

1-1 By: Taylor of Galveston S.B. No. 1658  
 1-2 (In the Senate - Filed March 9, 2017; March 22, 2017, read  
 1-3 first time and referred to Committee on Education; April 18, 2017,  
 1-4 reported adversely, with favorable Committee Substitute by the  
 1-5 following vote: Yeas 10, Nays 0; April 18, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Taylor of Galveston	X			
1-8 Lucio	X			
1-9 Bettencourt	X			
1-10 Campbell	X			
1-11 Hall			X	
1-12 Huffines	X			
1-13 Hughes	X			
1-14 Seliger	X			
1-15 Taylor of Collin	X			
1-16 Uresti	X			
1-17 West	X			

1-19 COMMITTEE SUBSTITUTE FOR S.B. No. 1658 By: Taylor of Galveston

1-20 A BILL TO BE ENTITLED  
 1-21 AN ACT

1-22 relating to the ownership, sale, lease, and disposition of property  
 1-23 and management of assets of an open-enrollment charter school.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 12.1012, Education Code, is amended by  
 1-26 adding Subdivisions (7) and (8) to read as follows:

1-27 (7) "Payable obligation" means a contractually  
 1-28 obligated expenditure that was reasonably incurred for the benefit  
 1-29 of students enrolled at an open-enrollment charter school before  
 1-30 the open-enrollment charter school ceased operations, including a  
 1-31 debt described by Section 12.128(e). The term does not include any  
 1-32 amount owed to a former charter holder or officer or director of the  
 1-33 school.

1-34 (8) "Remaining funds" means funds that are held by a  
 1-35 former charter holder after satisfaction of all payable obligations  
 1-36 and that were received:

- 1-37 (A) under Section 12.106; or
- 1-38 (B) from the disposition of property.

1-39 SECTION 2. Subchapter D, Chapter 12, Education Code, is  
 1-40 amended by adding Section 12.10125 to read as follows:

1-41 Sec. 12.10125. OPEN-ENROLLMENT CHARTER SCHOOL NOT IN  
 1-42 OPERATION. An open-enrollment charter school ceases to operate if:

- 1-43 (1) the school's charter:
  - 1-44 (A) has been revoked;
  - 1-45 (B) has expired;
  - 1-46 (C) has been surrendered; or
  - 1-47 (D) has been abandoned; or
- 1-48 (2) the school has otherwise ceased operation as a  
 1-49 public school.

1-50 SECTION 3. Section 12.106, Education Code, is amended by  
 1-51 adding Subsections (d), (e), and (f) to read as follows:

1-52 (d) Except as provided by Subsection (e), all remaining  
 1-53 funds of a charter holder for an open-enrollment charter school  
 1-54 that ceases to operate must be returned to the agency and deposited  
 1-55 in the charter school liquidation fund.

1-56 (e) The agency may approve a transfer of a charter holder's  
 1-57 remaining funds to another charter holder if the charter holder  
 1-58 receiving the funds has not received notice of the expiration or  
 1-59 revocation of the charter holder's charter for an open-enrollment  
 1-60 charter school or notice of a reconstitution of the governing body

2-1 of the charter holder under Section 12.1141 or 12.115.

2-2 (f) The commissioner may adopt rules specifying:

2-3 (1) the time during which a former charter holder must  
2-4 return remaining funds under Subsection (d); and

2-5 (2) the qualifications required for a charter holder  
2-6 to receive a transfer of remaining funds under Subsection (e).

2-7 SECTION 4. Section 12.107(a), Education Code, is amended to  
2-8 read as follows:

2-9 (a) Funds received under Section 12.106 after September 1,  
2-10 2001, by a charter holder:

2-11 (1) are considered to be public funds for all purposes  
2-12 under state law;

2-13 (2) are held in trust by the charter holder for the  
2-14 benefit of the students of the open-enrollment charter school;

2-15 (3) may be used only for a purpose for which a school  
2-16 may use local funds under Section 45.105(c); ~~and~~

2-17 (4) pending their use, must be deposited into a bank,  
2-18 as defined by Section 45.201, with which the charter holder has  
2-19 entered into a depository contract; and

2-20 (5) may not:

2-21 (A) be pledged or used to secure loans or bonds  
2-22 for any other organization, including a non-charter operation or  
2-23 out-of-state operation conducted by the charter holder or a related  
2-24 party; or

2-25 (B) be used to support an operation or activity  
2-26 not related to the educational activities of the charter holder.

2-27 SECTION 5. Section 12.1163, Education Code, is amended by  
2-28 adding Subsection (d) to read as follows:

2-29 (d) An audit under Subsection (a) may include the review of  
2-30 any real property transactions between the charter holder and a  
2-31 related party, as defined by commissioner rule adopted under  
2-32 Section 12.1166. If the commissioner determines that a transaction  
2-33 with a related party using funds received under Section 12.106 was  
2-34 structured in a manner that did not benefit the open-enrollment  
2-35 charter school or that the transaction was in excess of fair market  
2-36 value as determined under Section 12.1167, the commissioner may  
2-37 order that the transaction be reclassified or that other action be  
2-38 taken as necessary to protect the school's interests. Failure to  
2-39 comply with the commissioner's order is a material violation of the  
2-40 charter.

2-41 SECTION 6. Subchapter D, Chapter 12, Education Code, is  
2-42 amended by adding Sections 12.1166, 12.1167, and 12.1168 to read as  
2-43 follows:

2-44 Sec. 12.1166. RELATED PARTY TRANSACTIONS. (a) The  
2-45 commissioner shall adopt a rule defining "related party" for  
2-46 purposes of this subchapter. The definition of "related party"  
2-47 must include:

2-48 (1) a party with a current or former board member,  
2-49 administrator, or officer who is:

2-50 (A) a board member, administrator, or officer of  
2-51 an open-enrollment charter school; or

2-52 (B) related within the third degree of  
2-53 consanguinity or affinity, as determined under Chapter 573,  
2-54 Government Code, to a board member, administrator, or officer of an  
2-55 open-enrollment charter school;

2-56 (2) a charter holder's related organizations, joint  
2-57 ventures, and jointly governed organizations;

2-58 (3) an open-enrollment charter school's board members,  
2-59 administrators, or officers or a person related to a board member,  
2-60 administrator, or officer within the third degree of consanguinity  
2-61 or affinity, as determined under Chapter 573, Government Code; and

2-62 (4) any other disqualified person, as that term is  
2-63 defined by 26 U.S.C. Section 4958(f).

2-64 (b) For purposes of Subsection (a)(1), a person is a former  
2-65 board member, administrator, or officer if the person served in  
2-66 that capacity within one year of the date on which a financial  
2-67 transaction between the charter holder and a related party  
2-68 occurred.

2-69 (c) In a charter holder's annual audit filed under Section

3-1 44.008, the charter holder must include a list of all transactions  
3-2 with a related party.

3-3 Sec. 12.1167. APPRAISAL OF CERTAIN PROPERTY. The  
3-4 commissioner may adopt rules to require:

3-5 (1) an open-enrollment charter school to provide  
3-6 notice to the commissioner of an appraiser before entering into a  
3-7 transaction with a related party;

3-8 (2) the commissioner to publish a list of acceptable  
3-9 appraisers;

3-10 (3) an appraiser to use specific methods for an  
3-11 appraisal; or

3-12 (4) an appraisal to be filed with the agency.

3-13 Sec. 12.1168. FINANCIAL REPORT OF CERTAIN SCHOOLS. (a) In  
3-14 this section, "related party" has the meaning adopted by  
3-15 commissioner rule under Section 12.1166.

3-16 (b) A financial report filed under Section 44.008 by an  
3-17 open-enrollment charter school must separately disclose:

3-18 (1) all financial transactions between the  
3-19 open-enrollment charter school and any related party, separately  
3-20 stating the principal, interest, and lease payments; and

3-21 (2) the total compensation and benefits provided by  
3-22 the school and any related party for each member of the governing  
3-23 body and each officer and administrator of the school and the  
3-24 related party.

3-25 (c) The commissioner may adopt rules to implement this  
3-26 section.

3-27 SECTION 7. Section 12.128, Education Code, is amended by  
3-28 amending Subsections (a) and (c) and adding Subsections (a-1),  
3-29 (b-1), (b-2), (c-1), (c-2), and (f) to read as follows:

3-30 (a) Property purchased [~~or leased~~] with funds received by a  
3-31 charter holder under Section 12.106 after September 1, 2001:

3-32 (1) is considered to be public property for all  
3-33 purposes under state law;

3-34 (2) is property of this state held in trust by the  
3-35 charter holder for the benefit of the students of the  
3-36 open-enrollment charter school; and

3-37 (3) may be used only for a purpose for which a school  
3-38 district may use school district property.

3-39 (a-1) Property leased with funds received by a charter  
3-40 holder under Section 12.106 after September 1, 2001:

3-41 (1) is considered to be public property for all  
3-42 purposes under state law;

3-43 (2) is property of this state held in trust by the  
3-44 charter holder for the benefit of the students of the  
3-45 open-enrollment charter school; and

3-46 (3) may be used only for a purpose for which a school  
3-47 district may use school district property.

3-48 (b-1) Subject to Subsection (b-2), while an open-enrollment  
3-49 charter school is in operation, the charter holder holds title to  
3-50 any property described by Subsection (a) or (b) and may exercise  
3-51 complete control over the property as permitted under the law.

3-52 (b-2) A charter holder may not transfer, sell, or otherwise  
3-53 dispose of any property described by this section without the prior  
3-54 written consent of the agency if:

3-55 (1) the charter holder has received notice of:

3-56 (A) the expiration of the charter holder's  
3-57 charter under Section 12.1141 and the charter has not been renewed;  
3-58 or

3-59 (B) the charter's revocation under Section  
3-60 12.115(c);

3-61 (2) the charter holder has received notice that the  
3-62 open-enrollment charter school is under discretionary review by the  
3-63 commissioner, which may result in the revocation of the charter or a  
3-64 reconstitution of the governing body of the charter holder under  
3-65 Section 12.115; or

3-66 (3) the open-enrollment charter school for which the  
3-67 charter is held has otherwise ceased to operate.

3-68 (c) The commissioner shall:

3-69 (1) take possession and assume control of the property

4-1 described by Subsection (a) of an open-enrollment charter school  
4-2 that ceases to operate; and

4-3 (2) supervise the disposition of the property in  
4-4 accordance with this subchapter [law].

4-5 (c-1) Notwithstanding Subsection (c), if an open-enrollment  
4-6 charter school ceases to operate, the agency:

4-7 (1) for property purchased with state funds, shall  
4-8 direct the charter holder to dispose of the property through one of  
4-9 the following methods:

4-10 (A) retain or liquidate the property and provide  
4-11 reimbursement to the state as provided by Section 12.1281;

4-12 (B) transfer the property to:

4-13 (i) the agency under Section 12.1281(h); or

4-14 (ii) a school district or open-enrollment  
4-15 charter school under Section 12.1282;

4-16 (C) close the operations of the open-enrollment  
4-17 charter school under Section 12.1284; or

4-18 (D) take any combination of the actions described  
4-19 by Paragraphs (A), (B), and (C); and

4-20 (2) for property leased with state funds, may direct  
4-21 the charter holder to assign the charter holder's interest in the  
4-22 lease to the agency.

4-23 (c-2) The agency may approve an expenditure of remaining  
4-24 funds by a former charter holder for insurance or utilities for or  
4-25 maintenance, repairs, or improvements to property described by this  
4-26 section if the agency determines that the expenditure is reasonably  
4-27 necessary to dispose of the property or preserve the property's  
4-28 value.

4-29 (f) A decision by the agency under this section is final and  
4-30 may not be appealed.

4-31 SECTION 8. Subchapter D, Chapter 12, Education Code, is  
4-32 amended by adding Sections 12.1281, 12.1282, 12.1283, and 12.1284  
4-33 to read as follows:

4-34 Sec. 12.1281. DISPOSITION OF PROPERTY PURCHASED WITH STATE  
4-35 FUNDS. (a) A former charter holder of an open-enrollment charter  
4-36 school that has ceased to operate may retain property described by  
4-37 Section 12.128 if the former charter holder reimburses the state  
4-38 with non-state funds and the former charter holder:

4-39 (1) provides written assurance that the requirements  
4-40 of Section 12.1284 will be met; and

4-41 (2) receives approval from the agency.

4-42 (b) On receiving consent from the agency under Section  
4-43 12.128(b-2) and a written agreement from any creditor with a  
4-44 security interest described by Section 12.128(e), the former  
4-45 charter holder may:

4-46 (1) sell property for fair market value; or

4-47 (2) transfer property to an open-enrollment charter  
4-48 school or a school district as provided under Section 12.1282.

4-49 (c) The amount of funds the state is entitled to as  
4-50 reimbursement for property of a former charter holder is:

4-51 (1) for property retained by the former charter  
4-52 holder, the current fair market value less the amount of any debt  
4-53 subject to a security interest or lien described by Section  
4-54 12.128(e), multiplied by the percentage of state funds used to  
4-55 purchase the property; or

4-56 (2) for property sold by the former charter holder,  
4-57 the net sales proceeds of the property multiplied by the percentage  
4-58 of state funds used to purchase the property.

4-59 (d) To determine the amount of state funds a former charter  
4-60 holder used to purchase property, the agency shall calculate:

4-61 (1) an estimated state reimbursement amount based on  
4-62 the last annual financial report filed under Section 44.008  
4-63 available at the time the former charter holder retains or sells the  
4-64 property; and

4-65 (2) a final state reimbursement amount using the  
4-66 former charter holder's final financial audit filed under Section  
4-67 44.008.

4-68 (e) A former charter holder retaining property under  
4-69 Subsection (a) or selling the property under Subsection (b)(1)

5-1 shall:

5-2 (1) file an affidavit in the real property records of  
5-3 the county in which the property is located disclosing the state  
5-4 interest in the property;

5-5 (2) place in escrow with the state comptroller an  
5-6 amount of non-state funds equal to 110 percent of the estimated  
5-7 state reimbursement amount; and

5-8 (3) not later than two weeks after the date the charter  
5-9 holder's final financial audit is filed under Section 44.008,  
5-10 submit to the state the final state reimbursement amount using the  
5-11 funds in escrow in addition to any other funds necessary to pay the  
5-12 full amount of state reimbursement.

5-13 (f) A former charter holder may retain any funds remaining  
5-14 after complying with this section.

5-15 (g) As soon as the agency is satisfied that the former  
5-16 charter holder complied with Subsection (e), the agency shall file  
5-17 written notice of the release of the state interest in property the  
5-18 former charter holder retains under this section and authorize the  
5-19 return of any funds not used for state reimbursement to the former  
5-20 charter holder.

5-21 (h) Subject to the satisfaction of any security interest or  
5-22 lien described by Section 12.128(e), if a former charter holder  
5-23 does not dispose of property under Subsection (a) or (b), the former  
5-24 charter holder shall transfer the property, including a conveyance  
5-25 of title, to the agency in accordance with the procedures and time  
5-26 requirements established by the agency.

5-27 (i) Subject to the satisfaction of any security interest or  
5-28 lien described by Section 12.128(e), if the agency determines a  
5-29 former charter holder failed to comply with this section or Section  
5-30 12.1282, on request of the agency, the attorney general shall take  
5-31 any appropriate legal action to compel the former charter holder to  
5-32 convey title to the agency or other governmental entity authorized  
5-33 by the agency to maintain or dispose of property.

5-34 (j) A decision by the agency under this section is final and  
5-35 may not be appealed.

5-36 (k) The commissioner may adopt rules necessary to  
5-37 administer this section.

5-38 Sec. 12.1282. TRANSFER OF PROPERTY PURCHASED WITH STATE  
5-39 FUNDS. (a) The agency may approve the transfer of property  
5-40 described by Section 12.128 from an open-enrollment charter school  
5-41 that has ceased to operate, or may transfer property conveyed to the  
5-42 agency by the former charter holder under Section 12.1281, to a  
5-43 school district or an open-enrollment charter school if:

5-44 (1) the open-enrollment charter school or school  
5-45 district receiving the property:

5-46 (A) agrees to the transfer; and

5-47 (B) agrees to identify the property as purchased  
5-48 wholly or partly using state funds on the school's annual financial  
5-49 report filed under Section 44.008;

5-50 (2) any creditor with a security interest in or lien on  
5-51 the property described by Section 12.128(e) agrees to the transfer;  
5-52 and

5-53 (3) the transfer of the property does not make the  
5-54 open-enrollment charter school or school district receiving the  
5-55 property insolvent.

5-56 (b) Property received by an open-enrollment charter school  
5-57 or school district under this section is considered to be state  
5-58 property under Section 12.128(a).

5-59 (c) The commissioner may adopt rules necessary to  
5-60 administer this section, including rules establishing  
5-61 qualifications and priority for a school district or  
5-62 open-enrollment charter school to receive a transfer of property  
5-63 under this section.

5-64 (d) If the agency determines that the cost of disposing of  
5-65 personal property described by Section 12.128 transferred to the  
5-66 agency by an open-enrollment charter school that ceases to operate  
5-67 exceeds the return of value from the sale of the property, the  
5-68 agency may distribute the personal property to open-enrollment  
5-69 charter schools and school districts in a manner determined by the

6-1 commissioner.

6-2 (e) A determination by the agency under this section is  
6-3 final and may not be appealed.

6-4 Sec. 12.1283. SALE OF PROPERTY PURCHASED WITH STATE FUNDS.

6-5 (a) After the agency receives title to property described by  
6-6 Section 12.128, the agency may sell the property at any price  
6-7 acceptable to the agency.

6-8 (b) On request of the agency, the following state agencies  
6-9 shall enter into a memorandum of understanding to sell property for  
6-10 the agency:

6-11 (1) for real property, the General Land Office; and

6-12 (2) for personal property, the Texas Facilities  
6-13 Commission.

6-14 (c) A memorandum of understanding entered into as provided  
6-15 by Subsection (b) may allow the General Land Office or Texas  
6-16 Facilities Commission to recover from the sale proceeds any cost  
6-17 incurred by the agency in the sale of the property.

6-18 (d) Subject to the satisfaction of any security interest or  
6-19 lien described by Section 12.128(e), proceeds from the sale of  
6-20 property under this section shall be deposited in the charter  
6-21 school liquidation fund.

6-22 (e) The commissioner may adopt rules as necessary to  
6-23 administer this section.

6-24 Sec. 12.1284. CLOSURE OF CHARTER SCHOOL OPERATIONS.

6-25 (a) After extinguishing all payable obligations owed by an  
6-26 open-enrollment charter school that ceases to operate, including a  
6-27 debt described by Section 12.128(e), a former charter holder shall:

6-28 (1) remit to the agency:

6-29 (A) any remaining funds described by Section  
6-30 12.106(d); and

6-31 (B) any state reimbursement amounts from the sale  
6-32 of property described by Section 12.128; or

6-33 (2) transfer the remaining funds to another charter  
6-34 holder under Section 12.106(e).

6-35 (b) The agency shall deposit any funds received under  
6-36 Subsection (a)(1) in the charter school liquidation fund.

6-37 (c) The commissioner may adopt rules necessary to  
6-38 administer this section.

6-39 SECTION 9. Subchapter D, Chapter 12, Education Code, is  
6-40 amended by adding Section 12.141 to read as follows:

6-41 Sec. 12.141. RECLAIMED FUNDS. (a) The agency shall  
6-42 deposit funds received under Sections 12.106, 12.128, 12.1281,  
6-43 12.1283, and 12.1284 into the charter school liquidation fund and  
6-44 may use the funds to:

6-45 (1) pay expenses relating to managing and closing an  
6-46 open-enrollment charter school that ceases to operate, including  
6-47 maintenance of the school's student and other records;

6-48 (2) dispose of property described by Section 12.128;  
6-49 and

6-50 (3) maintain property described by Section 12.128,  
6-51 including expenses for insurance, utilities, maintenance, and  
6-52 repairs.

6-53 (b) The agency may not use funds under this section until  
6-54 the commissioner determines if the open-enrollment charter school  
6-55 that ceases to operate received an overallocation of funds under  
6-56 Section 12.106 that must be recovered for the foundation school  
6-57 program.

6-58 (c) The agency shall annually review the amount of funds in  
6-59 the charter school liquidation fund and transfer any funds  
6-60 exceeding \$2 million:

6-61 (1) for use in funding a high-quality educational  
6-62 grant program established by the commissioner; or

6-63 (2) to the comptroller to deposit in the charter  
6-64 district bond guarantee reserve fund under Section 45.0571.

6-65 (d) The agency may delay a transfer of funds under  
6-66 Subsection (c) if the excess is less than \$100,000. Funds set aside  
6-67 for an overallocation of funds from the foundation school program  
6-68 are not included in determining whether the amount of funds exceeds  
6-69 \$2 million.

7-1 (e) The commissioner may adopt rules necessary to implement  
 7-2 this section.

7-3 SECTION 10. Section 39.1121, Education Code, is amended by  
 7-4 adding Subsection (c-1) to read as follows:

7-5 (c-1) A board of managers appointed for the final closure of  
 7-6 a former open-enrollment charter school under Subsection (c) has  
 7-7 the authority to:

7-8 (1) access and manage any former charter holder's bank  
 7-9 account that contains funds received under Section 12.106; and

7-10 (2) subject to approval by a creditor with a security  
 7-11 interest in or lien on property described by Section 12.128 and in  
 7-12 accordance with Section 12.1282, sell or transfer to another  
 7-13 charter holder or school district any property titled to the former  
 7-14 charter holder that is identified in the former open-enrollment  
 7-15 charter school's annual financial report filed under Section 44.008  
 7-16 as being acquired, wholly or partly, with funds received under  
 7-17 Section 12.106.

7-18 SECTION 11. Section 39.1122(c), Education Code, is amended  
 7-19 to read as follows:

7-20 (c) The agency [~~commissioner~~] shall use funds received by or  
 7-21 due to the former charter holder under Section 12.106 or funds  
 7-22 returned to the state from liquidation of [~~state~~] property  
 7-23 described by Section 12.128 and held by a former charter holder for  
 7-24 compensation of a member of a board of managers for an  
 7-25 open-enrollment charter school or a campus of an open-enrollment  
 7-26 charter school or a superintendent.

7-27 SECTION 12. Section 43.001(a), Education Code, is amended  
 7-28 to read as follows:

7-29 (a) Except as provided by Subsection (b), the permanent  
 7-30 school fund, which is a perpetual endowment for the public schools  
 7-31 of this state, consists of:

7-32 (1) all land appropriated for the public schools by  
 7-33 the constitution and laws of this state;

7-34 (2) all of the unappropriated public domain remaining  
 7-35 in this state, including all land recovered by the state by suit or  
 7-36 otherwise except pine forest land as defined by Section 88.111 and  
 7-37 property described by Section 12.128;

7-38 (3) all proceeds from the authorized sale of permanent  
 7-39 school fund land;

7-40 (4) all proceeds from the lawful sale of any other  
 7-41 properties belonging to the permanent school fund;

7-42 (5) all investments authorized by Section 43.003 of  
 7-43 properties belonging to the permanent school fund; and

7-44 (6) all income from the mineral development of  
 7-45 permanent school fund land, including income from mineral  
 7-46 development of riverbeds and other submerged land.

7-47 SECTION 13. Section 44.008, Education Code, is amended by  
 7-48 adding Subsections (f), (g), and (h) to read as follows:

7-49 (f) An open-enrollment charter school shall provide an  
 7-50 accounting of each parcel of the school's real property, including  
 7-51 identifying the amount of local, state, and federal funds used to  
 7-52 purchase or improve each parcel of property.

7-53 (g) An open-enrollment charter school for which the charter  
 7-54 has expired, been revoked, or been surrendered or an  
 7-55 open-enrollment charter school that otherwise ceases to operate  
 7-56 shall submit a final annual financial report to the agency. The  
 7-57 report must verify that all state property held by the charter  
 7-58 holder has been returned or disposed of in accordance with Section  
 7-59 12.128.

7-60 (h) The commissioner may adopt rules necessary to implement  
 7-61 this section, including rules defining local funds.

7-62 SECTION 14. A transfer of property from an open-enrollment  
 7-63 charter school that ceases to operate to another open-enrollment  
 7-64 charter school that occurred before the effective date of this Act  
 7-65 is ratified if both open-enrollment charter schools classified the  
 7-66 property as purchased with state funds on each school's annual  
 7-67 financial report under Section 44.008, Education Code.

7-68 SECTION 15. This Act takes effect only if a specific  
 7-69 appropriation for the implementation of the Act is provided in a

8-1 general appropriations act of the 85th Legislature.  
8-2 SECTION 16. This Act takes effect immediately if it  
8-3 receives a vote of two-thirds of all the members elected to each  
8-4 house, as provided by Section 39, Article III, Texas Constitution.  
8-5 If this Act does not receive the vote necessary for immediate  
8-6 effect, this Act takes effect September 1, 2017.

8-7

\* \* \* \* \*