Amend CSHB 3540 in Article 5 of the bill (committee printing, page 18, between lines 8 and 9), by inserting the following new section, appropriately numbered, and renumbering the subsequent sections of Article 5 accordingly:

SECTION 5.___. Section 46.008, Education Code, is amended to read as follows:

Sec. 46.008. STANDARDS. <u>(a)</u> The commissioner shall establish standards for adequacy of school facilities. The standards must include requirements related to space, educational adequacy, and construction quality. All new facilities constructed after September 1, 1998, must meet the standards to be eligible to be financed with state or local tax funds.

(b) To be eligible to be financed with state or local tax funds, all industrialized buildings, as defined by Section 1202.003, Occupations Code, that are purchased or leased after September 1, 2005, for use as school facilities must be inspected as provided by Subchapter E, Chapter 1202, Occupations Code, to ensure compliance with the mandatory building codes or approved designs, plans, and specifications. The cost of the inspections shall be paid by the manufacturers or builders of the industrialized buildings as follows. The Texas Commission of Licensing and Regulation shall set the amount of registration fees for the manufacturers or builders of industrialized buildings under Chapter 1202 Occupations Code, and the amount of inspection fees under this section, in an amount sufficient to pay for the direct and indirect costs of inspections under this section.

1