

By: Zerwas

H.B. No. 3850

A BILL TO BE ENTITLED

AN ACT

relating to state fiscal matters; authorizing a fee.

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

ARTICLE 1. STATE FISCAL MATTERS RELATED TO HEALTH AND HUMAN SERVICES AGENCIES AND STATE AGENCIES ADMINISTERING HEALTH AND HUMAN SERVICES PROGRAMS

SECTION 1.01. (a) This section applies to any state agency that receives an appropriation under Article II of the General Appropriations Act and to any program administered by any of those agencies.

(b) Notwithstanding any other statute of this state, each state agency to which this section applies is authorized to reduce or recover expenditures by:

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

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

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

(4) adopting additional eligibility requirements consistent with federal law for persons who receive benefits under any law the agency administers to ensure that those benefits are

1 received by the most deserving persons consistent with the purposes
2 for which the benefits are provided, including under the following
3 laws:

4 (A) Chapter 62, Health and Safety Code (child
5 health plan program);

6 (B) Chapter 31, Human Resources Code (Temporary
7 Assistance for Needy Families program);

8 (C) Chapter 32, Human Resources Code (Medicaid
9 program);

10 (D) Chapter 33, Human Resources Code
11 (supplemental nutrition assistance and other nutritional
12 assistance programs); and

13 (E) Chapter 533, Government Code (Medicaid
14 managed care);

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

20 (6) adopting and collecting fees or charges to cover
21 any costs the agency incurs in performing its lawful functions; and

22 (7) modifying and streamlining processes used in:

23 (A) the conduct of eligibility determinations
24 for programs listed in Subdivision (4) of this subsection by or
25 under the direction of the Health and Human Services Commission;

26 (B) the provision of child and adult protective
27 services by the Department of Family and Protective Services;

1 (C) the provision of community health services,
2 consumer protection services, and mental health services by the
3 Department of State Health Services; and

4 (D) the provision or administration of other
5 services provided or programs operated by the Health and Human
6 Services Commission or a health and human services agency, as
7 defined by Section 531.001, Government Code.

8 SECTION 1.02. Subchapter A, Chapter 533, Government Code,
9 is amended by adding Sections 533.00291, 533.00292, and 533.00293
10 to read as follows:

11 Sec. 533.00291. CARE COORDINATION BENEFITS. (a) In this
12 section, "care coordination" means assisting recipients to develop
13 a plan of care, including a service plan, that meets the recipient's
14 needs and coordinating the provision of Medicaid benefits in a
15 manner that is consistent with the plan of care. The term is
16 synonymous with "case management," "service coordination," and
17 "service management."

18 (b) The commission shall streamline and clarify the
19 provision of care coordination benefits across Medicaid programs
20 and services for recipients receiving benefits under a managed care
21 delivery model. In streamlining and clarifying the provision of
22 care coordination benefits under this section, the commission shall
23 at a minimum:

24 (1) subject to Subsection (c), establish a process for
25 determining and designating a single entity as the primary entity
26 responsible for a recipient's care coordination;

27 (2) evaluate and eliminate duplicative services

1 intended to achieve recipient care coordination, including care
2 coordination or related benefits provided:

3 (A) by a Medicaid managed care organization;

4 (B) by a recipient's medical or health home;

5 (C) through a disease management program
6 provided by a Medicaid managed care organization;

7 (D) by a provider of targeted case management and
8 psychiatric rehabilitation services; and

9 (E) through a program of case management for
10 high-risk pregnant women and high-risk children established under
11 Section 22.0031, Human Resources Code;

12 (3) evaluate and, if the commission determines it
13 appropriate, modify the capitation rate paid to Medicaid managed
14 care organizations to account for the provision of care
15 coordination benefits by a person not affiliated with the
16 organization; and

17 (4) establish and use a consistent set of terms for
18 care coordination provided under a managed care delivery model.

19 (c) In establishing a process under Subsection (b)(1), the
20 commission shall ensure that:

21 (1) for a recipient who receives targeted case
22 management and psychiatric rehabilitation services, the default
23 entity to act as the primary entity responsible for the recipient's
24 care coordination under Subsection (b)(1) is the provider of
25 targeted case management and psychiatric rehabilitation services;
26 and

27 (2) for recipients other than those described by

1 Subdivision (1), the process includes an evaluation process
2 designed to identify the provider that would best meet the care
3 coordination needs of a recipient and that the commission
4 incorporates into Medicaid managed care program contracts.

5 Sec. 533.00292. CARE COORDINATOR CASELOAD STANDARDS. (a)

6 In this section:

7 (1) "Care coordination" has the meaning assigned by
8 Section 533.00291.

9 (2) "Care coordinator" means a person, including a
10 case manager, engaged by a Medicaid managed care organization to
11 provide care coordination benefits.

12 (b) The executive commissioner by rule shall establish
13 caseload standards for care coordinators providing care
14 coordination under the STAR+PLUS home and community-based services
15 supports (HCBS) program.

16 (c) The executive commissioner by rule may, if the executive
17 commissioner determines it appropriate, establish caseload
18 standards for care coordinators providing care coordination under
19 Medicaid programs other than the STAR+PLUS home and community-based
20 services supports (HCBS) program.

21 (d) In determining whether to establish caseload standards
22 for a Medicaid program under Subsection (c), the executive
23 commissioner shall consider whether implementing the standards
24 would improve:

25 (1) Medicaid managed care organization contract
26 compliance;

27 (2) the quality of care coordination provided under

1 the program;

2 (3) recipient health outcomes; and

3 (4) transparency regarding the availability of care
4 coordination benefits to recipients and interested stakeholders.

5 Sec. 533.00293. INFORMATION SHARING. (a) In this section:

6 (1) "Care coordination" has the meaning assigned by
7 Section 533.00291.

8 (2) "Care coordinator" has the meaning assigned by
9 Section 533.00292.

10 (b) To the extent permitted under applicable federal and
11 state law enacted to protect the confidentiality and privacy of
12 patients' health information, managed care organizations under
13 contract with the commission to provide health care services to
14 recipients shall ensure the sharing of information, including
15 recipient medical records, among care coordinators and health care
16 providers as appropriate to provide care coordination benefits.
17 For purposes of implementing this section, a managed care
18 organization may allow a care coordinator to share a recipient's
19 service plan with health care providers, subject to the limitations
20 of this section.

21 SECTION 1.03. Subchapter B, Chapter 531, Government Code,
22 is amended by adding Section 531.0993 to read as follows:

23 Sec. 531.0993. GRANT PROGRAM TO REDUCE RECIDIVISM, ARREST,
24 AND INCARCERATION AMONG INDIVIDUALS WITH MENTAL ILLNESS AND TO
25 REDUCE WAIT TIME FOR FORENSIC COMMITMENT. (a) For purposes of this
26 section, "low-income household" means a household with a total
27 income at or below 200 percent of the federal poverty guideline.

1 (b) Using money appropriated to the commission for that
2 purpose, the commission shall make grants to county-based community
3 collaboratives for the purposes of reducing:

4 (1) recidivism by, the frequency of arrests of, and
5 incarceration of persons with mental illness; and

6 (2) the total waiting time for forensic commitment of
7 persons with mental illness to a state hospital.

8 (c) A community collaborative is eligible to receive a grant
9 under this section only if the collaborative includes a county, a
10 local mental health authority that operates in the county, and each
11 hospital district, if any, located in the county. A community
12 collaborative may include other local entities designated by the
13 collaborative's members.

14 (d) The commission shall condition each grant provided to a
15 community collaborative under this section on the collaborative
16 providing matching funds from non-state sources in a total amount
17 at least equal to the awarded grant amount. To raise matching
18 funds, a collaborative may seek and receive gifts, grants, or
19 donations from any person.

20 (e) The commission shall estimate the number of cases of
21 serious mental illness in low-income households located in each of
22 the 10 most populous counties in this state. For the purposes of
23 distributing grants under this section to community collaboratives
24 established in those 10 counties, for each fiscal year the
25 commission shall determine an amount of grant money available on a
26 per-case basis by dividing the total amount of money appropriated
27 to the commission for the purpose of making grants under this

1 section in that year by the estimated total number of cases of
2 serious mental illness in low-income households located in those 10
3 counties.

4 (f) The commission shall make available to a community
5 collaborative established in each of the 10 most populous counties
6 in this state a grant in an amount equal to the lesser of:

7 (1) an amount determined by multiplying the per-case
8 amount determined under Subsection (e) by the estimated number of
9 cases of serious mental illness in low-income households in that
10 county; or

11 (2) an amount equal to the collaborative's available
12 matching funds.

13 (g) To the extent appropriated money remains available to
14 the commission for that purpose after the commission awards grants
15 under Subsection (f), the commission shall make available to
16 community collaboratives established in other counties in this
17 state grants through a competitive request for proposal process.
18 For purposes of awarding a grant under this subsection, a
19 collaborative may include adjacent counties if, for each member
20 county, the collaborative's members include a local mental health
21 authority that operates in the county and each hospital district,
22 if any, located in the county. A grant awarded under this
23 subsection may not exceed an amount equal to the lesser of:

24 (1) an amount determined by multiplying the per-case
25 amount determined under Subsection (e) by the estimated number of
26 cases of serious mental illness in low-income households in the
27 county or counties; or

1 (2) an amount equal to the collaborative's available
2 matching funds.

3 (h) The community collaboratives established in each of the
4 10 most populous counties in this state shall submit to the
5 commission a plan that:

6 (1) is endorsed by each of the collaborative's member
7 entities;

8 (2) identifies a target population;

9 (3) describes how the grant money and matching funds
10 will be used;

11 (4) includes outcome measures to evaluate the success
12 of the plan, including the plan's effect on reducing state hospital
13 admissions of the target population; and

14 (5) describes how the success of the plan in
15 accordance with the outcome measures would further the state's
16 interest in the grant program's purposes.

17 (i) A community collaborative that applies for a grant under
18 Subsection (g) must submit to the commission a plan as described by
19 Subsection (h). The commission shall consider the submitted plan
20 together with any other relevant information in awarding a grant
21 under Subsection (g).

22 (j) The commission must review and approve plans submitted
23 under Subsection (h) or (i) before the commission distributes a
24 grant under Subsection (f) or (g). If the commission determines
25 that a plan includes insufficient outcome measures, the commission
26 may make the necessary changes to the plan to establish appropriate
27 outcome measures. The commission may not make other changes to a

1 plan submitted under Subsection (h) or (i).

2 (k) Acceptable uses for the grant money and matching funds
3 include:

4 (1) the continuation of a mental health jail diversion
5 program;

6 (2) the establishment or expansion of a mental health
7 jail diversion program;

8 (3) the establishment of alternatives to competency
9 restoration in a state hospital, including outpatient competency
10 restoration, inpatient competency restoration in a setting other
11 than a state hospital, or jail-based competency restoration;

12 (4) the provision of assertive community treatment or
13 forensic assertive community treatment with an outreach component;

14 (5) the provision of intensive mental health services
15 and substance abuse treatment not readily available in the county;

16 (6) the provision of continuity of care services for
17 an individual being released from a state hospital;

18 (7) the establishment of interdisciplinary rapid
19 response teams to reduce law enforcement's involvement with mental
20 health emergencies; and

21 (8) the provision of local community hospital, crisis,
22 respite, or residential beds.

23 (1) Not later than December 31 of each year for which the
24 commission distributes a grant under this section, each community
25 collaborative that receives a grant shall prepare and submit a
26 report describing the effect of the grant money and matching funds
27 in achieving the standard defined by the outcome measures in the

1 plan submitted under Subsection (h) or (i).

2 (m) The commission may make inspections of the operation and
3 provision of mental health services provided by a community
4 collaborative to ensure state money appropriated for the grant
5 program is used effectively.

6 (n) The commission shall enter into an agreement with a
7 qualified nonprofit or private entity to serve as the administrator
8 of the grant program at no cost to the state. The administrator
9 shall assist, support, and advise the commission in fulfilling the
10 commission's responsibilities with respect to the grant program.
11 The administrator may advise the commission on:

12 (1) design, development, implementation, and
13 management of the program;

14 (2) eligibility requirements for grant recipients;

15 (3) design and management of the competitive bidding
16 processes for applications or proposals and the evaluation and
17 selection of grant recipients;

18 (4) grant requirements and mechanisms;

19 (5) roles and responsibilities of grant recipients;

20 (6) reporting requirements for grant recipients;

21 (7) support and technical capabilities;

22 (8) timelines and deadlines for the program;

23 (9) evaluation of the program and grant recipients;

24 (10) requirements for reporting on the program to
25 policy makers; and

26 (11) estimation of the number of cases of serious
27 mental illness in low-income households in each county.

1 SECTION 1.04. Subchapter A, Chapter 261, Family Code, is
2 amended by adding Section 261.004 to read as follows:

3 Sec. 261.004. TRACKING OF RECURRENCE OF CHILD ABUSE OR
4 NEGLECT REPORTS. The department shall collect, compile, and
5 monitor data regarding repeated reports of abuse or neglect
6 involving the same child or by the same alleged perpetrator. In
7 compiling reports under this section, the department shall group
8 together separate reports involving different children residing in
9 the same household.

10 SECTION 1.05. Subchapter A, Chapter 265, Family Code, is
11 amended by adding Sections 265.0041 and 265.0042 to read as
12 follows:

13 Sec. 265.0041. GEOGRAPHIC RISK MAPPING FOR PREVENTION AND
14 EARLY INTERVENTION SERVICES. (a) The department shall use
15 existing risk terrain modeling systems, predictive analytics, or
16 geographic risk assessments to:

17 (1) identify geographic areas that have high risk
18 indicators of child maltreatment and child fatalities resulting
19 from abuse or neglect; and

20 (2) target the implementation and use of prevention
21 and early intervention services to those geographic areas.

22 (b) The department may not use data gathered under this
23 section to identify a specific family or individual.

24 Sec. 265.0042. COLLABORATION WITH INSTITUTIONS OF HIGHER
25 EDUCATION. (a) The Health and Human Services Commission, on behalf
26 of the department, shall enter into agreements with institutions of
27 higher education to conduct efficacy reviews of any prevention and

1 early intervention programs that have not previously been evaluated
2 for effectiveness through a scientific research evaluation
3 process.

4 (b) The department shall collaborate with an institution of
5 higher education to create and track indicators of child well-being
6 to determine the effectiveness of prevention and early intervention
7 services.

8 SECTION 1.06. If before implementing any provision of this
9 article a state agency determines that a waiver or authorization
10 from a federal agency is necessary for implementation of that
11 provision, the agency affected by the provision shall request the
12 waiver or authorization and may delay implementing that provision
13 until the waiver or authorization is granted.

14 SECTION 1.07. (a) Except as otherwise provided by this
15 section, this article takes effect September 1, 2017.

16 (b) Section 1.03 of this article takes effect immediately if
17 this Act receives a vote of two-thirds of all the members elected to
18 each house, as provided by Section 39, Article III, Texas
19 Constitution. If this Act does not receive the vote necessary for
20 Section 1.03 to have immediate effect, that section takes effect
21 September 1, 2017.

22 ARTICLE 2. FISCAL MATTERS RELATED TO PUBLIC EDUCATION

23 SECTION 2.01. (a) This section applies to the Texas
24 Education Agency, the Texas School for the Blind and Visually
25 Impaired, the Texas School for the Deaf, and the Teacher Retirement
26 System of Texas.

27 (b) Notwithstanding any other statute of this state, each

1 entity to which this section applies is authorized to reduce or
2 recover expenditures by:

3 (1) consolidating any reports or publications the
4 entity is required to make and filing or delivering any of those
5 reports or publications exclusively by electronic means;

6 (2) extending the effective period of any license,
7 permit, or registration the entity grants or administers;

8 (3) entering into a contract with another governmental
9 entity or with a private vendor to carry out any of the entity's
10 duties;

11 (4) modifying the services provided to and the
12 eligibility requirements, including the procedures to determine
13 eligibility, for persons who receive benefits under any federal or
14 state law the entity administers to ensure that those benefits are
15 received by the most deserving persons consistent with the purposes
16 for which the benefits are provided;

17 (5) providing that any communication between the
18 entity and another person and any document required to be delivered
19 to or by the entity, including any application, notice, billing
20 statement, receipt, or certificate, may be made or delivered by
21 e-mail or through the Internet; and

22 (6) adopting and collecting fees or charges to cover
23 any costs the entity incurs in performing its lawful functions.

24 SECTION 2.02. An employee of an entity described by Section
25 1.01 of this Act is not entitled to an amount from the state for
26 expenses, including office expenses or reimbursement of office
27 expenses, per diem, travel, or a salary or salary supplement that

1 exceeds the amount authorized for those purposes by the General
2 Appropriations Act.

3 SECTION 2.03. Section 21.4021(a), Education Code, is
4 amended to read as follows:

5 (a) Notwithstanding Section 21.401 and subject to Section
6 21.4022, the board of trustees of a school district may, in
7 accordance with district policy, implement a furlough program and
8 reduce the number of days of service otherwise required under
9 Section 21.401 by not more than seven [~~six~~] days of service during a
10 school year if the commissioner certifies in accordance with
11 Section 42.009 that the district will be provided with less state
12 and local funding for that year than was provided to the district
13 for the 2016-2017 [~~2010-2011~~] school year.

14 SECTION 2.04. Section 25.112(a), Education Code, is amended
15 to read as follows:

16 (a) Except as otherwise authorized by this section, a school
17 district may not enroll more than a district-wide average of 23
18 [~~22~~] students in [~~a~~] kindergarten, first, second, third, and [~~or~~]
19 fourth grade classes [~~class~~]. That limitation does not apply
20 during:

21 (1) any 12-week period of the school year selected by
22 the district, in the case of a district whose average daily
23 attendance is adjusted under Section 42.005(c); or

24 (2) the last 12 weeks of any school year in the case of
25 any other district.

26 SECTION 2.05. Section 42.009, Education Code, is amended to
27 read as follows:

1 Sec. 42.009. DETERMINATION OF FUNDING LEVELS. (a) Not
2 later than July 1 of each year, the commissioner shall determine for
3 each school district whether the estimated amount of state and
4 local funding per student in weighted average daily attendance to
5 be provided to the district under the Foundation School Program for
6 maintenance and operations for the following school year is less
7 than the amount provided to the district for the 2016-2017
8 [~~2010-2011~~] school year. If the amount estimated to be provided is
9 less, the commissioner shall certify the percentage decrease in
10 funding to be provided to the district.

11 (b) In making the determinations regarding funding levels
12 required by Subsection (a), the commissioner shall:

13 (1) make adjustments as necessary to reflect changes
14 in a school district's maintenance and operations tax rate;

15 (2) for a district required to take action under
16 Chapter 41 to reduce its wealth per student to the equalized wealth
17 level, base the determinations on the district's net funding levels
18 after deducting any amounts required to be expended by the district
19 to comply with Chapter 41; and

20 (3) determine a district's weighted average daily
21 attendance in accordance with this chapter as it existed on January
22 1, 2017 [~~2011~~].

23 SECTION 2.06. Section 825.404(b), Government Code, is
24 amended to read as follows:

25 (b) Before November 15 [~~2~~] of each even-numbered year, the
26 board of trustees, in coordination with the Legislative Budget
27 Board, shall certify to the comptroller of public accounts for

1 review and adoption an estimate of the amount necessary to pay the
2 state's contributions to the retirement system for the following
3 biennium. For qualifying employees under Subsection (a-1)(1), the
4 board of trustees shall include only the amount payable by the state
5 under Subsection (a-1)(1) in determining the amount to be
6 certified.

7 SECTION 2.07. Section 1575.202(a), Insurance Code, is
8 amended to read as follows:

9 (a) Each state fiscal year, the state shall contribute to
10 the fund an amount equal to 0.98 [~~one~~] percent of the salary of each
11 active employee.

12 SECTION 2.08. (a) Section 28.053(i), Education Code, is
13 amended to read as follows:

14 (i) The commissioner shall analyze and adjust, as needed,
15 the sum of and number of awards to ensure that the purpose of the
16 program is realized and to account for any budgetary constraints.

17 (b) This section applies beginning with the 2017-2018
18 school year.

19 SECTION 2.09. Section 21.402(c-1), Education Code, is
20 repealed.

21 SECTION 2.10. (a) Sections 2.03, 2.04, and 2.05 of this
22 article apply beginning with the 2017-2018 school year.

23 (b) Sections 2.06 and 2.07 of this article apply beginning
24 with the state fiscal year that begins September 1, 2017.

25 ARTICLE 3. MISCELLANEOUS MATTERS

26 SECTION 3.01. Subchapter A, Chapter 441, Government Code,
27 is amended by adding Section 441.0135 to read as follows:

1 Sec. 441.0135. REPORT OF REPORTS. (a) Not later than January
2 1 of each odd-numbered year, the commission shall submit to the
3 governor and the Legislative Budget Board a written report
4 regarding all statutorily required reports prepared by and
5 submitted to a state agency as defined by Section 441.180. The
6 commission may consult with other state agencies in preparing the
7 report. A state agency shall cooperate with the commission in
8 securing the information necessary for preparing the report. The
9 commission shall prescribe the method by which a state agency
10 transmits to the commission information necessary to prepare the
11 report, and may require the information to be submitted using the
12 state electronic Internet portal. The report must include for each
13 statutorily required report:

- 14 (1) the title of and the agency preparing the report;
15 (2) the statutory authority requiring the report;
16 (3) the recipient of the report;
17 (4) the deadline for submitting the report;
18 (5) a brief description of the report; and
19 (6) an assessment from each recipient of the report
20 whether the report is necessary.

21 (b) The report required by Subsection (a) must:
22 (1) be made available to the public; and
23 (2) provide indices by preparing agency, title of
24 report, and report recipient.

25 SECTION 3.02. Section 466.105, Government Code, is amended
26 to read as follows:

27 Sec. 466.105. APPLICABILITY OF OTHER LAW. [~~(a) A contract~~

1 ~~for the acquisition or provision of facilities, supplies,~~
2 ~~equipment, materials, or services related to the operation of the~~
3 ~~lottery is not subject to:~~

4 ~~[(1) Chapter 2054 or 2254, or~~

5 ~~[(2) Subtitle D, Title 10.]~~

6 ~~[(b)]~~ Notwithstanding the provisions of Title 2, Utilities
7 Code, the commission may negotiate rates and execute contracts with
8 telecommunications service providers for the interexchange
9 services necessary for the operation of the lottery. The
10 commission may acquire transmission facilities by lease, purchase,
11 or lease-purchase. The acquisition of transmission facilities must
12 be done on a competitive bid basis if possible.

13 SECTION 3.03. Section 662.005(b), Government Code, is
14 amended to read as follows:

15 (b) Except as provided by Section 662.010, and
16 notwithstanding Section 659.015 or another law, a state employee
17 who is a peace officer commissioned by a state officer or state
18 agency listed under Article 2.12, Code of Criminal Procedure, or
19 who is employed by the Department of Public Safety either to perform
20 communications or dispatch services related to traffic law
21 enforcement or as a public security officer, as that term is defined
22 by Section 1701.001, Occupations Code, or who is employed by the
23 Parks and Wildlife Department to perform communications and
24 dispatch services to assist law enforcement officers commissioned
25 by the Parks and Wildlife Commission in performing law enforcement
26 duties, or who is an employee of the Department of Family and
27 Protective Services, and who is required to work on a national or

1 state holiday that falls on a Saturday or Sunday is entitled to
2 compensatory time off at the rate of one hour for each hour worked
3 on the holiday.

4 SECTION 3.04. Subchapter A, Chapter 2176, Government Code,
5 is amended by adding Section 2176.007 to read as follows:

6 Sec. 2176.007. COMPTROLLER STUDY ON MAIL OPERATIONS. (a)
7 The comptroller shall conduct a study on the mail operations of each
8 state agency in the executive branch of state government that
9 receives an appropriation. The study must identify provisions of
10 law relating to the mailing requirements for the agency that impede
11 the efficient transmission and receipt of documents by the agency.

12 (b) In conducting the study, the comptroller shall
13 collaborate with other state agencies to consider the needs or
14 concerns specific to those agencies.

15 (c) Not later than November 1, 2018, the comptroller shall
16 post the findings of the study conducted under this section on the
17 comptroller's Internet website.

18 (d) This section expires September 1, 2019.

19 SECTION 3.05. Section 1951.003(a), Occupations Code, is
20 amended to read as follows:

21 (a) In this chapter, a person is engaged in the "business of
22 structural pest control" if the person performs, offers to perform,
23 or advertises for or solicits the person's performance of any of the
24 following services [~~for compensation~~], including services
25 performed as a part of the person's employment:

26 (1) identifying infestations or making inspections
27 for the purpose of identifying or attempting to identify

1 infestations of:

2 (A) arthropods, including insects, spiders,
3 mites, ticks, and related pests, wood-infesting organisms,
4 rodents, weeds, nuisance birds, and any other obnoxious or
5 undesirable animals that may infest households, railroad cars,
6 ships, docks, trucks, airplanes, or other structures or their
7 contents; or

8 (B) pests or diseases of trees, shrubs, or other
9 plantings in a park or adjacent to a residence, business
10 establishment, industrial plant, institutional building, or
11 street;

12 (2) making oral or written inspection reports,
13 recommendations, estimates, or bids with respect to an infestation
14 described by Subdivision (1); or

15 (3) making contracts, or submitting bids based on an
16 inspection for services or performing services designed to prevent,
17 control, or eliminate an infestation described by Subdivision (1)
18 by the use of insecticides, pesticides, rodenticides, fumigants,
19 allied chemicals or substances, or mechanical devices.

20 SECTION 3.06. Sections [23.1241](#)(a)(1), (2), (7), and (9),
21 Tax Code, are amended to read as follows:

22 (1) "Dealer" means a person engaged in the business in
23 this state of selling[~~, leasing, or renting~~] heavy equipment. The
24 term does not include a bank, savings bank, savings and loan
25 association, credit union, or other finance company. In addition,
26 for purposes of taxation of a person's inventory of heavy equipment
27 in a tax year, the term does not include a person who renders the

1 person's inventory of heavy equipment for taxation in that tax year
2 by filing a rendition statement or property report in accordance
3 with Chapter 22.

4 (2) "Dealer's heavy equipment inventory" means all
5 items of heavy equipment that a dealer holds for sale at retail [~~7~~
6 ~~lease, or rent~~] in this state [~~during a 12-month period~~].

7 (7) "Sales price" means:

8 (A) the total amount of money paid or to be paid
9 to a dealer for the purchase of an item of heavy equipment; or

10 (B) for a purchase pursuant to a lease or rental
11 with an option to purchase, the total amount of the lease or rental
12 payments paid during the tax year in which the purchase occurs plus
13 any final consideration paid or to be paid to the dealer for the
14 purchase, excluding interest.

15 (9) "Total annual sales" means the total of the~~+~~

16 [~~(A)~~] sales price for each sale from a dealer's
17 heavy equipment inventory in a 12-month period~~+~~~~and~~

18 [~~(B) lease and rental payments received for each~~
19 ~~lease or rental of heavy equipment inventory in a 12-month period~~].

20 SECTION 3.07. Section 23.1241, Tax Code, is amended by
21 adding Subsection (a-1) and amending Subsection (e) to read as
22 follows:

23 (a-1) For purposes of this section, an item of heavy
24 equipment is not included in a dealer's heavy equipment inventory
25 if:

26 (1) the item was included in the dealer's heavy
27 equipment inventory on January 1 of the preceding tax year and was

1 not sold by the dealer in that tax year; and
2 (2) for 30 days or more during the preceding tax year
3 the item was either leased or rented by the dealer to one or more
4 persons or used by any person for its intended purposes not related
5 to demonstrating or testing the equipment for sale, lease, or rent.

6 (e) A dealer is presumed to be an owner of a dealer's heavy
7 equipment inventory on January 1 if, in the 12-month period ending
8 on December 31 of the preceding year, the dealer sold~~[, leased, or~~
9 ~~rented]~~ an item of heavy equipment to a person other than a dealer.
10 The presumption is not rebutted by the fact that a dealer has no
11 item of heavy equipment physically on hand for sale from the
12 dealer's heavy equipment inventory on January 1.

13 SECTION 3.08. Sections 23.1242(b), (e), and (f), Tax Code,
14 are amended to read as follows:

15 (b) Except for an item of heavy equipment sold to a dealer,
16 an item of heavy equipment included in a fleet transaction, an item
17 of heavy equipment that is the subject of a subsequent sale, or an
18 item of heavy equipment that is subject to a lease or rental, an
19 owner or a person who has agreed by contract to pay the owner's
20 current year property taxes levied against the owner's heavy
21 equipment inventory shall assign a unit property tax to each item of
22 heavy equipment sold from a dealer's heavy equipment inventory.
23 ~~[In the case of a lease or rental, the owner shall assign a unit~~
24 ~~property tax to each item of heavy equipment leased or rented.]~~ The
25 unit property tax of each item of heavy equipment is determined by
26 multiplying the sales price of the item ~~[or the monthly lease or~~
27 ~~rental payment received for the item, as applicable,]~~ by the unit

1 property tax factor. [~~If the transaction is a lease or rental, the~~
2 ~~owner shall collect the unit property tax from the lessee or renter~~
3 ~~at the time the lessee or renter submits payment for the lease or~~
4 ~~rental. The owner of the equipment shall state the amount of the~~
5 ~~unit property tax assigned as a separate line item on an invoice.]~~
6 On or before the 10th day of each month the owner shall, together
7 with the statement filed by the owner as required by this section,
8 deposit with the collector an amount equal to the total of unit
9 property tax assigned to all items of heavy equipment sold[~~,~~
10 ~~leased, or rented~~] from the dealer's heavy equipment inventory in
11 the preceding month to which a unit property tax was assigned. The
12 money shall be deposited by the collector to the credit of the
13 owner's escrow account for prepayment of property taxes as provided
14 by this section. An escrow account required by this section is used
15 to pay property taxes levied against the dealer's heavy equipment
16 inventory, and the owner shall fund the escrow account as provided
17 by this subsection.

18 (e) The comptroller by rule shall adopt a dealer's heavy
19 equipment inventory tax statement form. Each month, a dealer shall
20 complete the form regardless of whether an item of heavy equipment
21 is sold[~~,~~ ~~leased, or rented~~]. A dealer may use no other form for
22 that purpose. The statement may include the information the
23 comptroller considers appropriate but shall include at least the
24 following:

25 (1) a description of each item of heavy equipment
26 sold, [~~leased, or rented~~] including any unique identification or
27 serial number affixed to the item by the manufacturer;

1 (2) the sales price of [~~or lease or rental payment~~
2 ~~received for~~] the item of heavy equipment[~~, as applicable~~];

3 (3) the unit property tax of the item of heavy
4 equipment, if any; and

5 (4) the reason no unit property tax is assigned if no
6 unit property tax is assigned.

7 (f) On or before the 10th day of each month, a dealer shall
8 file with the collector the statement covering the sale[~~, lease, or~~
9 ~~rental~~] of each item of heavy equipment sold[~~, leased, or rented~~] by
10 the dealer in the preceding month. On or before the 10th day of a
11 month following a month in which a dealer does not sell[~~, lease, or~~
12 ~~rent~~] an item of heavy equipment, the dealer must file the statement
13 with the collector and indicate that no sales[~~, leases, or rentals~~]
14 were made in the prior month. A dealer shall file a copy of the
15 statement with the chief appraiser and retain documentation
16 relating to the disposition of each item of heavy equipment sold
17 [~~and the lease or rental of each item of heavy equipment~~]. A chief
18 appraiser or collector may examine documents held by a dealer as
19 provided by this subsection in the same manner, and subject to the
20 same conditions, as provided by Section 23.1241(g).

21 SECTION 3.09. Section 156.251(d), Tax Code, is amended to
22 read as follows:

23 (d) An amount equal to the amount of revenue derived from
24 the collection of taxes imposed by this chapter at a rate of
25 one-half of one percent shall be allocated in the general revenue
26 fund to be used for:

27 (1) media advertising and other marketing activities

1 of the Tourism Division of the Texas Department of Commerce; and
2 (2) the seaport preliminary studies grant program
3 established under Section 55.0031, Transportation Code. [~~Section~~
4 ~~403.094(h), Government Code, does not apply to funds described in~~
5 ~~this section. This subsection takes effect October 1, 1994.~~]

6 SECTION 3.10. Section 55.002, Transportation Code, is
7 amended by adding Subsection (b-1) to read as follows:

8 (b-1) In addition to funding projects under Subsection (a),
9 the department by rule shall establish a grant program to fund port
10 security, transportation, or facility projects with money from the
11 general revenue accounts, bond proceeds if allowed by other law, or
12 any other money appropriated by the legislature.

13 SECTION 3.11. Chapter 55, Transportation Code, is amended
14 by adding Section 55.0031 to read as follows:

15 Sec. 55.0031. SEAPORT PRELIMINARY STUDIES GRANT PROGRAM.
16 The department by rule shall establish a program to provide grants
17 for use in conducting preliminary studies or obtaining permits that
18 may be required of the grant recipient to receive additional
19 financial assistance for a port security, transportation, or
20 facility project.

21 SECTION 3.12. Section 201.946(d), Transportation Code, is
22 amended to read as follows:

23 (d) To the extent money is on deposit in the fund in amounts
24 that are in excess of the money required by the proceedings
25 authorizing the obligations and credit agreements to be retained on
26 deposit, the commission:

27 (1) shall use the money to retire, before maturity,

1 the portion of the obligations that are callable; and

2 (2) may use the money for any purpose for which
3 obligations may be issued under this subchapter, other than for
4 toll roads.

5 SECTION 3.13. Section 23.1241(b-1), Tax Code, is repealed.

6 SECTION 3.14. The changes in law made by this article that
7 affect ad valorem taxes apply only to ad valorem taxes imposed for a
8 tax year beginning on or after January 1, 2018.

9 SECTION 3.15. The changes in law made by this article
10 relating to the method of delivery or submission of a notice or
11 report apply only to a notice or report that is required to be
12 delivered or submitted on or after the effective date of this Act.
13 A notice or report required to be delivered or submitted before the
14 effective date of this Act is governed by the law in effect on the
15 date the notice or report was required to be delivered or submitted,
16 and the former law is continued in effect for that purpose.

17 ARTICLE 4. AMENDMENT OF SECTION 403.095, GOVERNMENT CODE

18 SECTION 4.01. Effective September 1, 2017, Sections
19 403.095(b), (d), and (f), Government Code, are amended to read as
20 follows:

21 (b) Notwithstanding any law dedicating or setting aside
22 revenue for a particular purpose or entity, dedicated revenues that
23 on August 31, 2019 [~~2017~~], are estimated to exceed the amount
24 appropriated by the General Appropriations Act or other laws
25 enacted by the 85th [~~84th~~] Legislature are available for general
26 governmental purposes and are considered available for the purpose
27 of certification under Section 403.121.

1 (d) Following certification of the General Appropriations
2 Act and other appropriations measures enacted by the 85th [~~84th~~]
3 Legislature, the comptroller shall reduce each dedicated account as
4 directed by the legislature by an amount that may not exceed the
5 amount by which estimated revenues and unobligated balances exceed
6 appropriations. The reductions may be made in the amounts and at
7 the times necessary for cash flow considerations to allow all the
8 dedicated accounts to maintain adequate cash balances to transact
9 routine business. The legislature may authorize, in the General
10 Appropriations Act, the temporary delay of the excess balance
11 reduction required under this subsection. This subsection does not
12 apply to revenues or balances in:

- 13 (1) funds outside the treasury;
- 14 (2) trust funds, which for purposes of this section
15 include funds that may or are required to be used in whole or in part
16 for the acquisition, development, construction, or maintenance of
17 state and local government infrastructures, recreational
18 facilities, or natural resource conservation facilities;
- 19 (3) funds created by the constitution or a court; or
- 20 (4) funds for which separate accounting is required by
21 federal law.

22 (f) This section expires September 1, 2019 [~~2017~~].

23 ARTICLE 5. EFFECTIVE DATE

24 SECTION 5.01. Except as otherwise provided by this Act,
25 this Act takes effect immediately if it receives a vote of
26 two-thirds of all the members elected to each house, as provided by
27 Section 39, Article III, Texas Constitution. If this Act does not

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1 receive the vote necessary for immediate effect, this Act takes
2 effect on September 1, 2017.