

AN ACT

relating to certain online services and transactions involving state agencies and to the abolishment of the TexasOnline Authority and the transfer of its powers and duties to the Texas Department of Information Resources.

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

SECTION 1. Section 2054.111, Government Code, is amended to read as follows:

Sec. 2054.111. USE OF TEXASONLINE PROJECT. (a) In this section, [~~authority,~~] "local government[~~]~~" and "project" have the meanings assigned by Section 2054.251.

(b) A state agency shall consider using the project for agency services provided on the Internet, including:

- (1) financial transactions;
- (2) applications for licenses, permits, registrations, and other related documents from the public;
- (3) electronic signatures; and
- (4) any other applications that require security.

(c) If a state agency chooses not to use the project under Subsection (b), the agency must provide documentation to the department [~~authority~~] that shows the services and security required by the agency. The department [~~authority~~] shall prescribe the documentation required.

(d) A state agency that uses the project shall comply with

1 rules adopted by the department, including any rules regarding:

2 (1) the appearance of the agency's Internet site and
3 the ease with which the site can be used;

4 (2) the use of the project [~~authority~~] seal; and

5 (3) marketing efforts under Subsection (g).

6 (e) A state agency or local government that uses the project
7 may charge a fee under Subchapter I if:

8 (1) the fee is necessary to recover the actual costs
9 directly and reasonably incurred by the agency or local government
10 because of the project for:

11 (A) the use of electronic payment methods; or

12 (B) interfacing with other information
13 technology systems;

14 (2) the fee does not include an amount to recover state
15 agency or local government employee costs;

16 (3) the state agency or local government approves the
17 amount of the fee using the state agency's or local government's
18 standard approval process for fee increases;

19 (4) the chief financial officer for the state agency
20 or local government certifies that the amount of the fee is
21 necessary to recover the actual costs incurred because of the
22 project; and

23 (5) the department [~~authority~~] approves the amount of
24 the fee.

25 (f) A local government may not charge a fee under Subsection
26 (e) that is otherwise prohibited under Section 195.006 or 195.007,
27 Local Government Code.

1 (g) A state agency that uses the project shall assist the
2 department [~~authority~~] with marketing efforts regarding the use of
3 the project.

4 SECTION 2. Section 2054.1115(b), Government Code, is
5 amended to read as follows:

6 (b) The state agency or local government may charge a
7 reasonable fee, as provided by Section 2054.111 or Subchapter I, to
8 recover costs incurred through electronic payment methods used
9 under this section.

10 SECTION 3. Section 2054.113(c), Government Code, is amended
11 to read as follows:

12 (c) Before a state agency may contract with a third party
13 for Internet application development that duplicates a TexasOnline
14 function, the state agency must notify the department [~~TexasOnline~~
15 ~~Authority~~] of its intent to bid for such services at the same time
16 that others have the opportunity to bid. The program management
17 office may exempt a state agency from this section if it determines
18 the agency has fully complied with Section 2054.111.

19 SECTION 4. Subchapter F, Chapter 2054, Government Code, is
20 amended by adding Section 2054.129 to read as follows:

21 Sec. 2054.129. ADVERTISING ONLINE OPTIONS. Each state
22 agency shall advertise the options for completing transactions with
23 that agency online.

24 SECTION 5. The heading to Subchapter I, Chapter 2054,
25 Government Code, is amended to read as follows:

26 SUBCHAPTER I. TEXASONLINE [~~AUTHORITY AND~~] PROJECT

27 SECTION 6. Sections 2054.252(a), (b), (c), (e), and (f),

1 Government Code, are amended to read as follows:

2 (a) The department [~~authority~~] shall implement a project
3 designated "TexasOnline" that establishes a common electronic
4 infrastructure through which state agencies and local governments,
5 including licensing entities, may by any method [~~electronically~~]:

6 (1) send and receive documents or required payments to
7 and from:

8 (A) members of the public;

9 (B) persons who are regulated by the agencies or
10 local governments; and

11 (C) the agencies and local governments;

12 (2) receive applications for original and renewal
13 licenses and permits, including occupational licenses, complaints
14 about occupational license holders, and other documents for filing
15 from members of the public and persons who are regulated by a state
16 agency or local government that, when secure access is necessary,
17 can be electronically validated by the agency, local government,
18 member of the public, or regulated person;

19 (3) send original and renewal occupational licenses to
20 persons regulated by licensing entities;

21 (4) send profiles of occupational license holders to
22 persons regulated by licensing entities and to the public;

23 (5) store information; and

24 (6) provide and receive any other service to and from
25 the agencies and local governments or the public.

26 (b) The electronic infrastructure established by the
27 department [~~authority~~] under Subsection (a) may include the

1 Internet, intranets, extranets, and wide area networks.

2 (c) The department [~~authority~~] may implement this section
3 in phases. Each state agency or local government that chooses to
4 participate in the project and each licensing entity shall comply
5 with the schedule established by the department [~~authority~~].

6 (e) The department [~~authority~~] shall charge fees to
7 licensing entities as provided by this subchapter in amounts
8 sufficient to cover the cost of implementing this section with
9 respect to licensing entities. The department [~~authority~~] shall
10 charge a subscription fee to be paid by each licensing entity. The
11 department may not charge the subscription fee until the service
12 for which the fee is charged is available on the Internet. If the
13 department [~~authority~~] determines that the transaction costs
14 exceed the maximum increase in occupational license issuance or
15 renewal fees allowed under Subsection (g), the department
16 [~~authority~~] may also charge a reasonable convenience fee to be
17 recovered from a license holder who uses the project for online
18 issuance or renewal of a license.

19 (f) The department [~~authority~~] may exempt a licensing
20 entity from subscription fees under Subsection (e) if the
21 department [~~authority~~] determines that the licensing entity has
22 established an Internet portal that is performing the functions
23 described by Subsection (a).

24 SECTION 7. Section 2054.259, Government Code, is amended to
25 read as follows:

26 Sec. 2054.259. GENERAL POWERS AND DUTIES OF DEPARTMENT
27 [~~TEXASONLINE AUTHORITY~~]. The department [~~authority~~] shall:

- 1 (1) develop policies related to operation of the
2 project;
- 3 (2) approve or disapprove services to be provided by
4 the project;
- 5 (3) operate and promote the project;
- 6 (4) oversee contract performance for the project;
- 7 (5) comply with department financial requirements;
- 8 (6) oversee money generated for the operation and
9 expansion of the project;
- 10 (7) develop project pricing policies, including
11 policies regarding any fees that a state agency, including the
12 department, or a local government may charge for a transaction that
13 uses the project;
- 14 (8) evaluate participation in the project to determine
15 if performance efficiencies or other benefits and opportunities are
16 gained through project implementation; and
- 17 (9) perform [~~advise the department about the project,~~
18 ~~and~~
- 19 [~~(10) coordinate with the department to receive~~]
20 periodic security audits of the operational facilities of the
21 project.

22 SECTION 8. Subchapter I, Chapter 2054, Government Code, is
23 amended by adding Sections 2054.2591 and 2054.2592 to read as
24 follows:

25 Sec. 2054.2591. FEES. (a) The department shall set fees
26 that a state agency, including the department, or a local
27 government may charge for a transaction that uses the project. The

1 department shall set fees at amounts sufficient to recover the
2 direct and indirect costs of the project.

3 (b) A fee set by the department for using the project is in
4 addition to any other statutory fees. The revenue collected from
5 the fees must be used to support the project, including the recovery
6 of project costs.

7 Sec. 2054.2592. FEE EXEMPTION; BARBER AND COSMETOLOGY
8 BOARDS. The department may not charge the State Board of Barber
9 Examiners or the Texas Cosmetology Commission a fee to use the
10 project for the issuance or renewal of an occupational license.

11 SECTION 9. Section 2054.260, Government Code, is amended to
12 read as follows:

13 Sec. 2054.260. REPORTING REQUIREMENTS [~~+~~ ~~AUTHORITY~~]. (a)
14 Not later than September 1 of each even-numbered year, the
15 department [~~authority~~] shall report on the status, progress,
16 benefits, and efficiency gains of the project. The department
17 [~~authority~~] shall provide the report to:

18 (1) the presiding officer of each house of the
19 legislature;

20 (2) the chair of each committee in the legislature
21 that has primary jurisdiction over the department;

22 (3) the governor; and

23 (4) each state agency or local government
24 participating in the project.

25 (b) Not later than September 1 of each even-numbered year,
26 [~~As required by~~] the department [~~, the authority~~] shall report on
27 [~~to the department regarding~~] financial matters, including project

1 costs and revenues, and ~~[-~~

2 ~~[(c) The authority shall report to the department]~~ on any
3 significant issues regarding contract performance on the project.

4 (c) The department shall provide the report to:

5 (1) the presiding officer of each house of the
6 legislature; and

7 (2) the chair of each committee in the legislature
8 with primary jurisdiction over the department.

9 SECTION 10. Section 2054.2605(b), Government Code, is
10 amended to read as follows:

11 (b) This section applies only to a licensing entity for
12 which the department ~~[authority]~~ has begun implementation of the
13 project under the schedule established by the department
14 ~~[authority]~~.

15 SECTION 11. Sections 2054.2606(d) and (e), Government Code,
16 are amended to read as follows:

17 (d) The department ~~[authority]~~ shall adopt ~~[prepare]~~ rules
18 ~~[for adoption by the board]~~ to prescribe the amount of the fee to be
19 collected by a state agency that establishes a profile system for
20 its license holders.

21 (e) The department ~~[authority]~~ shall adopt ~~[prepare]~~
22 additional rules as necessary to assist in the funding and
23 administration of the profile systems established by state
24 agencies, including rules prescribing policies for vendor
25 contracts relating to the collection and entry of profile data.

26 SECTION 12. Section 2054.261, Government Code, is amended
27 to read as follows:

1 Sec. 2054.261. ASSISTANCE AND COORDINATION WITH OTHER
2 GOVERNMENTAL ENTITIES. The department [~~authority~~] shall:

3 (1) assist state agencies and local governments in
4 researching and identifying potential funding sources for the
5 project;

6 (2) assist state agencies and local governments in
7 using the project;

8 (3) assist the legislature and other state leadership
9 in coordinating electronic government initiatives; and

10 (4) coordinate operations between state agencies and
11 local governments to achieve integrated planning for the project.

12 SECTION 13. Section 2054.262, Government Code, is amended
13 to read as follows:

14 Sec. 2054.262. RULES. [~~(a)~~] The department [~~authority~~]
15 shall adopt [~~prepare~~] rules regarding operation of the project [~~for~~
16 ~~consideration by the board~~].

17 [~~(b) The board may adopt rules prepared by the authority.~~]

18 SECTION 14. Section 2054.263, Government Code, is amended
19 to read as follows:

20 Sec. 2054.263. SEAL. The department [~~authority~~] shall
21 adopt an icon, symbol, brand, seal, or other identifying device to
22 represent the project.

23 SECTION 15. Section 2054.266, Government Code, is amended
24 to read as follows:

25 Sec. 2054.266. DONATIONS AND GRANTS. The department
26 [~~authority~~] may request and accept a donation or grant from any
27 person for use by the department [~~authority~~] in implementing or

1 managing the project.

2 SECTION 16. Sections 2054.271(a) and (c), Government Code,
3 are amended to read as follows:

4 (a) The department [~~authority~~] or another state agency or
5 local government that uses the project [~~TexasOnline~~] may use the
6 Department of Public Safety's or another state agency's database,
7 as appropriate, to authenticate an individual's identity on the
8 project [~~TexasOnline~~].

9 (c) The department may adopt [~~authority shall propose~~]
10 rules[~~, which the board may adopt,~~] regarding the use of a
11 standardized database for authentication under this section.

12 SECTION 17. Subchapter I, Chapter 2054, Government Code, is
13 amended by adding Sections 2054.273 and 2054.274 to read as
14 follows:

15 Sec. 2054.273. INDEPENDENT ANNUAL AUDIT. (a) Not later
16 than August 1 of each year, any private vendor chosen to implement
17 or manage the project shall have an audit of the vendor's finances
18 associated with the management and operation of the project
19 performed by an independent certified public accountant selected by
20 the state. The vendor shall pay for the audit and shall have a copy
21 of the audit provided to the department.

22 (b) Not later than August 15 of each year, the department
23 shall provide a copy of the audit report to:

24 (1) the presiding officer of each house of the
25 legislature; and

26 (2) the chair of each committee in the legislature
27 with primary jurisdiction over the department.

1 (c) The department shall keep a copy of the audit report and
2 make the audit report available for inspection by any interested
3 person during regular business hours.

4 Sec. 2054.274. RECOVERY OF FEES. A person that pays a fee
5 for using the project may recover the fee in the ordinary course of
6 business.

7 SECTION 18. Section 2054.351, Government Code, is amended
8 to read as follows:

9 Sec. 2054.351. DEFINITIONS. In this subchapter,
10 ~~["authority," "licensing entity[7]" and "occupational license"~~
11 ~~have the meanings assigned those terms by Section 2054.251[7, as~~
12 ~~added by Chapter 342, Acts of the 77th Legislature, Regular~~
13 ~~Session, 2001].~~

14 SECTION 19. Sections 2054.352(b) and (c), Government Code,
15 are amended to read as follows:

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

18 (c) A licensing entity other than an entity listed by
19 Subsection (a) may participate in the system established under
20 Section 2054.353, ~~[as added by Chapter 353, Acts of the 77th~~
21 ~~Legislature, Regular Session, 2001,]~~ subject to the approval of the
22 department ~~[authority]~~.

23 SECTION 20. Section 2054.353, Government Code, is amended
24 to read as follows:

25 Sec. 2054.353. ELECTRONIC SYSTEM FOR OCCUPATIONAL
26 LICENSING TRANSACTIONS. (a) The department ~~[authority]~~ shall
27 administer a common electronic system using the Internet through

1 which a licensing entity can electronically:

2 (1) send occupational licenses and other documents to
3 persons regulated by the licensing entity [~~authority~~] and to the
4 public;

5 (2) receive applications for occupational licenses
6 and other documents for filing from persons regulated by the
7 licensing entity [~~authority~~] and from the public, including
8 documents that can be electronically signed if necessary; and

9 (3) receive required payments from persons regulated
10 by the licensing entity [~~authority~~] and from the public.

11 (b) The department [~~authority~~] may implement this section
12 in phases. Each licensing entity that participates in the system
13 established under this section shall comply with the schedule
14 established by the department [~~authority~~].

15 (c) The department [~~authority~~] may use any Internet portal
16 established under a demonstration project administered by the
17 department [~~authority~~].

18 (d) The department [~~authority~~] may exempt a licensing
19 entity from participating in the system established by this section
20 if the department [~~authority~~] determines that:

21 (1) the licensing entity has established an Internet
22 portal that allows the performance of the functions described by
23 Subsection (a); or

24 (2) online license renewal for the licensing entity
25 would not be cost-effective or in the best interest of the project.

26 SECTION 21. Section 195.003, Local Government Code, is
27 amended to read as follows:

1 Sec. 195.003. PERSONS AUTHORIZED TO FILE ELECTRONICALLY.

2 (a) The following persons may file documents electronically for
3 recording with a county clerk that accepts electronic filing and
4 recording under this chapter:

5 (1) an attorney licensed in this state;

6 (2) a bank, savings and loan association, savings
7 bank, or credit union doing business under laws of the United States
8 or this state;

9 (3) a federally chartered lending institution, a
10 federal government-sponsored entity, an instrumentality of the
11 federal government, or a person approved as a mortgagee by the
12 United States to make federally insured loans;

13 (4) a person licensed to make regulated loans in this
14 state;

15 (5) a title insurance company or title insurance agent
16 licensed to do business in this state; or

17 (6) an agency of this state.

18 (b) A fee may not be charged to a person authorized to file
19 under this section, except as provided by Section 195.006 or
20 195.007.

21 SECTION 22. Subchapter E, Chapter 548, Transportation Code,
22 is amended by adding Section 548.258 to read as follows:

23 Sec. 548.258. USE OF TEXASONLINE. (a) In this section,
24 "TexasOnline" has the meaning assigned by Section 2054.003,
25 Government Code.

26 (b) The department may adopt rules to require an inspection
27 station to use TexasOnline to:

- 1 (1) purchase inspection certificates; or
2 (2) send to the department a record, report, or other
3 information required by the department.

4 SECTION 23. (a) Section 531.0312, Government Code, is
5 amended by adding Subsection (e) to read as follows:

6 (e) Each local workforce development board, the Texas Head
7 Start State Collaboration Office, and each school district shall
8 provide the Texas Information and Referral Network with information
9 regarding eligibility for and availability of child-care and
10 education services for inclusion in the statewide information and
11 referral network. The local workforce development boards, Texas
12 Head Start State Collaboration Office, and school districts shall
13 provide the information in a form determined by the executive
14 commissioner. In this subsection, "child-care and education
15 services" has the meaning assigned by Section 531.03131.

16 (b) Subchapter B, Chapter 531, Government Code, is amended
17 by adding Section 531.03131 to read as follows:

18 Sec. 531.03131. ELECTRONIC ACCESS TO CHILD-CARE AND
19 EDUCATION SERVICES REFERRAL INFORMATION. (a) In this section,
20 "child-care and education services" means:

21 (1) subsidized child-care services administered by
22 the Texas Workforce Commission and local workforce development
23 boards and funded wholly or partly by federal child-care
24 development funds;

25 (2) child-care and education services provided by a
26 Head Start or Early Head Start program provider;

27 (3) child-care and education services provided by a

1 school district through a prekindergarten or after-school program;
2 and

3 (4) any other government-funded child-care and
4 education services, other than education and services provided by a
5 school district as part of the general program of public and
6 secondary education, designed to educate or provide care for
7 children under the age of 13 in middle-income or low-income
8 families.

9 (b) In addition to providing health and human services
10 information, the Texas Information and Referral Network Internet
11 site established under Section 531.0313 shall provide information
12 to the public regarding child-care and education services provided
13 by public or private entities throughout the state. The Internet
14 site will serve as a single point of access through which a person
15 may be directed on how or where to apply for all child-care and
16 education services available in the person's community.

17 (c) To the extent resources are available, the Internet site
18 must:

19 (1) be geographically indexed and designed to inform
20 an individual about the child-care and education services provided
21 in the area where the person lives;

22 (2) contain prescreening questions to determine a
23 person's or family's probable eligibility for child-care and
24 education services; and

25 (3) be designed in a manner that allows staff of the
26 Texas Information and Referral Network to:

27 (A) provide an applicant with the telephone

1 number, physical address, and electronic mail address of the
2 nearest Head Start or Early Head Start office or center and local
3 workforce development center and the appropriate school district;
4 and

5 (B) send an electronic mail message to each
6 appropriate entity described by Paragraph (A) containing the name
7 of and contact information for each applicant and a description of
8 the services the applicant is applying for.

9 (d) On receipt of an electronic mail message from the Texas
10 Information and Referral Network under Subsection (c)(3)(B), each
11 entity shall contact the applicant to verify information regarding
12 the applicant's eligibility for available child-care and education
13 services and, on certifying eligibility, shall match the applicant
14 with entities providing those services in the applicant's
15 community, including local workforce development boards, local
16 child-care providers, or a Head Start or Early Head Start program
17 provider.

18 (e) The child-care resource and referral network under
19 Chapter 310, Labor Code, and each entity providing child-care and
20 education services in this state, including local workforce
21 development boards, the Texas Education Agency, school districts,
22 Head Start and Early Head Start program providers, municipalities,
23 counties, and other political subdivisions of this state, shall
24 cooperate with the Texas Information and Referral Network as
25 necessary in the administration of this section.

26 (f) Not later than the last day of the month following each
27 calendar quarter, the commission shall file with the legislature a

1 report regarding the use of the Internet site in the provision and
2 delivery of child-care and education services during the reporting
3 period. The report must include:

4 (1) the number of referrals made to Head Start or Early
5 Head Start offices or centers;

6 (2) the number of referrals made to local workforce
7 development centers; and

8 (3) the number of referrals made to each school
9 district.

10 (c) If before implementing any provision of this section a
11 state agency determines that a waiver or authorization from a
12 federal agency is necessary for implementation of that provision,
13 the agency affected by the provision shall request the waiver or
14 authorization and may delay implementing that provision until the
15 waiver or authorization is granted.

16 SECTION 24. The following are repealed:

17 (1) Sections 2054.251(1) and (2), 2054.253 through
18 2054.258, 2054.264, 2054.2645, 2054.265, and 2054.267, Government
19 Code; and

20 (2) Section 7, Chapter 342, Acts of the 77th
21 Legislature, Regular Session, 2001.

22 SECTION 25. The amendments made by this Act to Section
23 2054.113(c), Government Code, apply only to a bid made on or after
24 the effective date of this Act. A bid that is made before that date
25 is governed by the law in effect when the bid was made, and the
26 former law is continued in effect for that purpose.

27 SECTION 26. On the effective date of this Act:

1 (1) the TexasOnline Authority is abolished and all
2 functions and activities performed by the TexasOnline Authority
3 immediately before that date are transferred to the Department of
4 Information Resources;

5 (2) a schedule established or rule or form related to
6 the TexasOnline Authority is a schedule, rule, or form of the
7 Department of Information Resources and remains in effect until
8 amended or replaced by that department;

9 (3) a reference in law or an administrative rule to the
10 TexasOnline Authority means the Department of Information
11 Resources;

12 (4) a complaint, investigation, or other proceeding
13 before the TexasOnline Authority is transferred without change in
14 status to the Department of Information Resources, and the
15 Department of Information Resources assumes, as appropriate and
16 without a change in status, the position of the TexasOnline
17 Authority in an action or proceeding to which the TexasOnline
18 Authority is a party;

19 (5) all money, contracts, leases, property, and
20 obligations of the TexasOnline Authority are transferred to the
21 Department of Information Resources;

22 (6) an employee of the TexasOnline Authority becomes
23 an employee of the Department of Information Resources; and

24 (7) the unexpended and unobligated balance of any
25 money appropriated by the legislature for the TexasOnline Authority
26 is transferred to the Department of Information Resources.

27 SECTION 27. In the event of a conflict between a provision

1 of this Act and another Act passed by the 79th Legislature, Regular
2 Session, 2005, that becomes law, this Act prevails and controls
3 regardless of the relative dates of enactment.

4 SECTION 28. This Act takes effect immediately if it
5 receives a vote of two-thirds of all the members elected to each
6 house, as provided by Section 39, Article III, Texas Constitution.
7 If this Act does not receive the vote necessary for immediate
8 effect, this Act takes effect on the 91st day after the last day of
9 the legislative session.

President of the Senate

Speaker of the House

I certify that H.B. No. 2048 was passed by the House on May 9, 2005, by a non-record vote; that the House refused to concur in Senate amendments to H.B. No. 2048 on May 26, 2005, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2048 on May 29, 2005, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

H.B. No. 2048

I certify that H.B. No. 2048 was passed by the Senate, with amendments, on May 20, 2005, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2048 on May 29, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor