

By: Carona

S.B. No. 1167

A BILL TO BE ENTITLED

AN ACT

relating to cemeteries and perpetual care cemetery corporations.

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

SECTION 1. Section 711.001(3), Health and Safety Code, is amended to read as follows:

(3) "Cemetery organization" means:

(A) an unincorporated association of plot owners not operated for profit that is authorized by its articles of association to conduct a business for cemetery purposes; or

(B) a corporation, as defined by Section 712.001(b)(3) [~~either for profit or not for profit~~], that is authorized by its certificate of formation or its registration [~~articles of incorporation~~] to conduct a business for cemetery purposes.

SECTION 2. Section 711.002, Health and Safety Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) If the person with the right to control the disposition of the decedent's remains fails to make final arrangements or appoint another person to make final arrangements for the disposition before the earlier of the 6th day after the date the person received notice of the decedent's death or the 10th day after the date the decedent died, the person is presumed to be unable or unwilling to control the disposition, and:

(1) the person's right to control the disposition is

1 terminated; and

2 (2) the right to control the disposition is passed to
3 the following persons in the following priority:

4 (A) any other person in the same priority class
5 under Subsection (a) as the person whose right was terminated; or

6 (B) a person in a different priority class, in
7 the priority listed in Subsection (a).

8 SECTION 3. Section 711.061, Health and Safety Code, is
9 amended to read as follows:

10 Sec. 711.061. REQUIREMENTS FOR LAWN CRYPTS. (a) A lawn
11 crypt may not be installed unless:

12 (1) the lawn crypt is constructed of concrete and
13 reinforced steel or other comparably durable material;

14 (2) the lawn crypt is installed on not less than six
15 inches of rock, gravel, or other drainage material;

16 (3) the lawn crypt provides a method to drain water out
17 of the lawn crypt;

18 (4) the outside top surface of the lawn crypt at the
19 time of installation is at least 1-1/2 feet below the surface of the
20 ground as required by Section 714.001(a)(2) and is capable of
21 withstanding the weight of the soil and sod above the top surface
22 and the weight of machinery and equipment normally used in the
23 maintenance of the cemetery;

24 (5) the lawn crypt is installed in a garden or other
25 section of the cemetery that has been dedicated for lawn crypt
26 interment purposes in accordance with Section 711.034; and

27 (6) [~~except as provided by Section 711.062,~~] the lawn

1 crypt is installed in multiple units of 10 or more or as prescribed
2 by Subsection (b).

3 (b) A lawn crypt that is part of a private estate may be
4 installed in fewer than 10 units. For purposes of this subsection,
5 a private estate is a small section of a cemetery that has the
6 following characteristics:

7 (1) is sold under a single contract;

8 (2) is usually offset from other burial sites;

9 (3) allows for interment of several members of the
10 same family or their designees; and

11 (4) is identified on the plat for cemetery property as
12 a private estate in accordance with Section 711.034.

13 SECTION 4. Subchapter E, Chapter 711, Health and Safety
14 Code, is amended by adding Sections 711.063 and 711.064 to read as
15 follows:

16 Sec. 711.063. CONSTRUCTION; DEFAULT. (a) A cemetery in
17 which undeveloped lawn crypt spaces are being sold or reserved for
18 sale shall begin construction on the lawn crypt section not later
19 than 48 months after the date of the first sale or reservation,
20 whichever is earlier, and must complete construction not later than
21 60 months after the date of the first sale or reservation, whichever
22 is earlier.

23 (b) If construction of a lawn crypt section described by
24 Subsection (a) does not begin by the date specified in Subsection
25 (a), on the buyer's written request, the cemetery shall refund the
26 entire amount paid for the undeveloped lawn crypt space not later
27 than the 30th day after the date of the buyer's request.

1 Sec. 711.064. CONTRACT DISCLOSURES. (a) A sales contract
2 for an undeveloped lawn crypt space must contain terms, in English
3 and Spanish, that inform the buyer:

4 (1) that the buyer may cancel the contract for failure
5 by the cemetery or contractor to construct the lawn crypt space
6 within the time frame specified by Section 711.063(a) after
7 providing written notice and receive a refund of the entire amount
8 paid under the contract for the undeveloped lawn crypt space as
9 described by Section 711.063(b); and

10 (2) of the options available under a fully paid
11 contract if the person to be interred in the undeveloped lawn crypt
12 space dies before completion of the related lawn crypt section,
13 including the option to:

14 (A) select a replacement lawn crypt space or
15 other interment acceptable to the buyer or the buyer's
16 representative;

17 (B) elect temporary interment of the human
18 remains or cremated remains in an existing mausoleum space until
19 the undeveloped lawn crypt space is completed, at which time the
20 cemetery shall disinter and reinter the human remains or cremated
21 remains at no additional charge to the buyer; or

22 (C) cancel the contract on written notice of the
23 buyer or the buyer's representative and receive a refund of the
24 entire amount paid under the contract for the undeveloped lawn
25 crypt space if:

26 (i) the cemetery does not offer a temporary
27 interment option; or

1 (ii) the buyer or the buyer's
2 representative does not accept a replacement lawn crypt or other
3 interment.

4 (b) A sales contract for undeveloped lawn crypt space must
5 comply with applicable regulations of the Federal Trade Commission,
6 including 16 C.F.R. Section 433.2, with respect to a contract
7 payable in installments.

8 (c) Each notice required by this section must be written in
9 plain language designed to be easily understood by the average
10 consumer and be printed in an easily readable font and type size.

11 SECTION 5. Section 712.001(b)(3), Health and Safety Code,
12 is amended to read as follows:

13 (3) "Corporation" means a filing entity, foreign
14 filing entity, or foreign limited liability partnership registered
15 in this state, as those terms are defined by Section 1.002, Business
16 Organizations Code, or an entity [~~corporation~~] that is organized
17 under this chapter, or any corresponding statute in effect before
18 September 1, 1993, to operate one or more perpetual care cemeteries
19 in this state.

20 SECTION 6. The heading to Section 712.003, Health and
21 Safety Code, is amended to read as follows:

22 Sec. 712.003. REGISTRATION [~~INCORPORATION~~] REQUIRED;
23 MINIMUM CAPITAL.

24 SECTION 7. Section 712.003(a), Health and Safety Code, is
25 amended to read as follows:

26 (a) A perpetual care cemetery may not be operated in this
27 state unless a certificate of formation for a domestic entity or

1 registration to transact business for a foreign entity is [~~articles~~
2 ~~of incorporation are~~] filed with the secretary of state showing:

3 (1) subscriptions and payments in cash for 100 percent
4 of the entity's ownership or membership interests [~~the~~
5 ~~corporation's full capital stock~~];

6 (2) the location of its perpetual care cemetery; and

7 (3) a certificate showing the deposit in its fund of
8 the minimum amount required under Section 712.004.

9 SECTION 8. Subchapter A, Chapter 712, Health and Safety
10 Code, is amended by adding Sections 712.010 through 712.018 to read
11 as follows:

12 Sec. 712.010. CERTIFICATE OF AUTHORITY REQUIREMENT. A
13 corporation must hold a certificate of authority issued under this
14 chapter to operate a perpetual care cemetery.

15 Sec. 712.011. CERTIFICATE OF AUTHORITY APPLICATION; FEES.

16 (a) To obtain a certificate of authority to operate a perpetual care
17 cemetery, an applicant must, not later than the 30th day after the
18 date a corporation files its certificate of formation or
19 application for registration with the secretary of state:

20 (1) file an application, made under oath, on a form
21 prescribed by the department; and

22 (2) pay a filing fee in an amount set by the Finance
23 Commission of Texas under Section 712.008.

24 (b) If the corporation fails to comply with Subsection (a),
25 the commissioner may instruct the secretary of state to remove the
26 corporation from the secretary's active records or cancel the
27 corporation's registration. On an instruction from the

1 commissioner under this subsection, the secretary of state shall
2 remove the corporation from the secretary's active records or
3 cancel the corporation's registration and serve notice of the
4 cancellation on the corporation by registered or certified letter,
5 addressed to the corporation's address.

6 (c) A fee or cost paid under this chapter in connection with
7 an application or renewal is not refundable.

8 Sec. 712.012. QUALIFICATIONS FOR CERTIFICATE OF AUTHORITY;
9 INVESTIGATION. (a) The commissioner may investigate an applicant
10 before issuing a certificate of authority.

11 (b) To qualify for a certificate of authority under this
12 chapter, an applicant must demonstrate to the satisfaction of the
13 commissioner that:

14 (1) the applicant's business ability, experience,
15 character, financial condition, and general fitness warrant the
16 public's confidence;

17 (2) the cemetery operations manager has at least two
18 years of experience in cemetery management;

19 (3) the issuance of the certificate of authority is in
20 the public interest;

21 (4) the applicant, a principal of the applicant, or a
22 person who controls the applicant does not owe the department a
23 delinquent fee, assessment, administrative penalty, or other
24 amount imposed under this chapter or a rule adopted or order issued
25 under this chapter; and

26 (5) the applicant corporation:

27 (A) is in good standing and statutory compliance

1 with this state;

2 (B) is authorized to engage in the perpetual care
3 cemetery business in this state; and

4 (C) does not owe any delinquent franchise or
5 other taxes to this state.

6 Sec. 712.013. ISSUANCE OF CERTIFICATE OF AUTHORITY. (a)
7 The commissioner shall issue a certificate of authority if the
8 commissioner finds that:

9 (1) the applicant meets the qualifications listed in
10 Section 712.012 and it is reasonable to believe that the
11 applicant's cemetery business will be conducted fairly and
12 lawfully, according to applicable state and federal law, and in a
13 manner commanding the public's trust and confidence;

14 (2) the issuance of the certificate of authority is in
15 the public interest;

16 (3) the documentation and forms required to be
17 submitted by the applicant are acceptable; and

18 (4) the applicant has satisfied all requirements for
19 issuance of a certificate of authority.

20 (b) The applicant is entitled, on request, to a hearing on a
21 denial of the application. The request must be filed with the
22 commissioner not later than the 30th day after the date the notice
23 of denial is mailed. The hearing must be held not later than the
24 60th day after the date of the request unless the administrative law
25 judge extends the period for good cause or the parties agree to a
26 later hearing date. The hearing is a contested case under Chapter
27 2001, Government Code.

1 Sec. 712.014. TERM OF CERTIFICATE OF AUTHORITY. An initial
2 certificate of authority expires March 1 of the year after the year
3 the certificate is issued. The certificate must be renewed at that
4 time and by March 1 of each following year.

5 Sec. 712.015. RENEWAL OF CERTIFICATE OF AUTHORITY. (a) As
6 a condition of renewal, a certificate holder must meet the
7 qualifications and satisfy the requirements that apply to an
8 applicant for a new certificate of authority. Additionally, not
9 later than the certificate's annual renewal date, a certificate
10 holder shall:

11 (1) pay an annual renewal fee in an amount established
12 by Finance Commission of Texas rule; and

13 (2) submit a renewal report under oath and in the form
14 and medium required by the commissioner that demonstrates that the
15 certificate holder meets the qualifications and requirements for
16 holding a certificate.

17 (b) If the department does not receive a certificate
18 holder's renewal fee and complete renewal report on or before the
19 certificate's renewal date, the commissioner:

20 (1) shall notify the certificate holder in writing
21 that the certificate holder must submit the renewal report and pay
22 the renewal fee not later than the 30th day after the certificate's
23 renewal date; and

24 (2) may require the certificate holder to pay a late
25 fee, in an amount established by Finance Commission of Texas rule
26 and not subject to appeal, for each business day after the
27 certificate's renewal date that the commissioner does not receive

1 the completed renewal report and renewal fee.

2 (c) On timely receipt of a certificate holder's complete
3 renewal report and renewal fee and any late fee, the department
4 shall review the report and the commissioner may:

5 (1) renew the certificate of authority; or

6 (2) refuse to renew the certificate of authority and
7 take other action the commissioner considers appropriate.

8 (d) The applicant on request is entitled to a hearing to
9 contest the commissioner's refusal to renew the certificate. The
10 request must be filed with the commissioner not later than the 30th
11 day after the date the notice of refusal to renew is mailed. The
12 hearing is a contested case under Chapter 2001, Government Code.

13 (e) The holder or principal of or the person in control of
14 the holder of an expired certificate of authority, or the holder or
15 principal of or person in control of the holder of a certificate of
16 authority surrendered under Section 712.018, who wishes to conduct
17 activities for which a certificate of authority is required under
18 this chapter shall file a new application for a certificate of
19 authority and satisfy all requirements for the certificate that
20 apply at the time the new application is filed.

21 Sec. 712.016. TRANSFER OR ASSIGNMENT PROHIBITED. A
22 certificate of authority issued under this chapter may not be
23 transferred or assigned.

24 Sec. 712.017. TRANSFER OF BUSINESS OWNERSHIP; CHANGE OF
25 CONTROL. (a) A certificate holder shall notify the department in
26 writing of a transfer of ownership of the certificate holder's
27 business or a transfer of 25 percent or more of the stock or other

1 ownership or membership interest of the corporation as follows:

2 (1) in the case of a voluntary transfer, not later than
3 the seventh day after the date the contract for transfer is
4 executed; and

5 (2) in the case of an involuntary transfer, not later
6 than one business day after receiving notice of the impending
7 foreclosure or other involuntary transfer.

8 (b) If the proposed transferee is not a certificate holder,
9 the proposed transferee shall file any necessary documents with the
10 secretary of state and an application for a certificate of
11 authority with the department as required by this chapter. The
12 transfer of the perpetual care fund may not occur until after the
13 date a certificate of authority is issued to the transferee
14 applicant.

15 (c) If the commissioner denies the application, a hearing
16 may be requested and conducted according to the procedures in
17 Section 712.013(b).

18 Sec. 712.018. SURRENDER OF CERTIFICATE OF AUTHORITY; FEE.

19 (a) A certificate holder may apply to the commissioner for
20 permission to surrender the certificate of authority if the holder:

21 (1) is a cemetery that qualified for an exemption
22 under Section 711.021(g), but voluntarily elected to become a
23 perpetual care cemetery;

24 (2) has performed not more than 10 burials per year
25 during each of the last five years;

26 (3) is not larger than 10 acres; and

27 (4) has a perpetual care fund that is less than

1 \$30,000.

2 (b) The application for permission to surrender a
3 certificate of authority must be sworn to and be on a form
4 prescribed by the department.

5 (c) The certificate holder shall publish a notice of
6 intention to surrender a certificate of authority to operate a
7 perpetual care cemetery one time in a newspaper of general
8 circulation in each county in which the cemetery is located. The
9 notice must:

10 (1) be in the form and include the information
11 required by the banking commissioner;

12 (2) state that:

13 (A) the certificate holder is applying to
14 surrender the holder's certificate of authority to operate a
15 perpetual care cemetery;

16 (B) a cemetery plot owner or cemetery plot
17 owner's heir may request a hearing to contest the surrender; and

18 (C) a request for a hearing must be filed with the
19 department not later than the 14th day after the date the notice is
20 published.

21 (d) The certificate holder shall submit, not later than the
22 seventh day after the date the notice is published, a publisher's
23 affidavit evidencing publication of the notice.

24 (e) If a request for hearing is timely filed by a plot owner
25 or plot owner's heir, the commissioner shall hold a hearing in
26 accordance with Chapter 2001, Government Code.

27 (f) If a request for a hearing is not timely filed by a plot

1 owner or plot owner's heir, the commissioner may approve or deny the
2 application.

3 (g) If an application is denied, and if a hearing is not held
4 before the denial, the applicant may request a hearing to appeal the
5 denial of the application. The applicant's request for a hearing
6 must be filed with the commissioner not later than the 30th day
7 after the date the notice of denial is mailed. The hearing is a
8 contested case under Chapter 2001, Government Code.

9 (h) An order approving the surrender of a certificate of
10 authority must impose four conditions that are not subject to
11 objection. Failure to satisfy any of these conditions constitutes
12 a violation of the commissioner's order and the certificate holder
13 is subject to an enforcement action under this chapter. The order
14 approving the surrender must:

15 (1) require the perpetual care fund to remain in an
16 irrevocable trust, with the income to be used for perpetual care of
17 the cemetery in general and for those plots that were purchased
18 before the certificate was surrendered;

19 (2) require that the cemetery remove any signage or
20 other announcement stating that the cemetery is a perpetual care
21 cemetery;

22 (3) require each contract and other evidence of
23 ownership entered into after the date of the order to clearly state
24 that the cemetery is not regulated by the Texas Department of
25 Banking and may not use the term "perpetual care cemetery"; and

26 (4) state the location of cemetery records and require
27 the cemetery to:

1 (A) retain existing records regarding the
2 perpetual care fund for five years after the date of the order; and

3 (B) continue to comply with all recordkeeping
4 requirements of Chapter 711.

5 (i) Not later than the 10th day after the date an order
6 approving the surrender of a certificate of authority is signed,
7 the certificate holder shall deliver the original certificate of
8 authority to the commissioner along with a written notice of
9 surrender that includes the location of the certificate holder's
10 records and the name, address, telephone number, and other contact
11 information for an individual who is authorized to provide access
12 to the records.

13 (j) The surrender of a certificate of authority does not
14 reduce or eliminate a certificate holder's administrative, civil,
15 or criminal liability arising from any acts or omissions that occur
16 before the surrender of the certificate.

17 SECTION 9. Section 712.022, Health and Safety Code, is
18 amended to read as follows:

19 Sec. 712.022. OPERATION OF PERPETUAL CARE CEMETERY. A
20 corporation authorized by law to operate a perpetual care cemetery
21 but not doing so may do so if the corporation:

22 (1) complies with the requirements of this chapter for
23 obtaining a certificate of authority [~~notifies the commissioner~~];

24 and

25 (2) establishes a fund as provided by Section 712.021
26 in an amount equal to the larger of:

27 (A) the amount that would have been paid into the

1 fund if the cemetery operated as a perpetual care cemetery from the
2 date of the cemetery's first sale of plots; or

3 (B) the minimum amount provided by Section
4 712.004.

5 SECTION 10. Section 712.044(a), Health and Safety Code, is
6 amended to read as follows:

7 (a) The commissioner may examine on a periodic basis ~~[~~
8 ~~annually or more often]~~ as the commissioner reasonably considers
9 necessary or appropriate to protect the interest of plot owners and
10 efficiently administer and enforce this chapter:

11 (1) the books and records of a corporation relating to
12 its fund, including deposits to or withdrawals from the fund,
13 income of the fund, and uses and expenditures of that income;

14 (2) the books and records of a corporation relating to
15 sales of undeveloped mausoleum spaces and any preconstruction trust
16 established by the corporation as provided by Section 712.063,
17 including deposits to or withdrawals from the preconstruction
18 trust, income of the preconstruction trust, and uses and
19 expenditures of principal and income of the preconstruction trust;
20 and

21 (3) the consumer complaint files of a corporation
22 relating to the fund, sales of undeveloped mausoleum spaces, a
23 preconstruction trust, or to discharge of the corporation's
24 perpetual care responsibilities, minutes of the corporation's
25 board of directors, cemetery dedication statements and plat maps,
26 and mausoleum and lawn crypt construction contracts and
27 specifications.

1 SECTION 11. Section 712.0441, Health and Safety Code, is
2 amended by amending Subsection (f) and adding Subsection (f-1) to
3 read as follows:

4 (f) The commissioner may issue an order requiring
5 restitution by a corporation to the cemetery's ~~[its]~~ fund or to a
6 preconstruction trust if, after notice and opportunity for hearing
7 held in accordance with the procedures for a contested case hearing
8 under Chapter 2001, Government Code ~~[the Administrative Procedure~~
9 ~~and Texas Register Act]~~, the commissioner finds that the
10 corporation has not made a deposit in the fund as required by
11 Section 712.028 or in the preconstruction trust as required by
12 Section 712.063.

13 (f-1) The commissioner may issue an order requiring
14 restitution by a corporation if, after notice and opportunity for a
15 hearing held in accordance with the procedures for a contested case
16 hearing under Chapter 2001, Government Code, the commissioner finds
17 that the corporation has not ordered memorials, as defined by
18 Section 711.001(20-a), in compliance with the deadlines
19 established by rules adopted under this chapter.

20 SECTION 12. Section 712.0442(a), Health and Safety Code, is
21 amended to read as follows:

22 (a) If, after a hearing conducted as provided by Chapter
23 2001, Government Code, the trier of fact finds that a violation of
24 this chapter or a rule of the Finance Commission of Texas
25 establishes a pattern of wilful disregard for the requirements of
26 this chapter or rules of the finance commission, the trier of fact
27 may ~~[shall]~~ recommend to the commissioner that the maximum

1 administrative penalty permitted under Section 712.0441 be imposed
2 on the person committing the violation or that the commissioner
3 cancel or not renew the corporation's certificate of authority
4 ~~[person's permit]~~ under this chapter ~~[Chapter 154, Finance Code,]~~
5 if the person holds such a certificate ~~[permit]~~.

6 SECTION 13. Subchapter C, Chapter 712, Health and Safety
7 Code, is amended by adding Sections 712.0443, 712.0444, and
8 712.0445 to read as follows:

9 Sec. 712.0443. CEASE AND DESIST ORDER. (a) The
10 commissioner may issue an order to cease and desist to a person if:

11 (1) the commissioner finds by examination or other
12 credible evidence that the person has violated a law of this state
13 relating to perpetual care cemeteries, including a violation of
14 this chapter, the commissioner's final order, or a Finance
15 Commission of Texas rule; and

16 (2) the violation was not corrected by the 31st day
17 after the date the person receives written notice of the violation
18 from the department.

19 (b) An order proposed under this section shall be served on
20 the person and must state the grounds for the proposed order with
21 reasonable certainty and the proposed effective date, which may not
22 be less than the 20th day after the date the order is mailed or
23 delivered. The order becomes effective on the proposed date unless
24 the person requests a hearing not later than the 19th day after the
25 date the order is mailed or delivered. If the person requests a
26 hearing, the hearing shall be conducted in accordance with the
27 procedures for a contested case hearing under Chapter 2001,

1 Government Code.

2 Sec. 712.0444. EMERGENCY ORDER. (a) The commissioner may
3 issue an emergency order that takes effect immediately if the
4 commissioner finds that immediate and irreparable harm is
5 threatened to the public or a plot owner, marker purchaser, or other
6 person whose interests are protected by this chapter.

7 (b) An emergency order remains in effect unless stayed by
8 the commissioner.

9 (c) The person named in the emergency order may request in
10 writing, not later than the 18th day after the date the order is
11 mailed, a hearing to show that the emergency order should be stayed.
12 On receipt of the request, the commissioner shall set a time for the
13 hearing not later than the 21st day after the date the commissioner
14 received the request, unless extended at the request of the person
15 named in the order.

16 (d) The hearing is an administrative hearing relating to the
17 validity of findings that support immediate effect of the order.

18 Sec. 712.0445. RECEIVERSHIP PROCEEDINGS. (a) In
19 conjunction with a proceeding to forfeit the right to do business in
20 this state brought by the attorney general, the attorney general
21 may seek the appointment of a receiver. This remedy is in addition
22 to other grounds for the appointment of a receiver.

23 (b) If the receiver is a private party, the receiver shall
24 be compensated from the corporation or, if the corporation has no
25 assets available to pay the receiver, from the income only of the
26 perpetual care fund. The receiver may not invade the principal of
27 the fund.

1 (c) The court may appoint a department employee as receiver.
2 If the receiver is a department employee, the employee may not
3 receive compensation for serving as receiver in addition to the
4 employee's regular salary. The department may receive
5 reimbursement from the corporation for the travel expenses and the
6 fully allocated personnel costs associated with the employee's
7 service as receiver.

8 (d) A department employee serving as receiver is not
9 personally liable for damages arising from the employee's official
10 act or omission unless the act or omission is corrupt or malicious.
11 The attorney general shall defend an action brought against an
12 employee serving as receiver because of an official act or omission
13 as receiver regardless of whether the employee has terminated
14 service with the department before the action commences.

15 SECTION 14. Section 712.048, Health and Safety Code, is
16 amended by adding Subsection (c) to read as follows:

17 (c) A person commits an offense if the person collects money
18 for the purchase of a memorial, as defined by Section 711.001, and
19 knowingly defalcates or misappropriates the funds. An offense
20 under this subsection is punishable as if it were an offense under
21 Section 32.45, Penal Code. This subsection does not prevent an
22 aggrieved party or the attorney general from maintaining a civil
23 action for the recovery of damages, or the commissioner from
24 maintaining an administrative action for restitution, caused by an
25 injury resulting from an offense under this subsection.

26 SECTION 15. Sections 711.062, 712.0031, and 712.0441(e),
27 Health and Safety Code, are repealed.

1 SECTION 16. A person who owns and operates a perpetual care
2 cemetery on September 1, 2011, that on that date complies with
3 Sections 712.003 and 712.0031, Health and Safety Code, as those
4 sections existed before amendment or repeal by this Act, is
5 automatically granted a certificate of authority. The certificate
6 of authority expires March 1, 2012, unless the certificate holder
7 renews the certificate in accordance with Section 712.015, Health
8 and Safety Code, as added by this Act.

9 SECTION 17. This Act takes effect September 1, 2011.