-1 2054.254, Government Code, as added by Chapter 353, Acts of the 77th
4-2 Legislature, Regular Session, 2001, are amended to read as follows:

4-3 (a) The steering committee for electronic occupational
4-4 licensing transactions consists of a representative of each of the
4-5 following, appointed by its governing body:

4-6 (1) each licensing entity [~~authority~~] listed by
4-7 Section 2054.252(a), as added by Chapter 353, Acts of the 77th
4-8 Legislature, Regular Session, 2001; and

4-9 (2) the department.
4-10 (b) The governing body of a licensing entity [~~authority~~]
4-11 described by Section 2054.252(c), as added by Chapter 353, Acts of
4-12 the 77th Legislature, Regular Session, 2001, may appoint a
4-13 representative to the committee.

4-14 (c) A member of the committee serves at the will of the
4-15 entity [~~authority~~] that appointed the member.

4-16 SECTION 11. Section 2054.255, Government Code, is amended
4-17 to read as follows:

4-18 Sec. 2054.255. PRESIDING OFFICER. The member of the
4-19 authority representing the board [~~department~~] is the presiding
4-20 officer.

4-21 SECTION 12. Section 2054.259, Government Code, is amended
4-22 to read as follows:

4-23 Sec. 2054.259. GENERAL POWERS AND DUTIES OF TEXASONLINE
4-24 AUTHORITY. The authority shall:

4-25 (1) develop policies related to operation of the
4-26 project;

4-27 (2) approve or disapprove [~~consider~~] services to be
4-28 provided by the project;

4-29 (3) operate and promote the project;

4-30 (4) oversee [~~manage~~] contract performance for the
4-31 project;

4-32 (5) comply with department financial requirements;

4-33 (6) oversee money generated for the operation and
4-34 expansion of the project;

4-35 (7) develop project pricing policies, including
4-36 policies regarding any fees that a state agency or local government
4-37 may charge for a transaction that uses the project;

4-38 (8) evaluate participation in the project to determine
4-39 if performance efficiencies or other benefits and opportunities are
4-40 gained through project implementation;

4-41 (9) advise the department about the project; and

4-42 (10) coordinate with the department to receive
4-43 periodic security audits of the operational facilities of the
4-44 project.

4-45 SECTION 13. Subchapter I, Chapter 2054, Government Code, as
4-46 added by Chapter 342, Acts of the 77th Legislature, Regular
4-47 Session, 2001, is amended by adding Sections 2054.268 through
4-48 2054.271 to read as follows:

4-49 Sec. 2054.268. CONTRACTS; CONFLICT OF INTEREST. A contract
4-50 entered into between the authority and another state agency or a
4-51 local government is not void for the sole reason that a member of
4-52 the authority also serves on the governing body of the state agency
4-53 or local government with which the contract was entered.

4-54 Sec. 2054.269. INTELLECTUAL PROPERTY RIGHTS. The
4-55 department may exercise all intellectual property rights regarding
4-56 the project, including prevention of other persons from using names
4-57 or designs similar to those used by the project to market products.

4-58 Sec. 2054.270. MOTOR VEHICLE REGISTRATIONS. For purposes
4-59 of this chapter, the renewal of a motor vehicle registration is a
4-60 state service.

4-61 Sec. 2054.271. AUTHENTICATION OF INDIVIDUAL IDENTITIES AND
4-62 SIGNATURES; RULES. (a) The authority or another state agency or
4-63 local government that uses TexasOnline may use the Department of
4-64 Public Safety's or another state agency's database, as appropriate,
4-65 to authenticate an individual's identity on TexasOnline.

4-66 (b) The authentication allowed by this section may be used
4-67 by the state agency or local government as an alternative to
4-68 requiring a notarized document, a document signed by a third party,
4-69 or an original signature on a document.

5-1 (c) The authority shall propose rules, which the board may
5-2 adopt, regarding the use of a standardized database for
5-3 authentication under this section.

5-4 SECTION 14. Subsections (d), (e), and (g), Section
5-5 2054.252, Government Code, as added by Chapter 342, Acts of the 77th
5-6 Legislature, Regular Session, 2001, are amended to read as follows:

5-7 (d) The department [authority] may contract with a private
5-8 vendor to implement this section.

5-9 (e) The authority shall charge fees to licensing entities in
5-10 amounts sufficient to cover the cost of implementing this section
5-11 with respect to licensing entities. The authority shall charge a
5-12 subscription fee to be paid by each licensing entity. If the
5-13 authority determines that the transaction costs exceed the maximum
5-14 increase in occupational license issuance or renewal fees allowed
5-15 under Subsection (g), the authority may also charge a reasonable
5-16 convenience fee to be recovered from a license holder who uses the
5-17 project for online issuance or renewal of a license.

5-18 (g) Each licensing entity shall increase the occupational
5-19 license issuance or renewal fees imposed by the licensing entity by
5-20 an amount sufficient to cover the cost of the subscription fee
5-21 imposed on the licensing entity under Subsection (e) but not to
5-22 exceed:

5-23 (1) \$5 for an annual occupational license [that is
5-24 required to be renewed annually]; [or]

5-25 (2) \$10 for a biennial [an] occupational license; or

5-26 (3) the amount necessary to cover the cost of the
5-27 subscription fee imposed on the licensing entity under Subsection
5-28 (e) for permits or facilities licenses [that is required to be
5-29 renewed biennially].

5-30 SECTION 15. Section 2054.2645, Government Code, is
5-31 repealed.

5-32 SECTION 16. (a) Not later than November 1, 2003, the
5-33 governor shall appoint the additional public members to serve on
5-34 the TexasOnline Authority, as required by Subsection (a), Section
5-35 2054.253, Government Code, as added by Chapter 342, Acts of the 77th
5-36 Legislature, Regular Session, 2001, and as amended by this Act. One
5-37 public member's term shall expire on February 1, 2005, and the
5-38 other public member's term shall expire on February 1, 2007.

5-39 (b) Not later than November 1, 2003, the governor shall
5-40 appoint a member of the governing board of the Department of
5-41 Information Resources to serve on the TexasOnline Authority, as
5-42 required by Subsection (a), Section 2054.253, Government Code, as
5-43 added by Chapter 342, Acts of the 77th Legislature, Regular
5-44 Session, 2001, and as amended by this Act. The member's term shall
5-45 expire on February 1, 2009.

5-46 SECTION 17. The Department of Information Resources shall,
5-47 in cooperation with the secretary of state, study the feasibility
5-48 of providing notary public services on the Internet. If the
5-49 department and the secretary of state determine the feasibility to
5-50 be sound, the department shall make recommendations not later than
5-51 January 1, 2005, to the 79th Legislature regarding legislation to
5-52 implement notary public services on the Internet.

5-53 SECTION 18. This Act takes effect immediately if it
5-54 receives a vote of two-thirds of all the members elected to each
5-55 house, as provided by Section 39, Article III, Texas Constitution.
5-56 If this Act does not receive the vote necessary for immediate
5-57 effect, this Act takes effect September 1, 2003.

5-58 * * * * *