

By: Pitts

H.B. No. 3790

Substitute the following for H.B. No. 3790:

By: Pitts

C.S.H.B. No. 3790

A BILL TO BE ENTITLED

1 AN ACT
2 relating to certain state fiscal matters; providing penalties.

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

4 ARTICLE 1. REDUCTION OF EXPENDITURES AND IMPOSITION OF CHARGES
5 GENERALLY

6 SECTION 1.01. This article applies to each state agency, as
7 that term is defined by Section 317.001, Government Code.

8 SECTION 1.02. Notwithstanding any other statute of this
9 state, each state agency to which this article applies is
10 authorized to reduce or recover expenditures by:

11 (1) consolidating any reports or publications the
12 agency is required to make and filing or delivering any of those
13 reports or publications exclusively by electronic means;

14 (2) extending the effective period of any license,
15 permit, or registration the agency grants or administers;

16 (3) entering into a contract with another governmental
17 entity or with a private vendor to carry out any of the agency's
18 duties;

19 (4) modifying eligibility requirements for, the
20 processes used to determine eligibility for, and the services
21 provided to persons who receive benefits under any law the agency
22 administers, including benefits and services required by federal
23 law, to ensure that those benefits are received by the most
24 deserving persons consistent with the purposes for which the

1 benefits are provided;

2 (5) providing that any communication between the
3 agency and another person and any document required to be delivered
4 to or by the agency, including any application, notice, billing
5 statement, receipt, or certificate, may be made or delivered by
6 e-mail or through the Internet; and

7 (6) adopting and collecting fees or charges to cover
8 any costs the agency incurs in performing its lawful functions.

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

11 SECTION 2.01. Section 463.160, Insurance Code, is amended
12 to read as follows:

13 Sec. 463.160. PREMIUM TAX CREDIT FOR CLASS A ASSESSMENT.
14 The amount of a Class A assessment paid by a member insurer in each
15 taxable year shall be allowed as a credit on the amount of premium
16 taxes due [~~in the same manner as a credit is allowed under Section~~
17 ~~401.151(e)~~].

18 SECTION 2.02. Sections 221.006, 222.007, 223.009,
19 401.151(e), and 401.154, Insurance Code, are repealed.

20 SECTION 2.03. This article takes effect immediately if this
21 Act receives a vote of two-thirds of all the members elected to each
22 house, as provided by Section 39, Article III, Texas Constitution.
23 If this Act does not receive the vote necessary for immediate
24 effect, this article takes effect September 1, 2011.

25 ARTICLE 3. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES AND
26 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAMS

27 SECTION 3.01. Subchapter B, Chapter 31, Human Resources

1 Code, is amended by adding Section 31.0326 to read as follows:

2 Sec. 31.0326. VERIFICATION OF IDENTITY AND PREVENTION OF
3 DUPLICATE PARTICIPATION. The Health and Human Services Commission
4 shall use appropriate technology to:

5 (1) confirm the identity of applicants for benefits
6 under the financial assistance program; and

7 (2) prevent duplicate participation in the program by
8 a person.

9 SECTION 3.02. Chapter 33, Human Resources Code, is amended
10 by adding Section 33.0231 to read as follows:

11 Sec. 33.0231. VERIFICATION OF IDENTITY AND PREVENTION OF
12 DUPLICATE PARTICIPATION. The department shall use appropriate
13 technology to:

14 (1) confirm the identity of applicants for benefits
15 under the supplemental nutrition assistance program; and

16 (2) prevent duplicate participation in the program by
17 a person.

18 SECTION 3.03. Section 31.0325, Human Resources Code, is
19 repealed.

20 SECTION 3.04. If before implementing Section 31.0326 or
21 33.0231, Human Resources Code, as added by this article, a state
22 agency determines that a waiver or authorization from a federal
23 agency is necessary for implementation of that law, the agency
24 shall request the waiver or authorization and may delay
25 implementing that law until the waiver or authorization is granted.

26 SECTION 3.05. This article takes effect immediately if this
27 Act receives a vote of two-thirds of all the members elected to each

1 house, as provided by Section 39, Article III, Texas Constitution.
2 If this Act does not receive the vote necessary for immediate
3 effect, this article takes effect September 1, 2011.

4 ARTICLE 4. TAX RECORDS

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

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

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

13 (2) include information relating to:

14 (A) the kind of each machine;

15 (B) the date each machine is:

16 (i) acquired or received in this state; and

17 (ii) placed in operation;

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

19 (i) county;

20 (ii) municipality, if any; and

21 (iii) street or rural route number;

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

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

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

1 (3) be maintained[+
2 [~~(A)~~] at a permanent address in this state
3 designated on the application for a license under Section
4 2153.153[~~, and~~
5 [~~(B) until the second anniversary of the date the~~
6 ~~owner ceases ownership of the machine that is the subject of the~~
7 ~~record~~].

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

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

13 Sec. 111.0041. RECORDS; BURDEN TO PRODUCE AND SUBSTANTIATE
14 CLAIMS. (a) Except as provided by Subsection (b), a [Any] taxpayer
15 who is required by this title to keep records shall keep those
16 records open to inspection by the comptroller, the attorney
17 general, or the authorized representatives of either of them for at
18 least four years.

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

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

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

1 (c) A taxpayer shall produce contemporaneous records and
2 supporting documentation appropriate to the tax or fee for the
3 period in question to substantiate and enable verification of the
4 taxpayer's claim related to the amount of tax, penalty, or interest
5 to be assessed, collected, or refunded in an administrative or
6 judicial proceeding. Contemporaneous records and supporting
7 documentation appropriate to the tax or fee include invoices,
8 vouchers, checks, shipping records, contracts, and other written
9 documentation reflecting legal relationships and taxes collected
10 or paid.

11 (d) Summary records submitted by the taxpayer, including
12 accounting journals and ledgers, without supporting
13 contemporaneous records and documentation for the period in
14 question are not sufficient to substantiate and enable verification
15 of the taxpayer's claim regarding the amount of tax, penalty, or
16 interest that may be assessed, collected, or refunded.

17 (e) This section prevails over any other conflicting
18 provision of this title.

19 SECTION 4.03. Section 112.052, Tax Code, is amended by
20 adding Subsection (d) to read as follows:

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

27 SECTION 4.04. Section 112.151, Tax Code, is amended by

1 adding Subsection (f) to read as follows:

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

8 SECTION 4.05. Section 151.025(b), Tax Code, is amended to
9 read as follows:

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

13 (1) the comptroller authorizes in writing its
14 destruction at an earlier date; or

15 (2) Section 111.0041 requires that the record be kept
16 for a longer period.

17 SECTION 4.06. Section 152.063, Tax Code, is amended by
18 adding Subsection (h) to read as follows:

19 (h) Section 111.0041 applies to a person required to keep
20 records under this chapter.

21 SECTION 4.07. Section 152.0635, Tax Code, is amended by
22 adding Subsection (e) to read as follows:

23 (e) Section 111.0041 applies to a person required to keep
24 records under this chapter.

25 SECTION 4.08. Section 154.209(a), Tax Code, is amended to
26 read as follows:

27 (a) Except as provided by Section 111.0041, each [~~Each~~]

1 permit holder shall keep records available for inspection and
2 copying by the comptroller and the attorney general for at least
3 four years.

4 SECTION 4.09. Section 155.110(a), Tax Code, is amended to
5 read as follows:

6 (a) Except as provided by Section 111.0041, each ~~[Each]~~
7 permit holder shall keep records available for inspection and
8 copying by the comptroller and the attorney general for at least
9 four years.

10 SECTION 4.10. Section 160.046, Tax Code, is amended by
11 adding Subsection (g) to read as follows:

12 (g) A person required to keep records under this section
13 shall also keep the records as required by Section 111.0041.

14 SECTION 4.11. Subchapter A, Chapter 162, Tax Code, is
15 amended by adding Section 162.0125 to read as follows:

16 Sec. 162.0125. DUTY TO KEEP RECORDS. A person required to
17 keep a record under this chapter shall also keep the record as
18 required by Section 111.0041.

19 SECTION 4.12. This article takes effect immediately if this
20 Act receives a vote of two-thirds of all the members elected to each
21 house, as provided by Section 39, Article III, Texas Constitution.
22 If this Act does not receive the vote necessary for immediate
23 effect, this article takes effect September 1, 2011.

24 ARTICLE 5. COLLECTION IMPROVEMENT PROGRAM

25 SECTION 5.01. Articles 103.0033(f), (h), (i), and (j), Code
26 of Criminal Procedure, are amended to read as follows:

27 (f) The ~~[comptroller, in cooperation with the]~~ office~~[7]~~

1 shall develop a methodology for determining the collection rate of
2 counties and municipalities described by Subsection (e) before
3 implementation of a program. The office [~~comptroller~~] shall
4 determine the rate for each county and municipality not later than
5 the first anniversary of the county's or municipality's adoption of
6 a program.

7 (h) The office [~~, in consultation with the comptroller,~~]
8 may:

9 (1) use case dispositions, population, revenue data,
10 or other appropriate measures to develop a prioritized
11 implementation schedule for programs; and

12 (2) determine whether it is not cost-effective to
13 implement a program in a county or municipality and grant a waiver
14 to the county or municipality.

15 (i) Each county and municipality shall at least annually
16 submit to the office [~~and the comptroller~~] a written report that
17 includes updated information regarding the program, as determined
18 by the office [~~in cooperation with the comptroller~~]. The report
19 must be in a form approved by the office [~~in cooperation with the~~
20 ~~comptroller~~].

21 (j) The office [~~comptroller~~] shall periodically audit
22 counties and municipalities to verify information reported under
23 Subsection (i) and confirm that the county or municipality is
24 conforming with requirements relating to the program. [~~The~~
25 ~~comptroller shall consult with the office in determining how~~
26 ~~frequently to conduct audits under this section.~~]

27 SECTION 5.02. Section 133.058(e), Local Government Code, is

1 amended to read as follows:

2 (e) A municipality or county may not retain a service fee
3 if, during an audit under [~~Section 133.059 of this code or~~] Article
4 103.0033(j), Code of Criminal Procedure, the Office of Court
5 Administration of the Texas Judicial System [~~comptroller~~]
6 determines that the municipality or county is not in compliance
7 with Article 103.0033, Code of Criminal Procedure. The
8 municipality or county may continue to retain a service fee under
9 this section on receipt of a written confirmation from the Office of
10 Court Administration of the Texas Judicial System [~~comptroller~~]
11 that the municipality or county is in compliance with Article
12 103.0033, Code of Criminal Procedure.

13 SECTION 5.03. Section 133.103(c-1), Local Government Code,
14 is amended to read as follows:

15 (c-1) The treasurer shall send 100 percent of the fees
16 collected under this section to the comptroller if, during an audit
17 under [~~Section 133.059 of this code or~~] Article 103.0033(j), Code
18 of Criminal Procedure, the Office of Court Administration of the
19 Texas Judicial System [~~comptroller~~] determines that the
20 municipality or county is not in compliance with Article 103.0033,
21 Code of Criminal Procedure. The municipality or county shall
22 continue to dispose of fees as otherwise provided by this section on
23 receipt of a written confirmation from the Office of Court
24 Administration of the Texas Judicial System [~~comptroller~~] that the
25 municipality or county is in compliance with Article 103.0033, Code
26 of Criminal Procedure.

27 SECTION 5.04. This article takes effect September 1, 2011.

ARTICLE 6. PENALTIES FOR FAILURE TO REPORT OR REMIT

CERTAIN TAXES OR FEES

SECTION 6.01. Section 111.00455(b), Tax Code, is amended to read as follows:

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

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

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

(3) a hearing in which the issue relates to:

(A) Chapters 72-75, Property Code;

(B) forfeiture of a right to do business;

(C) a certificate of authority;

(D) articles of incorporation;

(E) a penalty imposed under Section 151.703(d) [~~151.7031~~];

(F) the refusal or failure to settle under Section 111.101; or

(G) a request for or revocation of an exemption from taxation; and

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

1 amount.

2 SECTION 6.02. Section 151.433(f), Tax Code, is amended to
3 read as follows:

4 (f) If a person fails to file a report required by this
5 section or fails to file a complete report, the comptroller may
6 suspend or cancel one or more permits issued to the person under
7 Section 151.203 and may impose a civil or criminal penalty, or both,
8 under Section 151.703(d) [~~151.7031~~] or 151.709.

9 SECTION 6.03. Section 151.703, Tax Code, is amended by
10 adding Subsection (d) to read as follows:

11 (d) In addition to any other penalty authorized by this
12 section, a person who fails to file a report as required by this
13 chapter shall pay a penalty of \$50. The penalty provided by this
14 subsection is assessed without regard to whether the taxpayer
15 subsequently files the report or whether any taxes were due from the
16 taxpayer for the reporting period under the required report.

17 SECTION 6.04. Section 152.045, Tax Code, is amended by
18 adding Subsection (d) to read as follows:

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

27 SECTION 6.05. Section 152.047, Tax Code, is amended by

1 adding Subsection (j) to read as follows:

2 (j) In addition to any other penalty provided by law, the
3 seller of a motor vehicle sold in a seller-financed sale who is
4 required to file a report as provided by this chapter and who fails
5 to timely file the report shall pay a penalty of \$50. The penalty
6 provided by this subsection is assessed without regard to whether
7 the taxpayer subsequently files the report or whether any taxes
8 were due from the taxpayer for the reporting period under the
9 required report.

10 SECTION 6.06. Section 156.202, Tax Code, is amended by
11 amending Subsection (c) and adding Subsection (d) to read as
12 follows:

13 (c) The minimum penalty under Subsections (a) and (b) [~~this~~
14 ~~section~~] is \$1.

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

21 SECTION 6.07. Section 162.401, Tax Code, is amended by
22 adding Subsection (c) to read as follows:

23 (c) In addition to any other penalty authorized by this
24 section, a person who fails to file a report as required by this
25 chapter shall pay a penalty of \$50. The penalty provided by this
26 subsection is assessed without regard to whether the taxpayer
27 subsequently files the report or whether any taxes were due from the

1 taxpayer for the reporting period under the required report.

2 SECTION 6.08. Section 171.362, Tax Code, is amended by
3 amending Subsection (c) and adding Subsection (f) to read as
4 follows:

5 (c) The minimum penalty under Subsections (a) and (b) [~~this~~
6 ~~section~~] is \$1.

7 (f) In addition to any other penalty authorized by this
8 section, a taxable entity who fails to file a report as required by
9 this chapter shall pay a penalty of \$50. The penalty provided by
10 this subsection is assessed without regard to whether the taxable
11 entity subsequently files the report or whether any taxes were due
12 from the taxable entity for the reporting period under the required
13 report.

14 SECTION 6.09. Subchapter B, Chapter 183, Tax Code, is
15 amended by adding Section 183.024 to read as follows:

16 Sec. 183.024. FAILURE TO PAY TAX OR FILE REPORT. (a) A
17 permittee who fails to file a report as required by this chapter or
18 who fails to pay a tax imposed by this chapter when due shall pay
19 five percent of the amount due as a penalty, and if the permittee
20 fails to file the report or pay the tax within 30 days after the day
21 the tax or report is due, the permittee shall pay an additional five
22 percent of the amount due as an additional penalty.

23 (b) The minimum penalty under Subsection (a) is \$1.

24 (c) A delinquent tax draws interest beginning 60 days from
25 the due date.

26 (d) In addition to any other penalty authorized by this
27 section, a permittee who fails to file a report as required by this

1 chapter shall pay a penalty of \$50. The penalty provided by this
2 subsection is assessed without regard to whether the permittee
3 subsequently files the report or whether any taxes were due from the
4 permittee for the reporting period under the required report.

5 SECTION 6.10. Section 771.0712, Health and Safety Code, is
6 amended by adding Subsections (c) and (d) to read as follows:

7 (c) A seller who fails to file a report or remit a fee
8 collected or payable as provided by this section and comptroller
9 rules shall pay five percent of the amount due and payable as a
10 penalty, and if the seller fails to file the report or remit the fee
11 within 30 days after the day the fee or report is due, the seller
12 shall pay an additional five percent of the amount due and payable
13 as an additional penalty.

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

20 SECTION 6.11. Section 151.7031, Tax Code, is repealed.

21 SECTION 6.12. The change in law made by this article applies
22 only to a report due or a tax or fee due and payable on or after the
23 effective date of this article. A report due or a tax or fee due and
24 payable before the effective date of this article is governed by the
25 law in effect at that time, and that law is continued in effect for
26 that purpose.

27 SECTION 6.13. This article takes effect immediately if this

1 Act receives a vote of two-thirds of all the members elected to each
2 house, as provided by Section 39, Article III, Texas Constitution.
3 If this Act does not receive the vote necessary for immediate
4 effect, this article takes effect September 1, 2011.

5 ARTICLE 7. CERTAIN FOUNDATION SCHOOL PROGRAM PAYMENTS

6 SECTION 7.01. Sections 42.259(c), (d), and (f), Education
7 Code, are amended to read as follows:

8 (c) Payments from the foundation school fund to each
9 category 2 school district shall be made as follows:

10 (1) 22 percent of the yearly entitlement of the
11 district shall be paid in an installment to be made on or before the
12 25th day of September of a fiscal year;

13 (2) 18 percent of the yearly entitlement of the
14 district shall be paid in an installment to be made on or before the
15 25th day of October;

16 (3) 9.5 percent of the yearly entitlement of the
17 district shall be paid in an installment to be made on or before the
18 25th day of November;

19 (4) 7.5 percent of the yearly entitlement of the
20 district shall be paid in an installment to be made on or before the
21 25th day of April;

22 (5) five percent of the yearly entitlement of the
23 district shall be paid in an installment to be made on or before the
24 25th day of May;

25 (6) 10 percent of the yearly entitlement of the
26 district shall be paid in an installment to be made on or before the
27 25th day of June;

1 (7) 13 percent of the yearly entitlement of the
2 district shall be paid in an installment to be made on or before the
3 25th day of July; and

4 (8) 15 percent of the yearly entitlement of the
5 district shall be paid in an installment to be made after the 5th
6 day of September and not later than the 10th day of September of the
7 calendar year following the calendar year of the payment made under
8 Subdivision (1) [~~on or before the 25th day of August~~].

9 (d) Payments from the foundation school fund to each
10 category 3 school district shall be made as follows:

11 (1) 45 percent of the yearly entitlement of the
12 district shall be paid in an installment to be made on or before the
13 25th day of September of a fiscal year;

14 (2) 35 percent of the yearly entitlement of the
15 district shall be paid in an installment to be made on or before the
16 25th day of October; and

17 (3) 20 percent of the yearly entitlement of the
18 district shall be paid in an installment to be made after the 5th
19 day of September and not later than the 10th day of September of the
20 calendar year following the calendar year of the payment made under
21 Subdivision (1) [~~on or before the 25th day of August~~].

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

26 SECTION 7.02. Section 466.355(c), Government Code, is
27 repealed.

1 SECTION 7.03. The changes made by this article to Section
2 42.259, Education Code, apply only to a payment from the foundation
3 school fund that is made on or after the effective date of this
4 article. A payment to a school district from the foundation school
5 fund that is made before that date is governed by Section 42.259,
6 Education Code, as it existed before amendment by this article, and
7 the former law is continued in effect for that purpose.

8 SECTION 7.04. This article takes effect September 1, 2011.

9 ARTICLE 8. UNCLAIMED PROPERTY

10 SECTION 8.01. Section 74.101(a), Property Code, is amended
11 to read as follows:

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

18 SECTION 8.02. Section 74.1011(a), Property Code, is amended
19 to read as follows:

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

- 26 (1) the holder is holding the property; and
27 (2) the holder may be required to deliver the property

1 to the comptroller on or before July [~~November~~] 1 if the property is
2 not claimed.

3 SECTION 8.03. Sections 74.301(a) and (c), Property Code,
4 are amended to read as follows:

5 (a) Except as provided by Subsection (c), each holder who on
6 June 1 [~~30~~] holds property that is presumed abandoned under Chapter
7 72, 73, or 75 shall deliver the property to the comptroller on or
8 before the following July [~~November~~] 1 accompanied by the report
9 required to be filed under Section 74.101.

10 (c) If the property subject to delivery under Subsection (a)
11 is the contents of a safe deposit box, the comptroller may instruct
12 a holder to deliver the property on a specified date before July
13 [~~November~~] 1 of the following year.

14 SECTION 8.04. Section 74.708, Property Code, is amended to
15 read as follows:

16 Sec. 74.708. PROPERTY HELD IN TRUST. A holder who on June 1
17 [~~30~~] holds property presumed abandoned under Chapters 72-75 holds
18 the property in trust for the benefit of the state on behalf of the
19 missing owner and is liable to the state for the full value of the
20 property, plus any accrued interest and penalty. A holder is not
21 required by this section to segregate or establish trust accounts
22 for the property provided the property is timely delivered to the
23 comptroller in accordance with Section 74.301.

24 SECTION 8.05. (a) Except as provided by Subsection (b) of
25 this section, this article takes effect September 1, 2011.

26 (b) Sections 74.101(a), 74.1011(a), 74.301(a) and (c), and
27 74.708, Property Code, as amended by this article, take effect

1 January 1, 2013.

2 ARTICLE 9. FISCAL MATTERS RELATED TO VOTER REGISTRATION

3 SECTION 9.01. Sections 18.065(b), (c), and (d), Election
4 Code, are amended to read as follows:

5 (b) On determining that a registrar is not in substantial
6 compliance, the secretary shall deliver written notice of the
7 noncompliance to[+]

8 [~~(1)~~] the registrar and include[~~, including~~] in the
9 notice a description of the violation and an explanation of the
10 action necessary for substantial compliance and of the consequences
11 of noncompliance[~~, and~~

12 [~~(2) the comptroller of public accounts, including in~~
13 ~~the notice the identity of the noncomplying registrar].~~

14 (c) On determining that a noncomplying registrar has
15 corrected the violation and is in substantial compliance, the
16 secretary shall deliver written notice to the registrar [~~and to the~~
17 ~~comptroller~~] that the registrar is in substantial compliance.

18 (d) [~~The comptroller shall retain a notice received under~~
19 ~~this section on file until July 1 following the voting year in which~~
20 ~~it is received.~~] The secretary shall retain a copy of each notice
21 the secretary delivers under this section for two years after the
22 date the notice is delivered.

23 SECTION 9.02. Section 19.001(a), Election Code, is amended
24 to read as follows:

25 (a) Before May 15 of each year, the registrar shall prepare
26 and submit to the secretary of state [~~comptroller of public~~
27 ~~accounts~~] a statement containing:

1 (1) the total number of initial registrations for the
2 previous voting year;

3 (2) the total number of registrations canceled under
4 Sections 16.031(a)(1), 16.033, and 16.0332 for the previous voting
5 year; and

6 (3) the total number of registrations for which
7 information was updated for the previous voting year.

8 SECTION 9.03. The heading to Section 19.002, Election Code,
9 is amended to read as follows:

10 Sec. 19.002. PAYMENTS [~~ISSUANCE OF WARRANTS BY~~
11 ~~COMPTROLLER~~].

12 SECTION 9.04. Sections 19.002(b) and (d), Election Code,
13 are amended to read as follows:

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

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

1 SECTION 9.05. The heading to Section 19.0025, Election
2 Code, is amended to read as follows:

3 Sec. 19.0025. ELECTRONIC ADMINISTRATION OF VOUCHERS AND
4 PAYMENTS [~~WARRANTS~~].

5 SECTION 9.06. Section 19.0025(a), Election Code, is amended
6 to read as follows:

7 (a) The secretary of state shall establish and maintain an
8 online electronic system for administering vouchers submitted and
9 payments made [~~warrants issued~~] under Section 19.002.

10 SECTION 9.07. Section 19.002(c), Election Code, is
11 repealed.

12 SECTION 9.08. This article takes effect September 1, 2011.

13 ARTICLE 10. CERTAIN POWERS AND DUTIES OF THE COMPTROLLER OF
14 PUBLIC ACCOUNTS

15 SECTION 10.01. Section 403.0551(d), Government Code, is
16 amended to read as follows:

17 (d) This section does not authorize the comptroller to
18 deduct the amount of a state employee's indebtedness to a state
19 agency from any amount of compensation owed by the agency to the
20 employee, the employee's successor, or the assignee of the employee
21 or successor. In this subsection, "compensation" has the meaning
22 assigned by Section 403.055 and [~~"compensation,"~~] "indebtedness,"
23 "state agency," "state employee," and "successor" have the meanings
24 assigned by Section 666.001.

25 SECTION 10.02. Section 404.022(h), Government Code, is
26 amended to read as follows:

27 (h) The comptroller may execute a simplified version of a

1 depository agreement with an eligible institution desiring to hold
2 [~~\$98,000 or less in~~] state deposits that are fully insured by the
3 Federal Deposit Insurance Corporation or the National Credit Union
4 Share Insurance Fund.

5 SECTION 10.03. Section 411.109(a), Government Code, is
6 amended to read as follows:

7 (a) The comptroller is entitled to obtain from the
8 department criminal history record information maintained by the
9 department that the comptroller believes is necessary for the
10 enforcement or administration of Chapter 151, 152, [~~153,~~] 154, [~~or~~]
11 155, or 162, Tax Code, including criminal history record
12 information that relates to a person who is:

13 (1) an applicant for a permit under any of those
14 chapters;

15 (2) a permit holder under any of those chapters;

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

21 (4) believed to have violated any of those chapters;

22 or

23 (5) being considered by the comptroller for employment
24 as a peace officer.

25 SECTION 10.04. Section 403.0551(d), Government Code, as
26 amended by this article, applies to a deduction made on or after the
27 effective date of this Act for an indebtedness to a state agency

1 regardless of:

2 (1) the date the indebtedness accrued; or

3 (2) the dates of the pay period for which the
4 compensation from which the indebtedness is deducted is earned.

5 ARTICLE 11. PREPARATION AND PUBLICATION OF CERTAIN REPORTS AND
6 OTHER MATERIALS

7 SECTION 11.01. Section 61.539(c), Education Code, is
8 amended to read as follows:

9 (c) As soon as practicable after each state fiscal year, the
10 board [~~comptroller~~] shall prepare a report for that fiscal year of
11 the number of students registered in a medical branch, school, or
12 college, the total amount of tuition charges collected by each
13 institution, the total amount transferred to the comptroller under
14 this section, and the total amount available in the physician
15 education loan repayment program account for the repayment of
16 student loans of physicians under this subchapter. The board
17 [~~comptroller~~] shall deliver a copy of the report to [~~the board and~~
18 ~~to~~] the governor, lieutenant governor, and speaker of the house of
19 representatives not later than January 1 following the end of the
20 fiscal year covered by the report.

21 SECTION 11.02. Section 5.05(c), Tax Code, is amended to
22 read as follows:

23 (c) The comptroller shall electronically publish all
24 materials under this section [~~provide without charge one copy of~~
25 ~~all materials to officials of local government who are responsible~~]
26 for administering the property tax system. [~~If a local government~~
27 ~~official requests more than one copy, the comptroller may charge a~~

1 ~~reasonable fee to offset the costs of printing and distributing the~~
2 ~~materials.]~~ The comptroller shall make the materials available to
3 local governmental officials and members of the public but may
4 charge a reasonable fee to offset the costs of preparing, printing,
5 and distributing the materials.

6 SECTION 11.03. Section 5.06, Tax Code, is amended to read as
7 follows:

8 Sec. 5.06. EXPLANATION OF TAXPAYER REMEDIES. [~~(a)~~] The
9 comptroller shall prepare and electronically publish a pamphlet
10 explaining the remedies available to dissatisfied taxpayers and the
11 procedures to be followed in seeking remedial action. The
12 comptroller shall include in the pamphlet advice on preparing and
13 presenting a protest.

14 [~~(b) The comptroller shall provide without charge a~~
15 ~~reasonable number of copies of the pamphlet to any person on~~
16 ~~request. The comptroller may charge a person who requests multiple~~
17 ~~copies of the pamphlet a reasonable fee to offset the costs of~~
18 ~~printing and distributing those copies. The comptroller at its~~
19 ~~discretion shall determine the number of copies that a person may~~
20 ~~receive without charge.]~~

21 SECTION 11.04. Section 5.09, Tax Code, is amended to read as
22 follows:

23 Sec. 5.09. BIENNIAL [~~ANNUAL~~] REPORTS. (a) The comptroller
24 shall prepare a biennial [~~publish an annual~~] report of [~~the~~
25 ~~operations of the appraisal districts. The report shall include~~
26 ~~for each appraisal district, each county, and each school district~~
27 ~~and may include for other taxing units]~~ the total appraised

1 values[~~, assessed values,~~] and taxable values of taxable property
2 by category [~~class of property, the assessment ratio,~~] and the tax
3 rates of each county, municipality, and school district in effect
4 for the two years preceding the year in which the report is prepared
5 [~~rate~~].

6 (b) Not later than December 31 of each even-numbered year,
7 the [~~The~~] comptroller shall:

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

11 (2) notify [~~of this section to~~] the governor, the
12 lieutenant governor, and each member of the legislature that the
13 report is available on the website.

14 SECTION 11.05. The following are repealed:

15 (1) Sections 51.607, 403.030, and 552.143(e),
16 Government Code; and

17 (2) Subchapter F, Chapter 379A, Local Government Code.

18 ARTICLE 12. SALES AND USE TAX HOLIDAY

19 SECTION 12.01. The heading to Section 151.326, Tax Code, is
20 amended to read as follows:

21 Sec. 151.326. CLOTHING AND FOOTWEAR FOR LIMITED PERIOD
22 UNDER CERTAIN CIRCUMSTANCES.

23 SECTION 12.02. Section 151.326, Tax Code, is amended by
24 amending Subsection (a) and adding Subsections (c), (d), (e), and
25 (f) to read as follows:

26 (a) Subject to Subsection (e), the [~~The~~] sale of an article
27 of clothing or footwear designed to be worn on or about the human

1 body is exempted from the taxes imposed by this chapter if:

2 (1) the sales price of the article is less than \$100;
3 and

4 (2) the sale takes place during a period beginning at
5 12:01 a.m. on the third Friday in August and ending at 12 midnight
6 on the following Sunday.

7 (c) On or after January 1, but not later than January 31, of
8 each odd-numbered year, the comptroller shall determine the
9 following:

10 (1) whether a deficit exists in the current state
11 fiscal biennium in the general revenue-related funds used for
12 certification; and

13 (2) whether general revenue-related funds used for
14 certification and estimated to be available for the succeeding
15 state fiscal biennium are less than the general revenue-related
16 funds used for certification and available for the current state
17 fiscal biennium.

18 (d) The comptroller shall base the determinations required
19 by Subsection (c) on the statement required by Section 49a, Article
20 III, Texas Constitution, and submitted to the legislature convening
21 in regular session the year the determination is made and shall
22 assume that the exemptions provided by this section and Section
23 151.327 apply.

24 (e) The exemptions provided by this section do not apply:

25 (1) in the state fiscal year in which the comptroller
26 makes the determination required by Subsection (c) if the
27 comptroller determines that the condition specified by Subsection

1 (c)(1) exists; and
2 (2) in the state fiscal year following the year in
3 which the comptroller makes the determination required by
4 Subsection (c) if the comptroller determines that the condition
5 specified by Subsection (c)(2) exists.

6 (f) Not later than February 15 of each odd-numbered year,
7 the comptroller shall provide notice of whether the exemptions
8 provided by this section apply during that state fiscal year and the
9 subsequent state fiscal year. The comptroller shall provide the
10 notice to each sales tax permit holder and shall clearly post the
11 information on the comptroller's Internet website.

12 SECTION 12.03. The heading to Section 151.327, Tax Code, is
13 amended to read as follows:

14 Sec. 151.327. SCHOOL SUPPLIES AND SCHOOL BACKPACKS BEFORE
15 START OF SCHOOL UNDER CERTAIN CIRCUMSTANCES.

16 SECTION 12.04. Section 151.327, Tax Code, is amended by
17 amending Subsection (a-1) and adding Subsection (c) to read as
18 follows:

19 (a-1) Subject to Subsection (c), the ~~The~~ sale or storage,
20 use, or other consumption of a school supply or a school backpack is
21 exempted from the taxes imposed by this chapter if the school supply
22 or backpack is purchased:

23 (1) for use by a student in a public or private
24 elementary or secondary school;

25 (2) during the period described by Section
26 151.326(a)(2); and

27 (3) for a sales price of less than \$100.

1 (c) An exemption under this section does not apply to the
2 sale or storage, use, or other consumption of a taxable item that
3 occurs during a state fiscal year during which the exemptions
4 provided by Section 151.326 do not apply.

5 SECTION 12.05. The comptroller of public accounts shall
6 make the initial determinations required by Section 151.326(c), Tax
7 Code, as added by this article, not later than January 31, 2013.

8 SECTION 12.06. Notwithstanding Sections 151.326 and
9 151.327, Tax Code, as amended by this article, the sale or storage,
10 use, or other consumption of a taxable item is not exempt from the
11 taxes imposed by Chapter 151, Tax Code, under those sections if the
12 sale occurs:

13 (1) during the state fiscal year ending August 31,
14 2011, if this Act receives enough votes to take effect immediately
15 in accordance with Section 12.07 of this article; or

16 (2) during the state fiscal year ending August 31,
17 2012.

18 SECTION 12.07. This article takes effect immediately if
19 this Act receives a vote of two-thirds of all the members elected to
20 each house, as provided by Section 39, Article III, Texas
21 Constitution. If this Act does not receive the vote necessary for
22 immediate effect, this article takes effect September 1, 2011.

23 ARTICLE 13. SURPLUS LINES AND INDEPENDENTLY PROCURED INSURANCE

24 SECTION 13.01. Section 101.053(b), Insurance Code, is
25 amended to read as follows:

26 (b) Sections 101.051 and 101.052 do not apply to:

27 (1) the lawful transaction of surplus lines insurance

1 under Chapter 981;

2 (2) the lawful transaction of reinsurance by insurers;

3 (3) a transaction in this state that:

4 (A) involves a policy that:

5 (i) is lawfully solicited, written, and
6 delivered outside this state; and

7 (ii) covers, at the time the policy is
8 issued, only subjects of insurance that are not resident, located,
9 or expressly to be performed in this state; and

10 (B) takes place after the policy is issued;

11 (4) a transaction:

12 (A) that involves an insurance contract
13 independently procured by the insured from an insurance company not
14 authorized to do insurance business in this state through
15 negotiations occurring entirely outside this state;

16 (B) that is reported; and

17 (C) on which premium tax, if applicable, is paid
18 in accordance with Chapter 226;

19 (5) a transaction in this state that:

20 (A) involves group life, health, or accident
21 insurance, other than credit insurance, and group annuities in
22 which the master policy for the group was lawfully issued and
23 delivered in a state in which the insurer or person was authorized
24 to do insurance business; and

25 (B) is authorized by a statute of this state;

26 (6) an activity in this state by or on the sole behalf
27 of a nonadmitted captive insurance company that insures solely:

1 (A) directors' and officers' liability insurance
2 for the directors and officers of the company's parent and
3 affiliated companies;

4 (B) the risks of the company's parent and
5 affiliated companies; or

6 (C) both the individuals and entities described
7 by Paragraphs (A) and (B);

8 (7) the issuance of a qualified charitable gift
9 annuity under Chapter 102; or

10 (8) a lawful transaction by a servicing company of the
11 Texas workers' compensation employers' rejected risk fund under
12 Section 4.08, Article 5.76-2, as that article existed before its
13 repeal.

14 SECTION 13.02. Section 225.001, Insurance Code, is amended
15 to read as follows:

16 Sec. 225.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

17 (1) "Affiliate" means, with respect to an insured, a
18 person that controls, is controlled by, or is under common control
19 with the insured.

20 (2) "Affiliated group" means a group of entities whose
21 members are affiliated.

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

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

27 (B) to control in any manner the election of the

1 majority of directors or trustees of the affiliated entity.

2 (4) "Home state" means:

3 (A) for an insured that is not an affiliated
4 group described by Paragraph (B):

5 (i) the state in which the insured resides,
6 if the insured is an individual;

7 (ii) the state in which an insured that is
8 not an individual maintains its principal place of business; or

9 (iii) if 100 percent of the insured risk is
10 located outside of the state in which the insured resides or
11 maintains its principal place of business, as applicable, the state
12 to which the largest percentage of the insured's taxable premium
13 for the insurance contract that covers the risk is allocated; or

14 (B) for an affiliated group with respect to which
15 more than one member is a named insured on a single insurance
16 contract subject to this chapter, the home state of the member, as
17 determined under Paragraph (A), that has the largest percentage of
18 premium attributed to it under the insurance contract.

19 (5) "Premium" means any payment made in consideration
20 for insurance and [~~,"premium"~~] includes:

21 (A) [~~(1)~~] a premium;

22 (B) premium deposits;

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

24 (D) a registration fee;

25 (E) [~~(3)~~] an assessment;

26 (F) [~~(4)~~] dues; and

27 (G) [~~(5)~~] any other compensation given in

1 consideration for surplus lines insurance.

2 SECTION 13.03. Section 225.002, Insurance Code, is amended
3 to read as follows:

4 Sec. 225.002. APPLICABILITY OF CHAPTER. This chapter
5 applies to a surplus lines agent who collects gross premiums for
6 surplus lines insurance for any risk in which this state is the home
7 state of the insured.

8 SECTION 13.04. Section 225.004, Insurance Code, is amended
9 by adding Subsections (a-1) and (f) and amending Subsections (b),
10 (c), and (e) to read as follows:

11 (a-1) Consistent with the Nonadmitted and Reinsurance
12 Reform Act of 2010, contained in the Dodd-Frank Wall Street Reform
13 and Consumer Protection Act (Pub. L. No. 111-203), this state may
14 not impose a premium tax on nonadmitted insurance premiums other
15 than premiums paid for insurance in which this state is the home
16 state of the insured.

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

24 (c) If a surplus lines insurance policy covers risks or
25 exposures only partially located in this state, and this state has
26 not entered into a cooperative agreement, reciprocal agreement, or
27 compact with another state for the collection of surplus lines tax

1 as authorized by Chapter 229, the tax is computed on the entire
2 policy [~~portion of the~~] premium for any policy in which this state
3 is the home state of the insured [~~that is properly allocated to a~~
4 ~~risk or exposure located in this state~~].

5 (e) Premiums [~~The following premiums are not taxable in~~
6 ~~this state:~~

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

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

12 (f) If this state enters a cooperative agreement,
13 reciprocal agreement, or compact with another state for the
14 allocation of surplus lines tax as authorized by Chapter 229, taxes
15 due on multistate policies shall be allocated and reported in
16 accordance with the agreement or compact.

17 SECTION 13.05. Section 225.005, Insurance Code, is amended
18 to read as follows:

19 Sec. 225.005. TAX EXCLUSIVE. The tax imposed by this
20 chapter is a transaction tax collected by the surplus lines agent of
21 record and is in lieu of any [~~all~~] other transaction [~~insurance~~]
22 taxes on these premiums.

23 SECTION 13.06. Section 225.009, Insurance Code, is amended
24 by adding Subsection (d) to read as follows:

25 (d) Notwithstanding Subsections (a), (b), and (c), if this
26 state enters a cooperative agreement, reciprocal agreement, or
27 compact with another state for the allocation of surplus lines tax

1 as authorized by Chapter 229, the tax shall be allocated and
2 reported in accordance with the terms of the agreement or compact.

3 SECTION 13.07. Section 226.051, Insurance Code, is amended
4 to read as follows:

5 Sec. 226.051. DEFINITIONS [~~DEFINITION~~]. In this
6 subchapter:

7 (1) "Affiliate" means, with respect to an insured, a
8 person that controls, is controlled by, or is under common control
9 with the insured.

10 (2) "Affiliated group" means a group of entities whose
11 members are affiliated.

12 (3) "Control" means, with respect to determining the
13 home state of an affiliated entity:

14 (A) to directly or indirectly, acting through one
15 or more persons, own, control, or hold the power to vote at least 25
16 percent of any class of voting security of the affiliated entity; or

17 (B) to control in any manner the election of the
18 majority of directors or trustees of the affiliated entity.

19 (4) "Home state" means:

20 (A) for an insured that is not an affiliated
21 group described by Paragraph (B):

22 (i) the state in which the insured resides,
23 if the insured is an individual;

24 (ii) the state in which an insured that is
25 not an individual maintains its principal place of business; or

26 (iii) if 100 percent of the insured risk is
27 located outside of the state in which the insured resides or

1 maintains its principal place of business, as applicable, the state
2 to which the largest percentage of the insured's taxable premium
3 for the insurance contract that covers the risk is allocated; or

4 (B) for an affiliated group with respect to which
5 more than one member is a named insured on a single insurance
6 contract subject to this chapter, the home state of the member, as
7 determined under Paragraph (A), that has the largest percentage of
8 premium attributed to it under the insurance contract.

9 (5) "Independently procured insurance" means
10 insurance procured directly by an insured from a nonadmitted
11 insurer.

12 (6) "Premium" means any payment made in consideration
13 for insurance and [~~,"premium"~~] includes [~~any consideration for~~
14 insurance, including]:

- 15 (A) [~~(1)~~] a premium;
16 (B) premium deposits;
17 (C) [~~(2)~~] a membership fee; [~~or~~]
18 (D) a registration fee;
19 (E) an assessment;
20 (F) [~~(3)~~] dues; and
21 (G) any other compensation given in
22 consideration for insurance.

23 SECTION 13.08. Section 226.052, Insurance Code, is amended
24 to read as follows:

25 Sec. 226.052. APPLICABILITY OF SUBCHAPTER. This subchapter
26 applies to an insured who procures an independently procured
27 insurance contract for any risk in which this state is the home

1 state of the insured [~~in accordance with Section 101.053(b)(4)~~].

2 SECTION 13.09. Section 226.053, Insurance Code, is amended
3 by amending Subsections (a) and (b) and adding Subsection (d) to
4 read as follows:

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

8 (b) If an independently procured insurance policy
9 [~~contract~~] covers risks or exposures only partially located in this
10 state and this state has not joined a cooperative agreement,
11 reciprocal agreement, or compact with another state for the
12 allocation of nonadmitted insurance taxes as authorized by Chapter
13 229, the tax is computed on the entire policy [~~portion of the~~]
14 premium for any policy in which this state is the home state of the
15 insured [~~that is properly allocated to a risk or exposure located in~~
16 ~~this state~~].

17 (d) If this state enters into a cooperative agreement,
18 reciprocal agreement, or compact with another state for the
19 allocation of nonadmitted insurance taxes as authorized by Chapter
20 229, the tax due on multistate policies shall be allocated and
21 reported in accordance with the agreement or compact.

22 SECTION 13.10. Section 981.008, Insurance Code, is amended
23 to read as follows:

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

27 SECTION 13.11. The following provisions are repealed:

1 (1) Sections 225.004(d) and (d-1), Insurance Code; and

2 (2) Sections 226.053(b-1) and (c), Insurance Code.

3 SECTION 13.12. The changes in law made by this article to
4 Chapters 225 and 226, Insurance Code, apply only to an insurance
5 policy that is delivered, issued for delivery, or renewed on or
6 after July 11, 2011. A policy that is delivered, issued for
7 delivery, or renewed before July 11, 2011, is governed by the law as
8 it existed immediately before the effective date of this Act, and
9 that law is continued in effect for that purpose.

10 SECTION 13.13. This article takes effect immediately if
11 this Act receives a vote of two-thirds of all the members elected to
12 each house, as provided by Section 39, Article III, Texas
13 Constitution. If this Act does not receive the vote necessary for
14 immediate effect, this article takes effect September 1, 2011.

15 ARTICLE 14. OBESITY INTERVENTION AND PREVENTION PROGRAM

16 SECTION 14.01. Chapter 403, Government Code, is amended by
17 adding Subchapter Q to read as follows:

18 SUBCHAPTER Q. OBESITY INTERVENTION AND PREVENTION PROGRAM

19 Sec. 403.451. PURPOSE. The purpose of this subchapter is
20 to:

21 (1) address the economic costs associated with obesity
22 in this state, including increased medical costs and loss of
23 economic productivity;

24 (2) promote obesity intervention and obesity
25 prevention awareness among school-age children;

26 (3) address the disproportionate rate of obesity in
27 low-income populations; and

1 (4) assist public schools and school districts to
2 provide obesity intervention and obesity prevention awareness
3 programs, obesity intervention and prevention programs, and
4 related training.

5 Sec. 403.452. TEXAS OBESITY INTERVENTION AND PREVENTION
6 GRANT PROGRAM AND STUDY. (a) The comptroller shall establish and
7 administer the obesity intervention and prevention grant program
8 and study to:

9 (1) award grants for obesity intervention and
10 prevention and related programs as provided by this subchapter; and

11 (2) study obesity in this state as provided by this
12 subchapter.

13 (b) The program and study shall be funded with money
14 appropriated by the legislature for the purposes of this
15 subchapter.

16 (c) The comptroller may solicit and accept gifts, grants,
17 and donations for the purposes of this subchapter.

18 Sec. 403.453. GRANT PROGRAM. (a) The comptroller shall
19 establish and administer the obesity intervention and prevention
20 grant program to award grants to public school programs and other
21 entities that provide obesity intervention or prevention,
22 nutrition education, and other educational programs to combat
23 obesity in this state.

24 (b) In awarding grants under this section, the comptroller
25 shall identify and give preference to geographic areas of this
26 state where student populations have been identified, using the
27 geographic information system map created under Section 403.454, as

1 being at high risk for obesity.

2 (c) In awarding grants under this section, the comptroller
3 shall consider awarding grants only to programs that obtain
4 matching funds. Matching funds under this section, if required,
5 may be obtained from any source available to a public school or
6 other entity, including in-kind contributions, community or
7 foundation grants, and individual contributions.

8 (d) The comptroller shall award grants on a competitive
9 basis.

10 Sec. 403.454. COMPILATION OF DATA CONCERNING OBESITY RISK;
11 GEOGRAPHIC INFORMATION SYSTEM. (a) The comptroller shall
12 cooperate with the Texas Education Agency, the Department of State
13 Health Services, or any other state agency as necessary to compile
14 the data required to identify areas in which children are at risk
15 for obesity.

16 (b) The Texas Education Agency shall provide the physical
17 fitness assessment results compiled under Section 38.103,
18 Education Code, to the comptroller. The comptroller shall use the
19 fitness assessment data to produce an interactive geographic
20 information system map of this state that shows the compiled
21 physical fitness assessment results for each school district in the
22 state and identifies areas in which students are at risk for
23 obesity.

24 (c) In creating the interactive map under Subsection (b),
25 the comptroller and each state agency involved shall comply with
26 state and federal laws, rules, and regulations that protect the
27 confidentiality of student information and shall protect

1 confidential information.

2 Sec. 403.455. REPORT OF PROGRAM RESULTS. (a) A public
3 school or other entity that is awarded a grant under Section 403.453
4 for a program shall collect data regarding the effectiveness of the
5 program and report that information to the comptroller. The
6 comptroller shall by rule determine the form and content of the
7 reporting requirements.

8 (b) In collecting the data required by this section, a
9 grantee shall protect the confidentiality of students and student
10 information and shall comply with applicable state and federal
11 laws, rules, and regulations that protect the confidentiality of
12 student information.

13 Sec. 403.456. OBESITY AND WELLNESS INFORMATION PORTAL. The
14 comptroller shall establish and maintain an obesity and wellness
15 information portal on the comptroller's Internet website to provide
16 information to the public regarding obesity and wellness, including
17 the economic impact obesity has on this state.

18 Sec. 403.457. ADDITIONAL REPORTING AND MAPPING SYSTEMS.
19 The comptroller may establish obesity reporting and mapping systems
20 in addition to the systems described by this subchapter as
21 necessary to implement this subchapter.

22 Sec. 403.458. REPORT TO LEGISLATURE. (a) The comptroller
23 shall submit a report to the legislature not later than January 1 of
24 each odd-numbered year regarding the effectiveness of the grant
25 program.

26 (b) The comptroller may collect information regarding other
27 state and federal obesity prevention initiatives in this state and

1 include that information in the report.

2 Sec. 403.459. RULES. The comptroller shall adopt rules as
3 necessary for the administration of this subchapter.

4 ARTICLE 15. EFFECTIVE DATE

5 SECTION 15.01. Except as otherwise provided by this Act,
6 this Act takes effect September 1, 2011.