

AN ACT

relating to the licensing and regulation of certain occupations and activities.

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

ARTICLE 1. VEHICLE PROTECTION PRODUCTS

SECTION 1.001. Section 17.45, Business & Commerce Code, is amended by adding Subdivisions (14), (15), and (16) to read as follows:

(14) "Vehicle protection product":

(A) means a product or system, including a written warranty:

(i) that is:

(a) installed on or applied to a vehicle; and

(b) designed to prevent loss of or damage to a vehicle from a specific cause; and

(ii) under which, after installation or application of the product or system described by Subparagraph (i), if loss or damage results from the failure of the product or system to perform as represented in the warranty, the warrantor, to the extent agreed on as part of the warranty, is required to pay expenses to the person in this state who purchases or otherwise possesses the product or system for the loss of or damage to the vehicle; and

1 (B) may also include identity recovery, as
2 defined by Section 1304.003, Occupations Code, if the product or
3 system described by Paragraph (A) is financed under Chapter 348 or
4 353, Finance Code.

5 (15) "Warrantor" means a person named under the terms
6 of a vehicle protection product warranty as the contractual obligor
7 to a person in this state who purchases or otherwise possesses a
8 vehicle protection product.

9 (16) "Loss of or damage to the vehicle," for purposes
10 of Subdivision (14)(A)(ii), may also include unreimbursed
11 incidental expenses that may be incurred by the warrantor,
12 including expenses for a replacement vehicle, temporary vehicle
13 rental expenses, and registration expenses for replacement
14 vehicles.

15 SECTION 1.002. Section 17.46(b), Business & Commerce Code,
16 as amended by Chapters 1023 (H.B. 1265) and 1080 (H.B. 2573), Acts
17 of the 84th Legislature, Regular Session, 2015, is reenacted and
18 amended to read as follows:

19 (b) Except as provided in Subsection (d) of this section,
20 the term "false, misleading, or deceptive acts or practices"
21 includes, but is not limited to, the following acts:

- 22 (1) passing off goods or services as those of another;
23 (2) causing confusion or misunderstanding as to the
24 source, sponsorship, approval, or certification of goods or
25 services;
26 (3) causing confusion or misunderstanding as to
27 affiliation, connection, or association with, or certification by,

1 another;

2 (4) using deceptive representations or designations
3 of geographic origin in connection with goods or services;

4 (5) representing that goods or services have
5 sponsorship, approval, characteristics, ingredients, uses,
6 benefits, or quantities which they do not have or that a person has
7 a sponsorship, approval, status, affiliation, or connection which
8 the person does not;

9 (6) representing that goods are original or new if
10 they are deteriorated, reconditioned, reclaimed, used, or
11 secondhand;

12 (7) representing that goods or services are of a
13 particular standard, quality, or grade, or that goods are of a
14 particular style or model, if they are of another;

15 (8) disparaging the goods, services, or business of
16 another by false or misleading representation of facts;

17 (9) advertising goods or services with intent not to
18 sell them as advertised;

19 (10) advertising goods or services with intent not to
20 supply a reasonable expectable public demand, unless the
21 advertisements disclosed a limitation of quantity;

22 (11) making false or misleading statements of fact
23 concerning the reasons for, existence of, or amount of price
24 reductions;

25 (12) representing that an agreement confers or
26 involves rights, remedies, or obligations which it does not have or
27 involve, or which are prohibited by law;

1 (13) knowingly making false or misleading statements
2 of fact concerning the need for parts, replacement, or repair
3 service;

4 (14) misrepresenting the authority of a salesman,
5 representative or agent to negotiate the final terms of a consumer
6 transaction;

7 (15) basing a charge for the repair of any item in
8 whole or in part on a guaranty or warranty instead of on the value of
9 the actual repairs made or work to be performed on the item without
10 stating separately the charges for the work and the charge for the
11 warranty or guaranty, if any;

12 (16) disconnecting, turning back, or resetting the
13 odometer of any motor vehicle so as to reduce the number of miles
14 indicated on the odometer gauge;

15 (17) advertising of any sale by fraudulently
16 representing that a person is going out of business;

17 (18) advertising, selling, or distributing a card
18 which purports to be a prescription drug identification card issued
19 under Section [4151.152](#), Insurance Code, in accordance with rules
20 adopted by the commissioner of insurance, which offers a discount
21 on the purchase of health care goods or services from a third party
22 provider, and which is not evidence of insurance coverage, unless:

23 (A) the discount is authorized under an agreement
24 between the seller of the card and the provider of those goods and
25 services or the discount or card is offered to members of the
26 seller;

27 (B) the seller does not represent that the card

1 provides insurance coverage of any kind; and

2 (C) the discount is not false, misleading, or
3 deceptive;

4 (19) using or employing a chain referral sales plan in
5 connection with the sale or offer to sell of goods, merchandise, or
6 anything of value, which uses the sales technique, plan,
7 arrangement, or agreement in which the buyer or prospective buyer
8 is offered the opportunity to purchase merchandise or goods and in
9 connection with the purchase receives the seller's promise or
10 representation that the buyer shall have the right to receive
11 compensation or consideration in any form for furnishing to the
12 seller the names of other prospective buyers if receipt of the
13 compensation or consideration is contingent upon the occurrence of
14 an event subsequent to the time the buyer purchases the merchandise
15 or goods;

16 (20) representing that a guaranty or warranty confers
17 or involves rights or remedies which it does not have or involve,
18 provided, however, that nothing in this subchapter shall be
19 construed to expand the implied warranty of merchantability as
20 defined in Sections 2.314 through 2.318 and Sections 2A.212 through
21 2A.216 to involve obligations in excess of those which are
22 appropriate to the goods;

23 (21) promoting a pyramid promotional scheme, as
24 defined by Section 17.461;

25 (22) representing that work or services have been
26 performed on, or parts replaced in, goods when the work or services
27 were not performed or the parts replaced;

1 (23) filing suit founded upon a written contractual
2 obligation of and signed by the defendant to pay money arising out
3 of or based on a consumer transaction for goods, services, loans, or
4 extensions of credit intended primarily for personal, family,
5 household, or agricultural use in any county other than in the
6 county in which the defendant resides at the time of the
7 commencement of the action or in the county in which the defendant
8 in fact signed the contract; provided, however, that a violation of
9 this subsection shall not occur where it is shown by the person
10 filing such suit that the person neither knew or had reason to know
11 that the county in which such suit was filed was neither the county
12 in which the defendant resides at the commencement of the suit nor
13 the county in which the defendant in fact signed the contract;

14 (24) failing to disclose information concerning goods
15 or services which was known at the time of the transaction if such
16 failure to disclose such information was intended to induce the
17 consumer into a transaction into which the consumer would not have
18 entered had the information been disclosed;

19 (25) using the term "corporation," "incorporated," or
20 an abbreviation of either of those terms in the name of a business
21 entity that is not incorporated under the laws of this state or
22 another jurisdiction;

23 (26) selling, offering to sell, or illegally promoting
24 an annuity contract under Chapter 22, Acts of the 57th Legislature,
25 3rd Called Session, 1962 (Article [6228a-5](#), Vernon's Texas Civil
26 Statutes), with the intent that the annuity contract will be the
27 subject of a salary reduction agreement, as defined by that Act, if

1 the annuity contract is not an eligible qualified investment under
2 that Act or is not registered with the Teacher Retirement System of
3 Texas as required by Section 8A of that Act;

4 (27) taking advantage of a disaster declared by the
5 governor under Chapter 418, Government Code, by:

6 (A) selling or leasing fuel, food, medicine, or
7 another necessity at an exorbitant or excessive price; or

8 (B) demanding an exorbitant or excessive price in
9 connection with the sale or lease of fuel, food, medicine, or
10 another necessity;

11 (28) using the translation into a foreign language of
12 a title or other word, including "attorney," "lawyer," "licensed,"
13 "notary," and "notary public," in any written or electronic
14 material, including an advertisement, a business card, a
15 letterhead, stationery, a website, or an online video, in reference
16 to a person who is not an attorney in order to imply that the person
17 is authorized to practice law in the United States;

18 (29) [~~(28)~~] delivering or distributing a solicitation
19 in connection with a good or service that:

20 (A) represents that the solicitation is sent on
21 behalf of a governmental entity when it is not; or

22 (B) resembles a governmental notice or form that
23 represents or implies that a criminal penalty may be imposed if the
24 recipient does not remit payment for the good or service;

25 (30) [~~(29)~~] delivering or distributing a solicitation
26 in connection with a good or service that resembles a check or other
27 negotiable instrument or invoice, unless the portion of the

1 solicitation that resembles a check or other negotiable instrument
2 or invoice includes the following notice, clearly and conspicuously
3 printed in at least 18-point type:

4 "SPECIMEN-NON-NEGOTIABLE";

5 (31) [~~(30)~~] in the production, sale, distribution, or
6 promotion of a synthetic substance that produces and is intended to
7 produce an effect when consumed or ingested similar to, or in excess
8 of, the effect of a controlled substance or controlled substance
9 analogue, as those terms are defined by Section 481.002, Health and
10 Safety Code:

11 (A) making a deceptive representation or
12 designation about the synthetic substance; or

13 (B) causing confusion or misunderstanding as to
14 the effects the synthetic substance causes when consumed or
15 ingested; [~~or~~]

16 (32) [~~(31)~~] a licensed public insurance adjuster
17 directly or indirectly soliciting employment, as defined by Section
18 38.01, Penal Code, for an attorney, or a licensed public insurance
19 adjuster entering into a contract with an insured for the primary
20 purpose of referring the insured to an attorney without the intent
21 to actually perform the services customarily provided by a licensed
22 public insurance adjuster, provided that this subdivision may not
23 be construed to prohibit a licensed public insurance adjuster from
24 recommending a particular attorney to an insured; or

25 (33) a warrantor of a vehicle protection product
26 warranty using, in connection with the product, a name that
27 includes "casualty," "surety," "insurance," "mutual," or any other

1 word descriptive of an insurance business, including property or
2 casualty insurance, or a surety business.

3 SECTION 1.003. Subchapter A, Chapter 348, Finance Code, is
4 amended by adding Section 348.014 to read as follows:

5 Sec. 348.014. TRANSACTION CONDITIONED ON PURCHASE OF
6 VEHICLE PROTECTION PRODUCT PROHIBITED. (a) In this section,
7 "vehicle protection product" has the meaning assigned by Section
8 17.45, Business & Commerce Code.

9 (b) A retail seller may not require as a condition of a
10 retail installment transaction or the cash sale of a motor vehicle
11 that the buyer purchase a vehicle protection product that is not
12 installed on the vehicle at the time of the transaction.

13 (c) A violation of this section is a false, misleading, or
14 deceptive act or practice within the meaning of Section 17.46,
15 Business & Commerce Code, and is actionable in a public or private
16 suit brought under Subchapter E, Chapter 17, Business & Commerce
17 Code.

18 SECTION 1.004. Subchapter A, Chapter 353, Finance Code, is
19 amended by adding Section 353.017 to read as follows:

20 Sec. 353.017. TRANSACTION CONDITIONED ON PURCHASE OF
21 VEHICLE PROTECTION PRODUCT PROHIBITED. (a) In this section,
22 "vehicle protection product" has the meaning assigned by Section
23 17.45, Business & Commerce Code.

24 (b) A retail seller may not require as a condition of a
25 retail installment transaction or the cash sale of a commercial
26 vehicle that the buyer purchase a vehicle protection product that
27 is not installed on the vehicle at the time of the transaction.

1 (c) A violation of this section is a false, misleading, or
2 deceptive act or practice within the meaning of Section 17.46,
3 Business & Commerce Code, and is actionable in a public or private
4 suit brought under Subchapter E, Chapter 17, Business & Commerce
5 Code.

6 SECTION 1.005. Chapter 2306, Occupations Code, is repealed.

7 SECTION 1.006. (a) On the effective date of this Act:

8 (1) an action, including a disciplinary or
9 administrative proceeding, pending under Chapter 51 or 2306,
10 Occupations Code, on the effective date of this Act related to an
11 alleged violation of Chapter 2306, Occupations Code, as that
12 chapter existed immediately before the effective date of this Act,
13 is dismissed;

14 (2) the Vehicle Protection Product Warrantor Advisory
15 Board is abolished; and

16 (3) a registration issued under former Chapter 2306,
17 Occupations Code, expires.

18 (b) As soon as practicable after the effective date of this
19 Act, the Texas Commission of Licensing and Regulation shall repeal
20 all rules regarding the regulation of vehicle protection product
21 warrantors adopted under former Chapter 2306, Occupations Code.

22 (c) An administrative penalty assessed by the Texas
23 Commission of Licensing and Regulation or the executive director of
24 the Texas Department of Licensing and Regulation related to a
25 violation of Chapter 2306, Occupations Code, as that chapter
26 existed immediately before the effective date of this Act, may be
27 collected as provided by Chapter 51, Occupations Code.

1 (d) The repeal by this Act of Chapter 2306, Occupations
2 Code, does not affect the validity or terms of a vehicle protection
3 product warranty that was issued or renewed before the effective
4 date of this Act.

5 SECTION 1.007. Section 17.46(b), Business & Commerce Code,
6 as amended by this Act, applies only to a cause of action that
7 accrues on or after the effective date of this Act. A cause of
8 action that accrued before the effective date of this Act is
9 governed by the law in effect immediately before the effective date
10 of this Act, and that law is continued in effect for that purpose.

11 SECTION 1.008. Sections 348.014 and 353.017, Finance Code,
12 as added by this Act, apply only to a transaction for the purchase
13 of a motor vehicle or commercial vehicle, as applicable, that
14 occurs on or after the effective date of this Act. A transaction
15 for the purchase of a motor vehicle or commercial vehicle that
16 occurs before the effective date of this Act is governed by the law
17 in effect on the date the transaction occurred, and the former law
18 is continued in effect for that purpose.

19 ARTICLE 2. NOTARIES PUBLIC

20 SECTION 2.001. Section 17.46(b), Business & Commerce Code,
21 as amended by Chapters 1023 (H.B. 1265) and 1080 (H.B. 2573), Acts
22 of the 84th Legislature, Regular Session, 2015, is reenacted and
23 amended to read as follows:

24 (b) Except as provided in Subsection (d) of this section,
25 the term "false, misleading, or deceptive acts or practices"
26 includes, but is not limited to, the following acts:

27 (1) passing off goods or services as those of another;

1 (2) causing confusion or misunderstanding as to the
2 source, sponsorship, approval, or certification of goods or
3 services;

4 (3) causing confusion or misunderstanding as to
5 affiliation, connection, or association with, or certification by,
6 another;

7 (4) using deceptive representations or designations
8 of geographic origin in connection with goods or services;

9 (5) representing that goods or services have
10 sponsorship, approval, characteristics, ingredients, uses,
11 benefits, or quantities which they do not have or that a person has
12 a sponsorship, approval, status, affiliation, or connection which
13 the person does not;

14 (6) representing that goods are original or new if
15 they are deteriorated, reconditioned, reclaimed, used, or
16 secondhand;

17 (7) representing that goods or services are of a
18 particular standard, quality, or grade, or that goods are of a
19 particular style or model, if they are of another;

20 (8) disparaging the goods, services, or business of
21 another by false or misleading representation of facts;

22 (9) advertising goods or services with intent not to
23 sell them as advertised;

24 (10) advertising goods or services with intent not to
25 supply a reasonable expectable public demand, unless the
26 advertisements disclosed a limitation of quantity;

27 (11) making false or misleading statements of fact

1 concerning the reasons for, existence of, or amount of price
2 reductions;

3 (12) representing that an agreement confers or
4 involves rights, remedies, or obligations which it does not have or
5 involve, or which are prohibited by law;

6 (13) knowingly making false or misleading statements
7 of fact concerning the need for parts, replacement, or repair
8 service;

9 (14) misrepresenting the authority of a salesman,
10 representative or agent to negotiate the final terms of a consumer
11 transaction;

12 (15) basing a charge for the repair of any item in
13 whole or in part on a guaranty or warranty instead of on the value of
14 the actual repairs made or work to be performed on the item without
15 stating separately the charges for the work and the charge for the
16 warranty or guaranty, if any;

17 (16) disconnecting, turning back, or resetting the
18 odometer of any motor vehicle so as to reduce the number of miles
19 indicated on the odometer gauge;

20 (17) advertising of any sale by fraudulently
21 representing that a person is going out of business;

22 (18) advertising, selling, or distributing a card
23 which purports to be a prescription drug identification card issued
24 under Section [4151.152](#), Insurance Code, in accordance with rules
25 adopted by the commissioner of insurance, which offers a discount
26 on the purchase of health care goods or services from a third party
27 provider, and which is not evidence of insurance coverage, unless:

1 (A) the discount is authorized under an agreement
2 between the seller of the card and the provider of those goods and
3 services or the discount or card is offered to members of the
4 seller;

5 (B) the seller does not represent that the card
6 provides insurance coverage of any kind; and

7 (C) the discount is not false, misleading, or
8 deceptive;

9 (19) using or employing a chain referral sales plan in
10 connection with the sale or offer to sell of goods, merchandise, or
11 anything of value, which uses the sales technique, plan,
12 arrangement, or agreement in which the buyer or prospective buyer
13 is offered the opportunity to purchase merchandise or goods and in
14 connection with the purchase receives the seller's promise or
15 representation that the buyer shall have the right to receive
16 compensation or consideration in any form for furnishing to the
17 seller the names of other prospective buyers if receipt of the
18 compensation or consideration is contingent upon the occurrence of
19 an event subsequent to the time the buyer purchases the merchandise
20 or goods;

21 (20) representing that a guaranty or warranty confers
22 or involves rights or remedies which it does not have or involve,
23 provided, however, that nothing in this subchapter shall be
24 construed to expand the implied warranty of merchantability as
25 defined in Sections 2.314 through 2.318 and Sections 2A.212 through
26 2A.216 to involve obligations in excess of those which are
27 appropriate to the goods;

1 (21) promoting a pyramid promotional scheme, as
2 defined by Section 17.461;

3 (22) representing that work or services have been
4 performed on, or parts replaced in, goods when the work or services
5 were not performed or the parts replaced;

6 (23) filing suit founded upon a written contractual
7 obligation of and signed by the defendant to pay money arising out
8 of or based on a consumer transaction for goods, services, loans, or
9 extensions of credit intended primarily for personal, family,
10 household, or agricultural use in any county other than in the
11 county in which the defendant resides at the time of the
12 commencement of the action or in the county in which the defendant
13 in fact signed the contract; provided, however, that a violation of
14 this subsection shall not occur where it is shown by the person
15 filing such suit that the person neither knew or had reason to know
16 that the county in which such suit was filed was neither the county
17 in which the defendant resides at the commencement of the suit nor
18 the county in which the defendant in fact signed the contract;

19 (24) failing to disclose information concerning goods
20 or services which was known at the time of the transaction if such
21 failure to disclose such information was intended to induce the
22 consumer into a transaction into which the consumer would not have
23 entered had the information been disclosed;

24 (25) using the term "corporation," "incorporated," or
25 an abbreviation of either of those terms in the name of a business
26 entity that is not incorporated under the laws of this state or
27 another jurisdiction;

1 (26) selling, offering to sell, or illegally promoting
2 an annuity contract under Chapter 22, Acts of the 57th Legislature,
3 3rd Called Session, 1962 (Article [6228a-5](#), Vernon's Texas Civil
4 Statutes), with the intent that the annuity contract will be the
5 subject of a salary reduction agreement, as defined by that Act, if
6 the annuity contract is not an eligible qualified investment under
7 that Act or is not registered with the Teacher Retirement System of
8 Texas as required by Section 8A of that Act;

9 (27) taking advantage of a disaster declared by the
10 governor under Chapter [418](#), Government Code, by:

11 (A) selling or leasing fuel, food, medicine, or
12 another necessity at an exorbitant or excessive price; or

13 (B) demanding an exorbitant or excessive price in
14 connection with the sale or lease of fuel, food, medicine, or
15 another necessity;

16 (28) using the translation into a foreign language of
17 a title or other word, including "attorney," "immigration
18 consultant," "immigration expert," "lawyer," "licensed," "notary,"
19 and "notary public," in any written or electronic material,
20 including an advertisement, a business card, a letterhead,
21 stationery, a website, or an online video, in reference to a person
22 who is not an attorney in order to imply that the person is
23 authorized to practice law in the United States;

24 (29) [~~(28)~~] delivering or distributing a solicitation
25 in connection with a good or service that:

26 (A) represents that the solicitation is sent on
27 behalf of a governmental entity when it is not; or

1 (B) resembles a governmental notice or form that
2 represents or implies that a criminal penalty may be imposed if the
3 recipient does not remit payment for the good or service;

4 (30) [~~(29)~~] delivering or distributing a solicitation
5 in connection with a good or service that resembles a check or other
6 negotiable instrument or invoice, unless the portion of the
7 solicitation that resembles a check or other negotiable instrument
8 or invoice includes the following notice, clearly and conspicuously
9 printed in at least 18-point type:

10 "SPECIMEN-NON-NEGOTIABLE";

11 (31) [~~(30)~~] in the production, sale, distribution, or
12 promotion of a synthetic substance that produces and is intended to
13 produce an effect when consumed or ingested similar to, or in excess
14 of, the effect of a controlled substance or controlled substance
15 analogue, as those terms are defined by Section [481.002](#), Health and
16 Safety Code:

17 (A) making a deceptive representation or
18 designation about the synthetic substance; or

19 (B) causing confusion or misunderstanding as to
20 the effects the synthetic substance causes when consumed or
21 ingested; or

22 (32) [~~(31)~~] a licensed public insurance adjuster
23 directly or indirectly soliciting employment, as defined by Section
24 [38.01](#), Penal Code, for an attorney, or a licensed public insurance
25 adjuster entering into a contract with an insured for the primary
26 purpose of referring the insured to an attorney without the intent
27 to actually perform the services customarily provided by a licensed

1 public insurance adjuster, provided that this subdivision may not
2 be construed to prohibit a licensed public insurance adjuster from
3 recommending a particular attorney to an insured.

4 SECTION 2.002. Section 406.017, Government Code, is amended
5 by amending Subsection (a) and adding Subsection (a-1) to read as
6 follows:

7 (a) A person commits an offense if the person is a notary
8 public and the person:

9 (1) states or implies that the person is an attorney
10 licensed to practice law in this state;

11 (2) solicits or accepts compensation to prepare
12 documents for or otherwise represent the interest of another in a
13 judicial or administrative proceeding, including a proceeding
14 relating to immigration or admission to the United States, United
15 States citizenship, or related matters;

16 (3) solicits or accepts compensation to obtain relief
17 of any kind on behalf of another from any officer, agency, or
18 employee of this state or the United States;

19 (4) uses the phrase "notario" or "notario publico" to
20 advertise the services of a notary public, whether by signs,
21 pamphlets, stationery, or other written communication or by radio
22 or television; or

23 (5) advertises the services of a notary public in a
24 language other than English, whether by signs, pamphlets,
25 stationery, or other written communication or by radio or
26 television, if the person does not post or otherwise include with
27 the advertisement a notice that complies with Subsection (b).

1 (a-1) A person does not violate this section by offering or
2 providing language translation or typing services and accepting
3 compensation.

4 SECTION 2.003. The change in law made by this article to
5 Section 17.46(b), Business & Commerce Code, applies only to a cause
6 of action that accrues on or after the effective date of this Act. A
7 cause of action that accrued before the effective date of this Act
8 is governed by the law in effect immediately before the effective
9 date of this Act, and that law is continued in effect for that
10 purpose.

11 SECTION 2.004. The change in law made by this article to
12 Section 406.017, Government Code, applies only to an offense
13 committed on or after the effective date of this Act. An offense
14 committed before the effective date of this Act is governed by the
15 law in effect when the offense was committed, and the former law is
16 continued in effect for that purpose. For purposes of this section,
17 an offense was committed before the effective date of this Act if
18 any element of the offense occurred before that date.

19 ARTICLE 3. REPORT ON OCCUPATIONAL LICENSING BY COMPTROLLER

20 SECTION 3.001. Subchapter B, Chapter 403, Government Code,
21 is amended by adding Section 403.03058 to read as follows:

22 Sec. 403.03058. REPORT ON OCCUPATIONAL LICENSING. (a) Not
23 later than December 31 of each even-numbered year, the comptroller
24 shall prepare and submit to the legislature a report regarding all
25 occupational licenses, including permits, certifications, and
26 registrations, required by this state. The report must include:

27 (1) for each type of license:

- 1 (A) a description of the license;
2 (B) the department with regulatory authority for
3 the license;
4 (C) the number of active licenses;
5 (D) the cost of an initial application for the
6 license and for a renewal of the license; and
7 (E) the amount of state revenue generated from
8 the issuance and renewal of the license; and
9 (2) a list of all statutory provisions requiring a
10 license that were abolished during the previous legislative
11 session.

12 (b) The comptroller shall post on its Internet website the
13 report prepared under Subsection (a).

14 SECTION 3.002. Not later than December 31, 2018, the
15 comptroller of public accounts shall provide the initial report to
16 the legislature as required by Section 403.03058, Government Code,
17 as added by this article.

18 ARTICLE 4. CERTIFICATE OF AUTHORITY; OVER-THE-COUNTER SALE OF
19 EPHEDRINE, PSEUDOEPHEDRINE, AND NORPSEUDOEPHEDRINE BY
20 ESTABLISHMENTS OTHER THAN PHARMACIES

21 SECTION 4.001. Sections 486.004(a) and (b), Health and
22 Safety Code, are amended to read as follows:

- 23 (a) The department shall collect fees for[+
24 ~~[(1) the issuance of a certificate of authority under~~
25 ~~this chapter, and~~
26 ~~[(2)]~~ an inspection performed in enforcing this
27 chapter and rules adopted under this chapter.

1 (b) The executive commissioner by rule shall set the fees in
2 amounts that allow the department to recover the biennial
3 expenditures of state funds by the department in[+]

4 ~~[(1) reviewing applications for the issuance of a~~
5 ~~certificate of authority under this chapter;~~

6 ~~[(2) issuing certificates of authority under this~~
7 ~~chapter;~~

8 ~~[(3) inspecting and auditing a business establishment~~
9 ~~that is issued a certificate of authority under this chapter; and~~

10 ~~[(4) otherwise]~~ implementing and enforcing this
11 chapter.

12 SECTION 4.002. Section 486.0142(b), Health and Safety Code,
13 is amended to read as follows:

14 (b) On application by a business establishment that engages
15 in over-the-counter sales of products containing ephedrine,
16 pseudoephedrine, or norpseudoephedrine [~~in accordance with a~~
17 ~~certificate of authority issued under Section 486.012~~], the
18 department may grant that business establishment a temporary
19 exemption, not to exceed 180 days, from the requirement of using a
20 real-time electronic logging system under this chapter.

21 SECTION 4.003. Section 486.012, Health and Safety Code, is
22 repealed.

23 ARTICLE 5. TITLE ATTORNEY LICENSE; ATTORNEY'S TITLE INSURANCE
24 COMPANY

25 SECTION 5.001. Section 35.001(2), Insurance Code, is
26 amended to read as follows:

27 (2) "Regulated entity" means each insurer,

1 organization, person, or program regulated by the department,
2 including:

3 (A) a domestic or foreign, stock or mutual, life,
4 health, or accident insurance company;

5 (B) a domestic or foreign, stock or mutual, fire
6 or casualty insurance company;

7 (C) a Mexican casualty company;

8 (D) a domestic or foreign Lloyd's plan;

9 (E) a domestic or foreign reciprocal or
10 interinsurance exchange;

11 (F) a domestic or foreign fraternal benefit
12 society;

13 (G) a domestic or foreign title insurance
14 company;

15 (H) ~~[an attorney's title insurance company;~~

16 [~~(I)~~] a stipulated premium company;

17 (I) [~~(J)~~] a nonprofit legal service corporation;

18 (J) [~~(K)~~] a health maintenance organization;

19 (K) [~~(L)~~] a statewide mutual assessment company;

20 (L) [~~(M)~~] a local mutual aid association;

21 (M) [~~(N)~~] a local mutual burial association;

22 (N) [~~(O)~~] an association exempt under Section
23 [887.102](#);

24 (O) [~~(P)~~] a nonprofit hospital, medical, or
25 dental service corporation, including a company subject to Chapter
26 [842](#);

27 (P) [~~(Q)~~] a county mutual insurance company;

1 (Q) [~~(R)~~] a farm mutual insurance company; and
2 (R) [~~(S)~~] an agency or agent of an insurer,
3 organization, person, or program described by this subdivision.

4 SECTION 5.002. Section [82.002\(a\)](#), Insurance Code, is
5 amended to read as follows:

6 (a) This chapter applies to each company regulated by the
7 commissioner, including:

8 (1) a domestic or foreign, stock or mutual, life,
9 health, or accident insurance company;

10 (2) a domestic or foreign, stock or mutual, fire or
11 casualty insurance company;

12 (3) a Mexican casualty company;

13 (4) a domestic or foreign Lloyd's plan insurer;

14 (5) a domestic or foreign reciprocal or interinsurance
15 exchange;

16 (6) a domestic or foreign fraternal benefit society;

17 (7) a domestic or foreign title insurance company;

18 (8) ~~[an attorney's title insurance company,~~

19 ~~(9)]~~ a stipulated premium insurance company;

20 (9) [~~(10)~~] a nonprofit legal service corporation;

21 (10) [~~(11)~~] a health maintenance organization;

22 (11) [~~(12)~~] a statewide mutual assessment company;

23 (12) [~~(13)~~] a local mutual aid association;

24 (13) [~~(14)~~] a local mutual burial association;

25 (14) [~~(15)~~] an association exempt under Section
26 [887.102](#);

27 (15) [~~(16)~~] a nonprofit hospital, medical, or dental

1 service corporation, including a company subject to Chapter 842;

2 (16) [~~(17)~~] a county mutual insurance company; and

3 (17) [~~(18)~~] a farm mutual insurance company.

4 SECTION 5.003. Section 83.002(a), Insurance Code, is
5 amended to read as follows:

6 (a) This chapter applies to each company regulated by the
7 commissioner, including:

8 (1) a domestic or foreign, stock or mutual, life,
9 health, or accident insurance company;

10 (2) a domestic or foreign, stock or mutual, fire or
11 casualty insurance company;

12 (3) a Mexican casualty company;

13 (4) a domestic or foreign Lloyd's plan insurer;

14 (5) a domestic or foreign reciprocal or interinsurance
15 exchange;

16 (6) a domestic or foreign fraternal benefit society;

17 (7) a domestic or foreign title insurance company;

18 (8) ~~[an attorney's title insurance company,~~

19 [~~(9)~~] a stipulated premium insurance company;

20 (9) [~~(10)~~] a nonprofit legal service corporation;

21 (10) [~~(11)~~] a statewide mutual assessment company;

22 (11) [~~(12)~~] a local mutual aid association;

23 (12) [~~(13)~~] a local mutual burial association;

24 (13) [~~(14)~~] an association exempt under Section
25 887.102;

26 (14) [~~(15)~~] a nonprofit hospital, medical, or dental
27 service corporation, including a company subject to Chapter 842;

1 (15) [~~(16)~~] a county mutual insurance company; and

2 (16) [~~(17)~~] a farm mutual insurance company.

3 SECTION 5.004. Section 554.001, Insurance Code, is amended
4 to read as follows:

5 Sec. 554.001. APPLICABILITY OF CHAPTER. This chapter
6 applies to each insurer or health maintenance organization engaged
7 in the business of insurance or the business of a health maintenance
8 organization in this state, regardless of form and however
9 organized, including:

10 (1) a stock life, health, or accident insurance
11 company;

12 (2) a mutual life, health, or accident insurance
13 company;

14 (3) a stock fire or casualty insurance company;

15 (4) a mutual fire or casualty insurance company;

16 (5) a Mexican casualty insurance company;

17 (6) a Lloyd's plan;

18 (7) a reciprocal or interinsurance exchange;

19 (8) a fraternal benefit society;

20 (9) a title insurance company;

21 (10) [~~an attorney's title insurance company,~~

22 ~~(11)] a stipulated premium company;~~

23 (11) [~~(12)~~] a nonprofit legal services corporation;

24 (12) [~~(13)~~] a statewide mutual assessment company;

25 (13) [~~(14)~~] a local mutual aid association;

26 (14) [~~(15)~~] a local mutual burial association;

27 (15) [~~(16)~~] an association exempt under Section

1 887.102;

2 (16) [~~(17)~~] a nonprofit hospital, medical, or dental
3 service corporation, including a corporation subject to Chapter
4 842;

5 (17) [~~(18)~~] a county mutual insurance company;

6 (18) [~~(19)~~] a farm mutual insurance company; and

7 (19) [~~(20)~~] an insurer or health maintenance
8 organization engaged in the business of insurance or the business
9 of a health maintenance organization in this state that does not
10 hold a certificate of authority issued by the department or is not
11 otherwise authorized to engage in business in this state.

12 SECTION 5.005. Section 703.001, Insurance Code, is amended
13 to read as follows:

14 Sec. 703.001. DEFINITION. In this chapter, "covered
15 entity" means a health maintenance organization or insurer
16 regulated by the department, including:

17 (1) a stock life, health, or accident insurance
18 company;

19 (2) a mutual life, health, or accident insurance
20 company;

21 (3) a stock fire or casualty insurance company;

22 (4) a mutual fire or casualty insurance company;

23 (5) a Mexican casualty insurance company;

24 (6) a Lloyd's plan;

25 (7) a reciprocal or interinsurance exchange;

26 (8) a fraternal benefit society;

27 (9) a title insurance company;

- 1 (10) [~~an attorney's title insurance company,~~
2 ~~(11)~~] a stipulated premium company;
3 (11) [~~(12)~~] a nonprofit legal services corporation;
4 (12) [~~(13)~~] a statewide mutual assessment company;
5 (13) [~~(14)~~] a local mutual aid association;
6 (14) [~~(15)~~] a local mutual burial association;
7 (15) [~~(16)~~] an association exempt under Section
8 887.102;
9 (16) [~~(17)~~] a nonprofit hospital, medical, or dental
10 service corporation, including a corporation subject to Chapter
11 842;
12 (17) [~~(18)~~] a county mutual insurance company; and
13 (18) [~~(19)~~] a farm mutual insurance company.

14 SECTION 5.006. Section 802.051, Insurance Code, is amended
15 to read as follows:

16 Sec. 802.051. APPLICABILITY OF SUBCHAPTER. This subchapter
17 applies to each company regulated by the commissioner, including:

- 18 (1) a stock life, health, or accident insurance
19 company;
20 (2) a mutual life, health, or accident insurance
21 company;
22 (3) a stock fire or casualty insurance company;
23 (4) a mutual fire or casualty insurance company;
24 (5) a Mexican casualty company;
25 (6) a Lloyd's plan;
26 (7) a reciprocal or interinsurance exchange;
27 (8) a fraternal benefit society;

- 1 (9) a title insurance company;
- 2 (10) [~~an attorney's title insurance company,~~
- 3 [~~(11)~~] a stipulated premium insurance company;
- 4 (11) [~~(12)~~] a nonprofit legal service corporation;
- 5 (12) [~~(13)~~] a health maintenance organization;
- 6 (13) [~~(14)~~] a statewide mutual assessment company;
- 7 (14) [~~(15)~~] a local mutual aid association;
- 8 (15) [~~(16)~~] a local mutual burial association;
- 9 (16) [~~(17)~~] an association exempt under Section
- 10 [887.102](#);
- 11 (17) [~~(18)~~] a nonprofit hospital, medical, or dental
- 12 service corporation, including a company subject to Chapter [842](#);
- 13 (18) [~~(19)~~] a county mutual insurance company; and
- 14 (19) [~~(20)~~] a farm mutual insurance company.

15 SECTION 5.007. Section [2551.053](#)(a), Insurance Code, is

16 amended to read as follows:

17 (a) A [~~Except as provided by Section [2552.053](#)(b), a]~~ title

18 insurance company must have a paid-up capital of at least \$1 million

19 and a surplus of at least \$1 million.

20 SECTION 5.008. Section [2602.003](#)(2), Insurance Code, is

21 amended to read as follows:

- 22 (2) "Agent" includes:
- 23 (A) a title insurance agent, as defined by
- 24 Section [2501.003](#); and
- 25 (B) [~~a title attorney, as defined by Section~~
- 26 [2552.002](#), and
- 27 [~~(C)~~] a direct operation or a title insurance

1 company's wholly owned subsidiary or affiliate that performs the
2 services usually and customarily performed by a title insurance
3 agent.

4 SECTION 5.009. Chapter 2552, Insurance Code, is repealed.

5 SECTION 5.010. The changes in law made by this article do
6 not affect the right of any individual licensed before the
7 effective date of this Act to engage in the applicable occupation
8 for the remainder of the term for which the license was issued.

9 ARTICLE 6. EMERGENCY MANAGING GENERAL AGENT LICENSE

10 SECTION 6.001. Section 4053.052, Insurance Code, is
11 repealed.

12 SECTION 6.002. The changes in law made by this article do
13 not affect the right of any individual licensed before the
14 effective date of this Act to engage in the applicable occupation
15 for the remainder of the term for which the license was issued.

16 ARTICLE 7. TEMPORARY COMMON WORKER EMPLOYERS

17 SECTION 7.001. Section 92.001(a), Labor Code, is amended to
18 read as follows:

19 (a) The legislature finds that this chapter is necessary to:

20 (1) provide for the health, safety, and welfare of
21 common workers throughout this state; and

22 (2) establish uniform standards of conduct and
23 practice for temporary common worker [~~certain~~] employers in this
24 state.

25 SECTION 7.002. Section 92.002, Labor Code, is amended by
26 amending Subdivision (6) and adding Subdivision (6-a) to read as
27 follows:

1 (6) "Labor hall" means a central location maintained
2 by a temporary common worker employer [~~license holder~~] where common
3 workers assemble and are dispatched to work for a user of common
4 workers.

5 (6-a) "Municipality" has the meaning assigned by
6 Section 1.005, Local Government Code.

7 SECTION 7.003. The heading to Subchapter B, Chapter 92,
8 Labor Code, is amended to read as follows:

9 SUBCHAPTER B. AUTHORITY TO OPERATE [~~LICENSE REQUIREMENTS~~]

10 SECTION 7.004. Subchapter B, Chapter 92, Labor Code, is
11 amended by adding Section 92.0115 to read as follows:

12 Sec. 92.0115. AUTHORITY TO OPERATE. Subject to Section
13 92.013 and unless prohibited by a governmental subdivision, a
14 person may operate as a temporary common worker employer in this
15 state if the person meets the requirements of this chapter.

16 SECTION 7.005. The heading to Section 92.012, Labor Code,
17 is amended to read as follows:

18 Sec. 92.012. EXEMPTIONS [~~FROM LICENSING REQUIREMENT~~].

19 SECTION 7.006. Section 92.013(b), Labor Code, is amended to
20 read as follows:

21 (b) A municipality with a population greater than one
22 million may establish municipal [~~licensing~~] requirements that
23 impose stricter standards of conduct and practice than those
24 imposed under Subchapter C.

25 SECTION 7.007. The heading to Subchapter C, Chapter 92,
26 Labor Code, is amended to read as follows:

27 SUBCHAPTER C. STANDARDS OF CONDUCT AND PRACTICE [~~POWERS AND DUTIES~~]

~~OF LICENSE HOLDER]~~

SECTION 7.008. Section 92.021, Labor Code, is amended to read as follows:

Sec. 92.021. POWERS AND DUTIES OF [LICENSE HOLDER AS] EMPLOYER. (a) Each temporary common worker employer [license holder] is the employer of the common workers provided by that temporary common worker employer [license holder].

(b) A temporary common worker employer [license holder] may hire, reassign, control, direct, and discharge the employees of the temporary common worker employer [license holder].

SECTION 7.009. Section 92.022, Labor Code, is amended to read as follows:

Sec. 92.022. REQUIRED RECORDS; CONFIDENTIALITY. (a) Each temporary common worker employer [license holder] shall maintain and make available to a governmental subdivision [representative of the department] records that show for each common worker provided by the temporary common worker employer [license holder] to a user of common workers:

- (1) the name and address of the worker;
- (2) the hours worked;
- (3) the places at which the work was performed;
- (4) the wages paid to the worker; and
- (5) any deductions made from those wages.

(b) The temporary common worker employer [license holder] shall maintain the records at least until the second anniversary of the date on which the worker was last employed by the temporary common worker employer [license holder].

1 (c) Information received by the governmental subdivision
2 [~~commission or department~~] under this section is privileged and
3 confidential and is for the exclusive use of the governmental
4 subdivision [~~commission or department~~]. The information may not be
5 disclosed to any other person except on the entry of a court order
6 requiring disclosure or on the written consent of a person under
7 investigation who is the subject of the records.

8 SECTION 7.010. Section 92.023(b), Labor Code, is amended to
9 read as follows:

10 (b) Each temporary common worker employer [~~license holder~~]
11 shall [~~also~~] post in a conspicuous place in the [~~licensed~~] premises
12 on which the temporary common worker employer operates a notice of
13 any charge permitted under this chapter that the temporary common
14 worker employer [~~license holder~~] may assess against a common worker
15 for equipment, tools, transportation, or other work-related
16 services.

17 SECTION 7.011. Section 92.024, Labor Code, is amended to
18 read as follows:

19 Sec. 92.024. LABOR HALL REQUIREMENTS. A temporary common
20 worker employer [~~license holder~~] that operates a labor hall as part
21 of a [~~licensed~~] premises on which the temporary common worker
22 employer operates shall provide adequate facilities for a worker
23 waiting for a job assignment. The facilities must include:

- 24 (1) restroom facilities for both men and women;
25 (2) drinking water;
26 (3) sufficient seating; and
27 (4) access to vending refreshments and food.

1 SECTION 7.012. Section 92.025, Labor Code, is amended to
2 read as follows:

3 Sec. 92.025. CERTAIN CHARGES AND DEDUCTIONS PROHIBITED.

4 (a) A temporary common worker employer [~~license holder~~] may not
5 charge a common worker for:

6 (1) safety equipment, clothing, or accessories
7 required by the nature of the work, either by law, custom, or the
8 requirements of the user of common workers;

9 (2) uniforms, special clothing, or other items
10 required as a condition of employment by the user of common workers;

11 (3) the cashing of a check or voucher; or

12 (4) the receipt by the worker of earned wages.

13 (b) A temporary common worker employer [~~license holder~~] may
14 not deduct or withhold any amount from the earned wages of a common
15 worker except:

16 (1) a deduction required by federal or state law; or

17 (2) a reimbursement for a cash advance made to the
18 worker during the same pay period.

19 SECTION 7.013. Chapter 92, Labor Code, is amended by adding
20 Subchapter D to read as follows:

21 SUBCHAPTER D. ENFORCEMENT

22 Sec. 92.031. ENFORCEMENT. A governmental subdivision may
23 enforce this chapter within the boundaries of the governmental
24 subdivision.

25 SECTION 7.014. The following provisions of the Labor Code
26 are repealed:

27 (1) Sections 92.002(1), (4), and (4-a);

- 1 (2) Section 92.003;
- 2 (3) Section 92.004;
- 3 (4) Section 92.011;
- 4 (5) Section 92.013(a);
- 5 (6) Section 92.014;
- 6 (7) Section 92.015; and
- 7 (8) Section 92.023(a).

8 SECTION 7.015. (a) An administrative proceeding pending
9 under Chapter 51, Occupations Code, or Chapter 92, Labor Code, on
10 the effective date of this Act related to a violation of Chapter 92,
11 Labor Code, as that chapter existed immediately before the
12 effective date of this Act, is dismissed.

13 (b) An administrative penalty assessed by the Texas
14 Commission of Licensing and Regulation or the executive director of
15 the Texas Department of Licensing and Regulation related to a
16 violation of Chapter 92, Labor Code, as that chapter existed
17 immediately before the effective date of this Act, may be collected
18 as provided by Chapter 51, Occupations Code.

19 (c) The changes in law made by this Act do not affect the
20 pending prosecution of an offense under Chapter 92, Labor Code, as
21 that chapter existed immediately before the effective date of this
22 Act. An offense committed before the effective date of this Act is
23 governed by the law in effect on the date the offense was committed,
24 and the former law is continued in effect for that purpose. For
25 purposes of this subsection, an offense was committed before the
26 effective date of this Act if any element of the offense was
27 committed before that date.

1 ARTICLE 8. FOR-PROFIT LEGAL SERVICE CONTRACT COMPANIES

2 SECTION 8.001. Section 953.001(1), Occupations Code, is
3 amended to read as follows:

4 (1) "Administrator" means the person responsible for
5 the administration of a legal service contract. [~~The term includes~~
6 ~~a person responsible for any filing required by this chapter.~~]

7 SECTION 8.002. Section 953.156, Occupations Code, is
8 amended to read as follows:

9 Sec. 953.156. FORM OF LEGAL SERVICE CONTRACT AND REQUIRED
10 DISCLOSURES. [~~(a) A legal service contract must be filed with the~~
11 ~~executive director before it is marketed, sold, offered for sale,~~
12 ~~administered, or issued in this state. Any subsequent endorsement~~
13 ~~or attachment to the contract must also be filed with the executive~~
14 ~~director before the endorsement or attachment is delivered to legal~~
15 ~~service contract holders.~~

16 [~~(b)~~] A legal service contract marketed, sold, offered for
17 sale, administered, or issued in this state must:

18 (1) be written, printed, or typed in clear,
19 understandable language that is easy to read;

20 (2) include the name and full address of the company;

21 (3) include the purchase price of the contract and the
22 terms under which the contract is sold;

23 (4) include the terms and restrictions governing
24 cancellation of the contract by the company or the legal service
25 contract holder;

26 (5) identify:

27 (A) any administrator, if the administrator is

1 not the company;

2 (B) the sales representative; and

3 (C) the name of the legal service contract

4 holder;

5 (6) include the amount of any deductible or copayment;

6 (7) specify the legal services and other benefits to

7 be provided under the contract, and any limitation, exception, or

8 exclusion;

9 (8) specify the legal services, if any, for which the

10 company will provide reimbursement and the amount of that

11 reimbursement;

12 (9) specify any restriction governing the

13 transferability of the contract or the assignment of benefits;

14 (10) include the duties of the legal service contract

15 holder;

16 (11) ~~[include the contact information for the~~

17 ~~department, including the department's toll-free number and~~

18 ~~electronic mail address, as well as a statement that the department~~

19 ~~regulates the company and the company's sales representatives,~~

20 ~~[(12)]~~ explain the method to be used in resolving the

21 legal service contract holder's complaints and grievances;

22 (12) ~~[(13)]~~ explain how legal services may be obtained

23 under the legal service contract;

24 (13) ~~[(14)]~~ include a provision stating that no change

25 in the contract is valid until the change has been approved by an

26 executive officer of the company and unless the approval is

27 endorsed or attached to the contract;

1 (14) [~~(15)~~] include any eligibility and effective
2 date requirements, including a definition of eligible dependents
3 and the effective date of their coverage;

4 (15) [~~(16)~~] include the conditions under which
5 coverage will terminate;

6 (16) [~~(17)~~] explain any subrogation arrangements;

7 (17) [~~(18)~~] contain a payment provision that provides
8 for a grace period of at least 31 days; and

9 (18) [~~(19)~~] include conditions under which contract
10 rates may be modified[~~, and~~

11 [~~(20) include any other items required by the~~
12 ~~executive director as determined by rule].~~

13 SECTION 8.003. Section 953.162, Occupations Code, is
14 amended to read as follows:

15 Sec. 953.162. APPOINTMENT AND RESPONSIBILITIES OF
16 ADMINISTRATOR. [~~(a)~~] A company may appoint an administrator or
17 designate a person to be responsible for:

18 (1) all or any part of the administration or sale of
19 legal service contracts; and

20 (2) compliance with this chapter.

21 [~~(b) The executive director may adopt rules regarding the~~
22 ~~registration of an administrator with the department.~~]

23 SECTION 8.004. Chapter 953, Occupations Code, is amended by
24 adding Subchapter F to read as follows:

25 SUBCHAPTER F. ENFORCEMENT

26 Sec. 953.251. DECEPTIVE TRADE PRACTICE. A violation of
27 this chapter is a deceptive trade practice actionable under

1 Subchapter E, Chapter 17, Business & Commerce Code.

2 SECTION 8.005. The following provisions of the Occupations
3 Code are repealed:

4 (1) Sections 953.001(4), (5), and (6);

5 (2) Sections 953.004, 953.005, and 953.155; and

6 (3) Subchapters B, C, and E, Chapter 953.

7 SECTION 8.006. (a) On the effective date of this article,
8 a registration issued under former Subchapter B, Chapter 953,
9 Occupations Code, expires.

10 (b) On the effective date of this article, a pending
11 proceeding under Chapter 953, Occupations Code, including a
12 complaint investigation, disciplinary action, or administrative
13 penalty proceeding, relating to a registration issued under former
14 Subchapter B, Chapter 953, Occupations Code, or relating to another
15 former provision of Chapter 953, Occupations Code, that is repealed
16 by this article, is dismissed.

17 SECTION 8.007. This article takes effect September 1, 2019.

18 ARTICLE 9. PLUMBING

19 SECTION 9.001. Section 1301.704, Occupations Code, is
20 amended by adding Subsections (c) and (d) to read as follows:

21 (c) Failure to request a hearing or accept the determination
22 and recommended penalty within the time provided by this section
23 waives the right to a hearing under this chapter.

24 (d) If the board determines without a hearing that the
25 person committed a violation and a penalty is to be imposed, the
26 board shall:

27 (1) provide written notice to the person of the board's

1 findings; and

2 (2) enter an order requiring the person to pay the
3 recommended penalty.

4 SECTION 9.002. Section 1301.705(a), Occupations Code, is
5 amended to read as follows:

6 (a) If the person requests a hearing [~~or fails to respond in~~
7 ~~a timely manner to the notice~~], the enforcement committee shall set
8 a hearing and give written notice of the hearing to the person. An
9 administrative law judge of the State Office of Administrative
10 Hearings shall hold the hearing.

11 SECTION 9.003. The change in law made by this article to
12 Section 1301.704, Occupations Code, applies only to imposition of
13 an administrative penalty against a person who receives notice
14 under Section 1301.703(b), Occupations Code, on or after the
15 effective date of this Act. An administrative penalty for which
16 notice under that section is received before the effective date of
17 this Act is governed by the law in effect on the date the notice was
18 received, and the former law is continued in effect for that
19 purpose.

20 ARTICLE 10. BARBERING AND COSMETOLOGY

21 SECTION 10.001. Section 1601.002, Occupations Code, is
22 amended to read as follows:

23 Sec. 1601.002. DEFINITION OF BARBERING. In this chapter,
24 "barbering," "practicing barbering," or the "practice of
25 barbering" means:

26 (1) performing or offering or attempting to perform
27 for compensation or the promise of compensation any of the

1 following services:

2 (A) treating a person's mustache or beard by
3 arranging, beautifying, coloring, processing, shaving, styling, or
4 trimming;

5 (B) treating a person's hair by:

6 (i) arranging, beautifying, bleaching,
7 cleansing, coloring, curling, dressing, dyeing, processing,
8 [~~shampooing~~] shaping, singeing, straightening, styling, tinting,
9 or waving;

10 (ii) providing a necessary service that is
11 preparatory or ancillary to a service under Subparagraph (i),
12 including bobbing, clipping, cutting, or trimming; or

13 (iii) cutting the person's hair as a
14 separate and independent service for which a charge is directly or
15 indirectly made separately from a charge for any other service;

16 (C) cleansing, stimulating, or massaging a
17 person's scalp, face, neck, arms, or shoulders:

18 (i) by hand or by using a device, apparatus,
19 or appliance; and

20 (ii) with or without the use of any cosmetic
21 preparation, antiseptic, tonic, lotion, or cream;

22 (D) beautifying a person's face, neck, arms, or
23 shoulders using a cosmetic preparation, antiseptic, tonic, lotion,
24 powder, oil, clay, cream, or appliance;

25 (E) treating a person's nails by:

26 (i) cutting, trimming, polishing, tinting,
27 coloring, cleansing, manicuring, or pedicuring; or

- 1 (ii) attaching false nails;
- 2 (F) massaging, cleansing, treating, or
3 beautifying a person's hands;
- 4 (G) administering facial treatments;
- 5 (H) weaving a person's hair by using any method
6 to attach commercial hair to a person's hair or scalp; or
- 7 (I) [~~shampooing or conditioning a person's hair,~~
8 ~~or~~
- 9 [~~(J)~~] servicing in any manner listed in Paragraph
10 (B) a person's wig, toupee, or artificial hairpiece on a person's
11 head or on a block after the initial retail sale;
- 12 (2) advertising or representing to the public in any
13 manner that a person is a barber or is authorized to practice
14 barbering; or
- 15 (3) advertising or representing to the public in any
16 manner that a location or place of business is a barbershop,
17 specialty shop, or barber school.

18 SECTION 10.002. Subchapter A, Chapter 1601, Occupations
19 Code, is amended by adding Section 1601.0025 to read as follows:

20 Sec. 1601.0025. SERVICES NOT CONSTITUTING BARBERING.
21 Notwithstanding Section 1601.002, "barbering," "practicing
22 barbering," and "practice of barbering" do not include threading,
23 which involves removing unwanted hair from a person by using a piece
24 of thread that is looped around the hair and pulled to remove the
25 hair and includes the incidental trimming of eyebrow hair.

26 SECTION 10.003. Section 1601.256(a), Occupations Code, is
27 amended to read as follows:

1 (a) A person holding a barber technician license may:

2 (1) perform only barbering as defined by Sections
3 1601.002(1)(C), (D), (F), and (G) [~~, and (I)~~]; and

4 (2) practice only at a location that has been issued a
5 barbershop permit.

6 SECTION 10.004. Section 1601.353, Occupations Code, is
7 amended to read as follows:

8 Sec. 1601.353. REQUIRED FACILITIES AND EQUIPMENT. The
9 department may approve an application for a permit for a barber
10 school if the school meets the health and safety standards
11 established by the commission. The commission may not establish
12 building or facility standards that are not related to health and
13 safety, including a requirement that a facility have a specific:

14 (1) square footage of floor space [~~is located in:~~
15 [~~(A) a municipality with a population of more~~
16 ~~than 50,000 that has a building of permanent construction~~
17 ~~containing at least 2,000 square feet of floor space, including~~
18 ~~classroom and practical areas, covered in a hard surface~~
19 ~~floor-covering of tile or other suitable material; or~~

20 [~~(B) a municipality with a population of 50,000~~
21 ~~or less or an unincorporated area of a county that has a building of~~
22 ~~permanent construction containing at least 1,000 square feet of~~
23 ~~floor space, including classroom and practical areas, covered in a~~
24 ~~hard surface floor-covering of tile or other suitable material]~~];

25 (2) number of chairs [~~has the following equipment:~~
26 [~~(A) at least 10 student workstations that~~
27 ~~include a chair that reclines, a back bar, and a wall mirror;~~

1 ~~[(B) a sink behind every two workstations,~~
2 ~~[(C) adequate lighting for each room,~~
3 ~~[(D) at least 10 classroom chairs and other~~
4 ~~materials necessary to teach the required subjects, and~~
5 ~~[(E) access to permanent restrooms and adequate~~
6 ~~drinking fountain facilities]; or [and]~~
7 (3) number of sinks ~~[meets any other requirement set~~
8 ~~by the commission].~~

9 SECTION 10.005. Section 1602.002(a), Occupations Code, is
10 amended to read as follows:

11 (a) In this chapter, "cosmetology" means the practice of
12 performing or offering to perform for compensation any of the
13 following services:

- 14 (1) treating a person's hair by:
- 15 (A) providing any method of treatment as a
16 primary service, including arranging, beautifying, bleaching,
17 cleansing, coloring, cutting, dressing, dyeing, processing,
18 ~~[shampooing,~~ shaping, singeing, straightening, styling, tinting,
19 or waving;
- 20 (B) providing a necessary service that is
21 preparatory or ancillary to a service under Paragraph (A),
22 including bobbing, clipping, cutting, or trimming a person's hair
23 or shaving a person's neck with a safety razor; or
- 24 (C) cutting the person's hair as a separate and
25 independent service for which a charge is directly or indirectly
26 made separately from charges for any other service;
- 27 (2) ~~[shampooing and conditioning a person's hair,~~

1 ~~(3)~~ servicing a person's wig or artificial hairpiece
2 on a person's head or on a block after the initial retail sale and
3 servicing in any manner listed in Subdivision (1);

4 (3) ~~(4)~~ treating a person's mustache or beard by
5 arranging, beautifying, coloring, processing, styling, trimming,
6 or shaving with a safety razor;

7 (4) ~~(5)~~ cleansing, stimulating, or massaging a
8 person's scalp, face, neck, or arms:

9 (A) by hand or by using a device, apparatus, or
10 appliance; and

11 (B) with or without the use of any cosmetic
12 preparation, antiseptic, tonic, lotion, or cream;

13 (5) ~~(6)~~ beautifying a person's face, neck, or arms
14 using a cosmetic preparation, antiseptic, tonic, lotion, powder,
15 oil, clay, cream, or appliance;

16 (6) ~~(7)~~ administering facial treatments;

17 (7) ~~(8)~~ removing superfluous hair from a person's
18 body using depilatories, preparations or chemicals, tweezers, or
19 other devices or appliances of any kind or description ~~[tweezing~~
20 ~~techniques]~~;

21 (8) ~~(9)~~ treating a person's nails by:

22 (A) cutting, trimming, polishing, tinting,
23 coloring, cleansing, or manicuring; or

24 (B) attaching false nails;

25 (9) ~~(10)~~ massaging, cleansing, treating, or
26 beautifying a person's hands or feet;

27 (10) ~~(11)~~ applying semipermanent, thread-like

1 extensions composed of single fibers to a person's eyelashes; or

2 (11) [~~(12)~~] weaving a person's hair.

3 SECTION 10.006. Subchapter A, Chapter 1602, Occupations
4 Code, is amended by adding Section 1602.0025 to read as follows:

5 Sec. 1602.0025. SERVICES NOT CONSTITUTING COSMETOLOGY.

6 Notwithstanding Section 1602.002(a), "cosmetology" does not
7 include threading, which involves removing unwanted hair from a
8 person by using a piece of thread that is looped around the hair and
9 pulled to remove the hair and includes the incidental trimming of
10 eyebrow hair.

11 SECTION 10.007. Section 1602.255(c), Occupations Code, is
12 amended to read as follows:

13 (c) The commission shall adopt rules for the licensing of
14 specialty instructors to teach specialty courses in the practice of
15 cosmetology defined in Sections 1602.002(a)(5), (7), (8), and (10)
16 [~~1602.002(a)(6), (8), (9), and (11)~~].

17 SECTION 10.008. Section 1602.256(a), Occupations Code, is
18 amended to read as follows:

19 (a) A person holding a manicurist specialty license may
20 perform only the practice of cosmetology defined in Section
21 1602.002(a)(8) or (9) [~~1602.002(a)(9) or (10)~~].

22 SECTION 10.009. Section 1602.257(a), Occupations Code, is
23 amended to read as follows:

24 (a) A person holding an esthetician specialty license may
25 perform only the practice of cosmetology defined in Sections
26 1602.002(a)(4), (5), (6), (7), and (10) [~~1602.002(a)(5), (6), (7),~~
27 ~~(8), and (11)~~].

1 SECTION 10.010. Section 1602.2571(a), Occupations Code, is
2 amended to read as follows:

3 (a) A person holding a specialty license in eyelash
4 extension application may perform only the practice of cosmetology
5 defined in Section 1602.002(a)(10) [~~1602.002(a)(11)~~].

6 SECTION 10.011. Section 1602.259(a), Occupations Code, is
7 amended to read as follows:

8 (a) A person holding a hair weaving specialty certificate
9 may perform only the practice of cosmetology defined in Section
10 1602.002(a)(11) [~~Sections 1602.002(a)(2) and (12)~~].

11 SECTION 10.012. Section 1602.260(a), Occupations Code, is
12 amended to read as follows:

13 (a) A person holding a wig specialty certificate may perform
14 only the practice of cosmetology defined in Section 1602.002(a)(2)
15 [~~1602.002(a)(3)~~].

16 SECTION 10.013. Section 1602.261(a), Occupations Code, is
17 amended to read as follows:

18 (a) A person holding a manicurist/esthetician specialty
19 license may perform only the practice of cosmetology defined in
20 Sections 1602.002(a)(4) through (9) [~~1602.002(a)(5) through (10)~~].

21 SECTION 10.014. Section 1602.303, Occupations Code, is
22 amended by amending Subsections (b) and (c) and adding Subsection
23 (d) to read as follows:

24 (b) An application for a private beauty culture school
25 license must be accompanied by the required license fee and
26 inspection fee and:

27 (1) be on a form prescribed by the department;

(2) be verified by the applicant; and

(3) contain a statement that the building meets the health and safety standards established by the commission[+

~~[(A) is of permanent construction and is divided into at least two separate areas:~~

~~[(i) one area for instruction in theory,~~
and

~~[(ii) one area for clinic work,~~

~~[(B) contains a minimum of:~~

~~[(i) 2,800 square feet of floor space if the building is located in a county with a population of more than 100,000; or~~

~~[(ii) 1,800 square feet of floor space if the building is located in a county with a population of 100,000 or less;~~

~~[(C) has access to permanent restrooms and adequate drinking fountain facilities; and~~

~~[(D) contains, or will contain before classes begin, the equipment established by commission rule as sufficient to properly instruct a minimum of 10 students].~~

(c) The applicant is entitled to a private beauty culture school license if:

(1) the department determines that the applicant is financially sound and capable of fulfilling the school's commitments for training;

(2) the applicant's facilities meet the health and safety standards established by the commission and pass an

1 inspection conducted by the department under Section 1603.103; and

2 (3) the applicant has not committed an act that
3 constitutes a ground for denial of a license.

4 (d) The commission may not establish building or facility
5 standards that are not related to health and safety, including a
6 requirement that a facility have a specific:

7 (1) square footage of floor space;

8 (2) number of chairs; or

9 (3) number of sinks.

10 SECTION 10.015. Section 1602.305(a), Occupations Code, is
11 amended to read as follows:

12 (a) A person holding a specialty shop license may maintain
13 an establishment in which only the practice of cosmetology as
14 defined in Section 1602.002(a)(2), (5), (7), (8), or (10)
15 [~~1602.002(a)(3), (6), (8), (9), or (11)~~] is performed.

16 SECTION 10.016. Section 1602.354(a), Occupations Code, is
17 amended to read as follows:

18 (a) The commission will by rule recognize, prepare, or
19 administer continuing education programs for the practice of
20 cosmetology. Participation in the programs is mandatory for all
21 license renewals [~~other than renewal of a shampoo specialty~~
22 ~~certificate~~].

23 SECTION 10.017. Section 1602.403(c), Occupations Code, is
24 amended to read as follows:

25 (c) A person holding a beauty shop license or specialty shop
26 license may not employ[+]

27 [~~1~~] a person as an operator or specialist or lease to

1 a person who acts as an operator or specialist unless the person
2 holds a license or certificate under this chapter or under Chapter
3 1601[~~, or~~

4 ~~(2) a person to shampoo or condition a person's hair~~
5 ~~unless the person holds a shampoo apprentice permit or student~~
6 ~~permit].~~

7 SECTION 10.018. Section 1603.351, Occupations Code, is
8 amended by adding Subsection (a-1) to read as follows:

9 (a-1) Notwithstanding any other law, the commission may
10 adopt rules to:

11 (1) authorize a school licensed under this chapter,
12 Chapter 1601, or Chapter 1602 to account for any hours of
13 instruction completed under those chapters on the basis of clock
14 hours or credit hours; and

15 (2) establish standards for determining the
16 equivalency and conversion of clock hours to credit hours and
17 credit hours to clock hours.

18 SECTION 10.019. Section 1603.352(a), Occupations Code, is
19 amended to read as follows:

20 (a) A person who holds a license, certificate, or permit
21 issued under this chapter, Chapter 1601, or Chapter 1602 and who
22 performs a barbering service described by Section 1601.002(1)(E) or
23 (F) or a cosmetology service described by Section 1602.002(a)(8) or
24 (9) [~~1602.002(a)(9) or (10)~~] shall, before performing the service,
25 clean, disinfect, and sterilize with an autoclave or dry heat
26 sterilizer or sanitize with an ultraviolet sanitizer, in accordance
27 with the sterilizer or sanitizer manufacturer's instructions, each

1 metal instrument, including metal nail clippers, cuticle pushers,
2 cuticle nippers, and other metal instruments, used to perform the
3 service.

4 SECTION 10.020. The following provisions of the Occupations
5 Code are repealed:

- 6 (1) Section 1601.260(c);
- 7 (2) Section 1601.261;
- 8 (3) Section 1601.301(c);
- 9 (4) Section 1602.266(c);
- 10 (5) Section 1602.267;
- 11 (6) Section 1602.301(c); and
- 12 (7) Section 1602.456(b-1).

13 SECTION 10.021. On the effective date of this Act:

- 14 (1) a shampoo apprentice permit issued under former
15 Section 1601.261 or 1602.267, Occupations Code, expires; and
- 16 (2) a shampoo specialty certificate issued under
17 Chapter 1602 expires.

18 SECTION 10.022. As soon as practicable after the effective
19 date of this Act, the Texas Commission of Licensing and Regulation
20 shall adopt rules to implement Sections 1601.353 and 1602.303,
21 Occupations Code, as amended by this article.

22 SECTION 10.023. (a) The changes in law made by this Act to
23 Chapters 1601, 1602, and 1603, Occupations Code, do not affect the
24 validity of a proceeding pending before a court or other
25 governmental entity on the effective date of this Act.

26 (b) An offense or other violation of law committed under
27 Chapter 1601, 1602, or 1603, Occupations Code, before the effective

1 date of this Act is governed by the law in effect when the offense or
2 violation was committed, and the former law is continued in effect
3 for that purpose. For purposes of this subsection, an offense or
4 violation was committed before the effective date of this Act if any
5 element of the offense or violation occurred before that date.

6 ARTICLE 11. VOLUNTEER SECURITY SERVICES

7 SECTION 11.001. Subchapter N, Chapter 1702, Occupations
8 Code, is amended by adding Section 1702.333 to read as follows:

9 Sec. 1702.333. PLACE OF RELIGIOUS WORSHIP; CERTAIN
10 VOLUNTEERS. (a) In this section, "volunteer security services"
11 means services or activities that are:

12 (1) regulated under this chapter; and

13 (2) provided without compensation or remuneration.

14 (b) This chapter does not apply to a person who is providing
15 volunteer security services on the premises of a church, synagogue,
16 or other established place of religious worship.

17 (c) While providing volunteer security services under
18 Subsection (b), a person may not wear a uniform or badge that:

19 (1) contains the word "security"; or

20 (2) gives the person the appearance of being a peace
21 officer, personal protection officer, or security officer.

22 ARTICLE 12. BINGO UNIT MANAGER LICENSE

23 SECTION 12.001. Section 2001.431(4), Occupations Code, is
24 amended to read as follows:

25 (4) "Unit manager" means an individual who is
26 ~~[licensed under this subchapter to be]~~ responsible for the
27 revenues, authorized expenses, and inventory of a unit.

1 SECTION 12.002. The heading to Section 2001.437,
2 Occupations Code, is amended to read as follows:

3 Sec. 2001.437. UNIT MANAGER[~~, LICENSE~~].

4 SECTION 12.003. Section 2001.437(c), Occupations Code, is
5 amended to read as follows:

6 (c) [~~A person may not provide services as a unit manager to
7 licensed authorized organizations that form a unit unless the
8 person holds a unit manager license under this subchapter.~~] A
9 person designated as an agent under Section 2001.438(b) is not a
10 unit manager on account of that designation for purposes of this
11 section.

12 SECTION 12.004. Sections 2001.437(d), (e), (f), and (g),
13 Occupations Code, are repealed.

14 SECTION 12.005. The changes in law made by this article do
15 not affect the right of any individual licensed before the
16 effective date of this Act to engage in the applicable occupation
17 for the remainder of the term for which the license was issued.

18 ARTICLE 13. AGRICULTURAL, INDUSTRIAL, AND WILDLIFE CONTROL

19 FIREWORKS PERMIT

20 SECTION 13.001. Section 2154.152(a), Occupations Code, is
21 amended to read as follows:

22 (a) A person must be a licensed distributor if the person:

23 (1) imports into this state or stores, possesses, and
24 sells Fireworks 1.3G to a licensed pyrotechnic operator or
25 distributor or to a single public display or[~~7~~] multiple public
26 display[~~, or agricultural, industrial, and wildlife control
27 fireworks~~] permit holder; or

1 (2) imports or stores, possesses, and sells Fireworks
2 1.4G to a licensed jobber, retailer, or distributor in this state.

3 SECTION 13.002. Section 2154.251(b), Occupations Code, is
4 amended to read as follows:

5 (b) A person may not manufacture, distribute, sell, or use
6 fireworks in a public fireworks display [~~or for agricultural,~~
7 ~~industrial, or wildlife control purposes~~] without an appropriate
8 license or permit. Fireworks manufactured, distributed, sold, or
9 used without an appropriate license or permit are illegal
10 fireworks.

11 SECTION 13.003. Section 2154.203, Occupations Code, is
12 repealed.

13 ARTICLE 14. MOTOR VEHICLE TOWING, BOOTING, AND STORAGE

14 SECTION 14.001. Section 2303.058, Occupations Code, is
15 amended to read as follows:

16 Sec. 2303.058. ADVISORY BOARD. The Towing and[~~7~~] Storage[~~7~~
17 ~~and Booting~~] Advisory Board under Chapter 2308 shall advise the
18 commission in adopting vehicle storage rules under this chapter.

19 SECTION 14.002. Section 2308.002, Occupations Code, is
20 amended by amending Subdivisions (1) and (8-a) and adding
21 Subdivisions (5-b) and (8-b) to read as follows:

22 (1) "Advisory board" means the Towing and[~~7~~] Storage[~~7~~
23 ~~and Booting~~] Advisory Board.

24 (5-b) "Local authority" means a state or local
25 governmental entity authorized to regulate traffic or parking and
26 includes:

27 (A) an institution of higher education; and

1 (B) a political subdivision, including a county,
2 municipality, special district, junior college district, housing
3 authority, or other political subdivision of this state.

4 (8-a) "Peace officer" means a person who is a peace
5 officer under Article 2.12, Code of Criminal Procedure.

6 (8-b) "Private property tow" means any tow of a
7 vehicle authorized by a parking facility owner without the consent
8 of the owner or operator of the vehicle.

9 SECTION 14.003. Effective September 1, 2018, Section
10 2308.004, Occupations Code, is amended to read as follows:

11 Sec. 2308.004. EXEMPTION. Sections 2308.151(b),
12 2308.2085, 2308.257, and 2308.258 do [(a) This chapter does] not
13 apply to:

14 (1) a person who, while exercising a statutory or
15 contractual lien right with regard to a vehicle:

16 (A) [(1)] installs or removes a boot; or

17 (B) [(2)] controls, installs, or directs the
18 installation and removal of one or more boots; or [-]

19 (2) [(b) This chapter does not apply to] a commercial
20 office building owner or manager who installs or removes a boot in
21 the building's parking facility.

22 SECTION 14.004. Section 2308.051(a), Occupations Code, as
23 amended by Chapters 457 (H.B. 2548) and 845 (S.B. 2153), Acts of the
24 81st Legislature, Regular Session, 2009, is reenacted and amended
25 to read as follows:

26 (a) The advisory board consists of the following members
27 appointed by the presiding officer of the commission with the

1 approval of the commission:

2 (1) one representative of a towing company operating
3 in a county with a population of less than one million;

4 (2) one representative of a towing company operating
5 in a county with a population of one million or more;

6 (3) one representative [~~owner~~] of a vehicle storage
7 facility located in a county with a population of less than one
8 million;

9 (4) one representative [~~owner~~] of a vehicle storage
10 facility located in a county with a population of one million or
11 more;

12 (5) one parking facility representative [~~owner~~];

13 (6) one peace officer [~~law enforcement officer~~] from a
14 county with a population of less than one million;

15 (7) one peace officer [~~law enforcement officer~~] from a
16 county with a population of one million or more;

17 (8) one representative of a member insurer, as defined
18 by Section 462.004, Insurance Code, of the Texas Property and
19 Casualty Insurance Guaranty Association who writes [~~property and~~
20 ~~casualty insurers who write~~] automobile insurance in this state;
21 and

22 [~~(9) one representative of a booting company~~]

23 (9) one person who operates both a towing company and a
24 vehicle storage facility [~~public member~~].

25 SECTION 14.005. Effective September 1, 2018, Section
26 2308.151, Occupations Code, is amended to read as follows:

27 Sec. 2308.151. LICENSE OR LOCAL AUTHORIZATION REQUIRED.

1 (a) Unless the person holds an appropriate license under this
2 subchapter, a person may not:

3 (1) perform towing operations; or

4 (2) operate a towing company. [+]

5 (b) Unless prohibited by a local authority under Section
6 2308.2085, a person may:

7 (1) [(-3)] perform booting operations; and [or]

8 (2) [(-4)] operate a booting company.

9 SECTION 14.006. Section 2308.205(a), Occupations Code, is
10 amended to read as follows:

11 (a) A towing company that makes a nonconsent tow shall tow
12 the vehicle to a vehicle storage facility that is operated by a
13 person who holds a license to operate the facility under Chapter
14 2303, unless:

15 (1) the towing company agrees to take the vehicle to a
16 location designated by the vehicle's owner; or

17 (2) the vehicle is towed under Section 2308.259(b).

18 SECTION 14.007. Section 2308.2085, Occupations Code, is
19 amended to read as follows:

20 Sec. 2308.2085. LOCAL AUTHORITY REGULATION OF [~~MUNICIPAL~~
21 ~~ORDINANCE—REGULATING~~] BOOTING ACTIVITIES [~~COMPANIES—AND~~
22 ~~OPERATORS~~]. (a) A local authority [~~municipality~~] may regulate, in
23 areas in which the entity regulates parking or traffic, [adopt an
24 ~~ordinance that is identical to the] booting activities, including:~~

25 (1) operation of booting companies and operators that
26 operate on a parking facility;

27 (2) any permit and sign requirements in connection

1 with the booting of a vehicle; and

2 (3) [provisions in this chapter or that imposes
3 additional requirements that exceed the minimum standards of the
4 booting provisions in this chapter but may not adopt an ordinance
5 that conflicts with the booting provisions in this chapter.

6 [(b) A municipality may regulate the] fees that may be
7 charged in connection with the booting of a vehicle[~~, including~~
8 associated parking fees].

9 (b) Regulations adopted under this section must:

10 (1) incorporate the requirements of Sections 2308.257
11 and 2308.258;

12 (2) include procedures for vehicle owners and
13 operators to file a complaint with the local authority regarding a
14 booting company or operator; and

15 (3) provide for the imposition of a penalty on a
16 booting company or operator for a violation of Section 2308.258
17 [(c) A municipality may require booting companies to obtain a
18 permit to operate in the municipality].

19 SECTION 14.008. Section 2308.255, Occupations Code, is
20 amended to read as follows:

21 Sec. 2308.255. TOWING COMPANY'S ~~[OR BOOT OPERATOR'S]~~
22 AUTHORITY TO TOW ~~[REMOVE]~~ AND STORE ~~[OR BOOT]~~ UNAUTHORIZED VEHICLE.

23 (a) A towing company ~~[that is insured as provided by Subsection~~
24 ~~(c)]~~ may, without the consent of an owner or operator of an
25 unauthorized vehicle, tow the vehicle to ~~[remove]~~ and store the
26 vehicle at a vehicle storage facility at the expense of the owner or
27 operator of the vehicle if:

1 (1) the towing company has received written
2 verification from the parking facility owner that:

3 (A) [~~the parking facility owner has installed~~]
4 the signs required by Section 2308.252(a)(1) are posted; or

5 (B) the owner or operator received notice under
6 Section 2308.252(a)(2) or the parking facility owner gave notice
7 complying with Section 2308.252(a)(3); or

8 (2) on request the parking facility owner provides to
9 the owner or operator of the vehicle information on the name of the
10 towing company and vehicle storage facility that will be used to tow
11 [~~remove~~] and store the vehicle and the vehicle is:

12 (A) left in violation of Section 2308.251;

13 (B) in or obstructing a portion of a paved
14 driveway; or

15 (C) on a public roadway used for entering or
16 exiting the facility and the tow [~~removal~~] is approved by a peace
17 officer.

18 (b) A towing company may not tow [~~remove~~] an unauthorized
19 vehicle except under:

20 (1) this chapter;

21 (2) a municipal ordinance that complies with Section
22 2308.208; or

23 (3) the direction of:

24 (A) a peace officer; or

25 (B) the owner or operator of the vehicle.

26 (c) Only a towing company that is insured against liability
27 for property damage incurred in towing a vehicle may tow [~~remove~~]

1 and store an unauthorized vehicle under this section.

2 (d) A towing company may tow [~~remove~~] and store a vehicle
3 under Subsection (a) [~~and a boot operator may boot a vehicle under~~
4 ~~Section 2308.257~~] only if the parking facility owner:

5 (1) requests that the towing company tow [~~remove~~] and
6 store [~~or that the boot operator boot~~] the specific vehicle; or

7 (2) has a standing written agreement with the towing
8 company [~~or boot operator~~] to enforce parking restrictions in the
9 parking facility.

10 (e) When a tow truck is used for a nonconsent tow authorized
11 by a peace officer under Section 545.3051, Transportation Code, the
12 operator of the tow truck and the towing company are agents of the
13 law enforcement agency and are subject to Section 545.3051(e),
14 Transportation Code.

15 SECTION 14.009. Section 2308.257(b), Occupations Code, is
16 amended to read as follows:

17 (b) A boot operator that installs a boot on a vehicle must
18 affix a conspicuous notice to the vehicle's front windshield or
19 driver's side window stating:

20 (1) that the vehicle has been booted and damage may
21 occur if the vehicle is moved;

22 (2) the date and time the boot was installed;

23 (3) the name, address, and telephone number of the
24 booting company;

25 (4) a telephone number that is answered 24 hours a day
26 to enable the owner or operator of the vehicle to arrange for
27 removal of the boot;

1 (5) the amount of the fee for removal of the boot and
2 any associated parking fees; ~~and~~

3 (6) notice of the right of a vehicle owner or vehicle
4 operator to a hearing under Subchapter J; and

5 (7) in the manner prescribed by the local authority,
6 notice of the procedure to file a complaint with the local authority
7 for violation of this chapter by a boot operator.

8 SECTION 14.010. Subchapter F, Chapter 2308, Occupations
9 Code, is amended by adding Sections 2308.258 and 2308.259 to read as
10 follows:

11 Sec. 2308.258. BOOT REMOVAL. (a) A booting company
12 responsible for the installation of a boot on a vehicle shall remove
13 the boot not later than one hour after the time the owner or
14 operator of the vehicle contacts the company to request removal of
15 the boot.

16 (b) A booting company shall waive the amount of the fee for
17 removal of a boot, excluding any associated parking fees, if the
18 company fails to have the boot removed within the time prescribed by
19 Subsection (a).

20 (c) A booting company responsible for the installation of
21 more than one boot on a vehicle may not charge a total amount for the
22 removal of the boots that is greater than the amount of the fee for
23 the removal of a single boot.

24 Sec. 2308.259. TOWING COMPANY'S AUTHORITY TO TOW VEHICLE
25 FROM UNIVERSITY PARKING FACILITY. (a) In this section:

26 (1) "Special event" means a university-sanctioned,
27 on-campus activity, including parking lot maintenance.

1 (2) "University" means:

2 (A) a public senior college or university, as
3 defined by Section 61.003, Education Code; or

4 (B) a private or independent institution of
5 higher education, as defined by Section 61.003, Education Code.

6 (b) Subject to Subsection (c), an individual designated by a
7 university may, to facilitate a special event, request that a
8 vehicle parked at a university parking facility be towed to another
9 location on the university campus.

10 (c) A vehicle may not be towed under Subsection (b) unless
11 signs complying with this section are installed on the parking
12 facility for the 72 hours preceding towing enforcement for the
13 special event and for 48 hours after the conclusion of the special
14 event.

15 (d) Each sign required under Subsection (c) must:

16 (1) contain:

17 (A) a statement of:

18 (i) the nature of the special event; and

19 (ii) the dates and hours of towing
20 enforcement; and

21 (B) the number, including the area code, of a
22 telephone that is answered 24 hours a day to identify the location
23 of a towed vehicle;

24 (2) face and be conspicuously visible to the driver of
25 a vehicle that enters the facility;

26 (3) be located:

27 (A) on the right or left side of each driveway or

1 curb-cut through which a vehicle can enter the facility, including
2 an entry from an alley abutting the facility; or

3 (B) at intervals along the entrance so that no
4 entrance is farther than 25 feet from a sign if:

5 (i) curbs, access barriers, landscaping, or
6 driveways do not establish definite vehicle entrances onto a
7 parking facility from a public roadway other than an alley; and

8 (ii) the width of an entrance exceeds 35
9 feet;

10 (4) be made of weather-resistant material;

11 (5) be at least 18 inches wide and 24 inches tall;

12 (6) be mounted on a pole, post, wall, or free-standing
13 board; and

14 (7) be installed so that the bottom edge of the sign is
15 no lower than two feet and no higher than six feet above ground
16 level.

17 (e) If a vehicle is towed under Subsection (b), personnel
18 must be available to:

19 (1) release the vehicle within two hours after a
20 request for release of the vehicle; and

21 (2) accept any payment required for the release of the
22 vehicle.

23 (f) A university may not charge a fee for a tow under
24 Subsection (b) that exceeds 75 percent of the private property tow
25 fee established under Section [2308.0575](#).

26 (g) A vehicle towed under Subsection (b) that is not claimed
27 by the vehicle owner or operator within 48 hours after the

1 conclusion of the special event may only be towed:

2 (1) without further expense to the vehicle owner or
3 operator; and

4 (2) to another location on the university campus.

5 (h) The university must notify the owner or operator of a
6 vehicle towed under Subsection (b) of the right of the vehicle owner
7 or operator to a hearing under Subchapter J.

8 SECTION 14.011. The heading to Subchapter I, Chapter 2308,
9 Occupations Code, is amended to read as follows:

10 SUBCHAPTER I. REGULATION OF TOWING COMPANIES [~~BOOTING COMPANIES,~~]
11 AND PARKING FACILITY OWNERS

12 SECTION 14.012. (a) The following provisions of the
13 Occupations Code are repealed:

14 (1) Section 2308.002(9); and

15 (2) Section 2308.103(d).

16 (b) Effective September 1, 2018, Sections 2308.1555 and
17 2308.1556, Occupations Code, are repealed.

18 SECTION 14.013. (a) On September 1, 2018, a license issued
19 under former Section 2308.1555 or 2308.1556, Occupations Code,
20 expires.

21 (b) The changes in law made by this article to Section
22 2308.051(a), Occupations Code, regarding the qualifications for a
23 member of the Towing and Storage Advisory Board do not affect the
24 entitlement of a member serving on the board immediately before the
25 effective date of this article to continue to serve and function as
26 a member of the board for the remainder of the member's term. When
27 board vacancies occur on or after the effective date of this

1 article, the presiding officer of the Texas Commission of Licensing
2 and Regulation shall appoint new members to the board in a manner
3 that reflects the changes in law made by this article.

4 (c) The changes in law made by this article to Section
5 2308.255, Occupations Code, do not apply to the booting of a vehicle
6 pursuant to a standing written agreement between a booting company
7 and a parking facility owner entered into before the effective date
8 of this article. The booting of a vehicle pursuant to a standing
9 written agreement entered into before the effective date of this
10 article is governed by the law as it existed immediately before the
11 effective date of this article, and that law is continued in effect
12 for that purpose.

13 SECTION 14.014. Except as otherwise provided by this
14 article, this article takes effect immediately if this Act receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 article takes effect September 1, 2017.

19 ARTICLE 15. CERTAIN LOCAL TRANSPORTATION ENTITIES AND CONTRACTS

20 SECTION 15.001. (a) This article applies only to a county
21 board of education, board of county trustees, or office of county
22 school superintendent that provides transportation services in a
23 county with a population of 2.2 million or more.

24 (b) If on the effective date of this Act there is an existing
25 contract for transportation services to which a county board of
26 education, board of county trustees, or office of county school
27 superintendent is a party, it shall be wound down in the manner

1 described by Subsections (c)-(r) of this section.

2 (c) Each county board of education, board of county school
3 trustees, and office of county school superintendent in a county
4 with a population of 2.2 million or more and that is adjacent to a
5 county with a population of more than 800,000 is abolished
6 effective November 15, 2017, unless the continuation of the county
7 board of education, board of county school trustees, and office of
8 county school superintendent is approved by a majority of voters at
9 an election held on the November 2017 uniform election date in the
10 county in which the county board of education, board of county
11 school trustees, and office of county school superintendent are
12 located. Subsections (d)-(s) of this section do not take effect in
13 a county if the continuation of the county board of education, board
14 of county school trustees, and office of county school
15 superintendent is approved at the election held in the county under
16 this subsection.

17 (d) Not later than November 15, 2017, a dissolution
18 committee shall be formed for each county board of education or
19 board of county school trustees to be abolished as provided by
20 Subsection (c) of this section. The dissolution committee is
21 responsible for all financial decisions for each county board of
22 education or board of county school trustees abolished by this Act,
23 including asset distribution and payment of all debt obligations.

24 (e) A dissolution committee required by this Act shall be
25 appointed by the comptroller and include:

- 26 (1) one financial advisor;
- 27 (2) the superintendent of the participating component

1 school district with the largest number of students in average
2 daily attendance or the superintendent's designee;

3 (3) one certified public accountant;

4 (4) one auditor who holds a license or other
5 professional credential; and

6 (5) one bond counsel who holds a license or other
7 professional credential.

8 (f) A dissolution committee created under this Act is
9 subject to the open meetings requirements under Chapter 551,
10 Government Code, and public information requirements under Chapter
11 552, Government Code.

12 (g) Members of a dissolution committee may not receive
13 compensation but are entitled to reimbursement for actual and
14 necessary expenses incurred in performing the functions of the
15 dissolution committee.

16 (h) Subject to the other requirements of this Act, the
17 dissolution committee shall determine the manner in which all
18 assets, liabilities, contracts, and services of the county board of
19 education or board of county school trustees abolished by this Act
20 are divided, transferred, or discontinued. The dissolution
21 committee shall create a sinking fund to deposit all money received
22 in the abolishment of each county board of education or board of
23 county school trustees for the payment of all debts of the county
24 board of education or board of county school trustees.

25 (i) The dissolution committee shall continue providing
26 transportation services to participating component school
27 districts for the 2017-2018 school year. The dissolution committee

1 shall maintain current operations and personnel needed to provide
2 the transportation services.

3 (j) At the end of the 2017-2018 school year all school
4 buses, vehicles, and bus service centers shall be transferred to
5 participating component school districts in proportionate shares
6 equal to the proportion that the membership in each district bears
7 to total membership in the county as of September 1, 2018, at no
8 cost to the districts.

9 (k) The dissolution committee may employ for the 2017-2018
10 school year one person to assist in the abolishment of the county
11 board of education or board of county school trustees.

12 (l) On November 15, 2017, the participating component
13 school district with the largest number of students in average
14 daily attendance has the right of first refusal to buy, at fair
15 market value, the administrative building of the county board of
16 education or board of county school trustees.

17 (m) An ad valorem tax assessed by a county board of
18 education or board of county school trustees shall continue to be
19 assessed by the county on behalf of the board for the purpose of
20 paying the principal of and interest on any bonds issued by the
21 county board of education or board of county school trustees until
22 all bonds are paid in full. This subsection applies only to a bond
23 issued before the effective date of this Act for which the tax
24 receipts were obligated. On payment of all bonds issued by the
25 county board of education or board of county school trustees the ad
26 valorem tax may not be assessed.

27 (n) In the manner provided by rule of the commissioner of

1 education, the county shall collect and use any delinquent taxes
2 imposed by or on behalf of the county board of education or board of
3 county school trustees.

4 (o) The dissolution committee shall distribute the assets
5 remaining after discharge of the liabilities of the county board of
6 education or board of county school trustees to the component
7 school districts in the county in proportionate shares equal to the
8 proportion that the membership in each district bears to total
9 membership in the county as of September 1, 2017. The dissolution
10 committee shall liquidate board assets as necessary to discharge
11 board liabilities and facilitate the distribution of assets. A
12 person authorized by the dissolution committee shall execute any
13 documents necessary to complete the transfer of assets,
14 liabilities, or contracts.

15 (p) The dissolution committee shall encourage the component
16 school districts to:

17 (1) continue sharing services received through the
18 county board of education or board of county school trustees; and

19 (2) give preference to private sector contractors to
20 continue services provided by the county board of education or
21 board of county school trustees.

22 (q) The chief financial officer and financial advisor for
23 the county board of education or board of county school trustees
24 shall provide assistance to the dissolution committee in abolishing
25 the county board of education or board of county school trustees.

26 (r) The Texas Education Agency shall provide assistance to a
27 dissolution committee in the distribution of assets, liabilities,

1 contracts, and services of a county board of education or board of
2 county school trustees abolished by this Act.

3 (s) Any dissolution committee created as provided by this
4 Act is abolished on the date all debt obligations of the county
5 board of education or board of county school trustees are paid in
6 full and all assets distributed to component school districts.

7 SECTION 15.002. Chapter 266 (S.B. 394), Acts of the 40th
8 Legislature, Regular Session, 1927 (Article 2700a, Vernon's Texas
9 Civil Statutes), is repealed.

10 ARTICLE 16. REGISTRATION OF MARKS

11 SECTION 16.001. Section 16.051(a), Business & Commerce
12 Code, is amended to read as follows:

13 (a) A mark that distinguishes an applicant's goods or
14 services from those of others is registrable unless the mark:

15 (1) consists of or comprises matter that is immoral,
16 deceptive, or scandalous;

17 (2) consists of or comprises matter that may
18 disparage, falsely suggest a connection with, or bring into
19 contempt or disrepute:

20 (A) a person, whether living or dead;

21 (B) an institution;

22 (C) a belief; or

23 (D) a national symbol;

24 (3) depicts, comprises, or simulates the flag, the
25 coat of arms, the seal, the geographic outline, or other insignia
26 of:

27 (A) the United States;

- 1 (B) a state;
- 2 (C) a municipality; or
- 3 (D) a foreign nation;
- 4 (4) consists of or comprises the name, signature, or
- 5 portrait of a particular living individual who has not consented in
- 6 writing to the mark's registration;
- 7 (5) when used on or in connection with the applicant's
- 8 goods or services:
 - 9 (A) is merely descriptive or deceptively
 - 10 misdescriptive of the applicant's goods or services; or
 - 11 (B) is primarily geographically descriptive or
 - 12 deceptively misdescriptive of the applicant's goods or services;
 - 13 (6) is primarily merely a surname; or
 - 14 (7) is likely to cause confusion or mistake, or to
 - 15 deceive, because, when used on or in connection with the
 - 16 applicant's goods or services, it resembles:
 - 17 (A) a mark registered in this state; or
 - 18 (B) an unabandoned mark registered with the
 - 19 United States Patent and Trademark Office.

20 ARTICLE 17. CONFLICT OF LAW; EFFECTIVE DATE

21 SECTION 17.001. To the extent of any conflict, this Act
22 prevails over another Act of the 85th Legislature, Regular Session,
23 2017, relating to nonsubstantive additions to and corrections in
24 enacted codes.

25 SECTION 17.002. To the extent of any conflict, Sections
26 [1601.353](#) and [1602.303](#), Occupations Code, as amended by this Act,
27 prevail over another Act of the 85th Legislature, Regular Session,

1 2017.

2 SECTION 17.003. It is the intent of the 85th Legislature,
3 Regular Session, 2017, that the amendments made by this Act to
4 Section 17.46(b), Business & Commerce Code, be harmonized as
5 provided by Section 311.025(b), Government Code, as if the
6 amendments were enacted without reference to each other.

7 SECTION 17.004. Except as otherwise provided by this Act,
8 this Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2065 passed the Senate on April 24, 2017, by the following vote: Yeas 30, Nays 0; May 25, 2017, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 26, 2017, House granted request of the Senate; May 28, 2017, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

I hereby certify that S.B. No. 2065 passed the House, with amendments, on May 23, 2017, by the following vote: Yeas 131, Nays 12, two present not voting; May 26, 2017, House granted request of the Senate for appointment of Conference Committee; May 28, 2017, House adopted Conference Committee Report by the following vote: Yeas 145, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor