A BILL TO BE ENTITLED

AN ACT

relating to the continuation and functions of the Department of Public Safety of the State of Texas, the conditional transfer of the driver licensing program to the Texas Department of Motor Vehicles, the abolition of the Texas Private Security Board, the transfer of the motorcycle and off-highway vehicle operator training programs to the Texas Department of Licensing and Regulation, and the regulation of other programs administered by the Department of Public Safety; imposing an administrative penalty; authorizing and repealing the authorization for fees.

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

ARTICLE 1. CONTINUATION OF DEPARTMENT OF PUBLIC SAFETY AND MISCELLANEOUS ADMINISTRATIVE PROVISIONS

SECTION 1.001. Section 411.002(c), Government Code, is amended to read as follows:

(c) The Department of Public Safety of the State of Texas is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the department is abolished and Subsections (a) and (b) expire September 1, 2031 [2019].

SECTION 1.002. Section 411.0031, Government Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) The training program must provide the person with information regarding:
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1  (1) the law governing [legislation that created] the 
2  department's operations [department and the commission]; 
3  (2) the programs, functions, rules, and budget of 
4  [operated by] the department; 
5  (3) the scope of and limitations on the rulemaking 
6  authority of the commission [role and functions of the department]; 
7  (4) the results of the most recent formal audit 
8  [rules] of the department[, with an emphasis on the rules that 
9  relate to disciplinary and investigatory authority]; 
10  (5) [the current budget for the department; 
11  (6) the results of the most recent formal audit of the 
12  department; 
13  (7) the requirements of: 
14    (A) laws relating to [the] open meetings [law, 
15    Chapter 551]; 
16    (B) the] public information [law, Chapter 552, 
17    [C] the] administrative procedure, [law, 
18    Chapter 2001], and disclosing conflicts of interest 
19    [D] other laws relating to public officials, 
20    including conflict of interest laws]; and 
21    (B) other laws applicable to members of the 
22  commission in performing their duties; and 
23  (6) [(E)] any applicable ethics policies adopted by 
24  the department or the Texas Ethics Commission. 
25  (d) The director shall create a training manual that 
26  includes the information required by Subsection (b). The director 
27  shall distribute a copy of the training manual annually to each
member of the commission. Each member of the commission shall sign
and submit to the director a statement acknowledging that the
member received and has reviewed the training manual.

SECTION 1.003. Article 59.11, Code of Criminal Procedure,
is repealed.

ARTICLE 2. BORDER SECURITY

SECTION 2.001. Subchapter D, Chapter 411, Government Code,
is amended by adding Section 411.055 to read as follows:

Sec. 411.055. ANNUAL REPORT ON BORDER CRIME AND OTHER
CRIMINAL ACTIVITY. (a) Not later than January 30 of each year, the
department shall submit to the legislature a report on border crime
and other criminal activity. The report must include:

(1) statistics for each month of the preceding year
and yearly totals of all border crime, as defined by Section
772.0071, and other criminal activity, including transnational
criminal activity, the department determines relates to border
security that occurred in each county included in a department
region that is adjacent to the Texas-Mexico border; and

(2) statewide crime statistics for the crimes reported
under Subdivision (1).

(b) In compiling the information for the report, the
department shall use information available in the National
Incident-Based Reporting System of the Uniform Crime Reporting
Program of the Federal Bureau of Investigation and the Texas
Incident-Based Reporting System of the department.

ARTICLE 3. METAL RECYCLING, VEHICLE INSPECTION, AND PROVISIONS
APPLYING TO MORE THAN ONE REGULATORY PROGRAM
SECTION 3.001. Section 411.0891, Government Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Subject to Section 411.087, the department is authorized to obtain and use criminal history record information maintained by the Federal Bureau of Investigation or the department that relates to a person who:

(1) is an applicant for or holds a registration issued by the director under Subchapter C, Chapter 481, Health and Safety Code, that authorizes the person to manufacture, distribute, analyze, or conduct research with a controlled substance;

(2) is an applicant for or holds a registration issued by the department under Chapter 487, Health and Safety Code, to be a director, manager, or employee of a dispensing organization, as defined by Section 487.001 [a chemical precursor transfer permit issued by the director under Section 481.078], Health and Safety Code;

(3) is an applicant for or holds an authorization issued by the department under Section 521.2476, Transportation Code, to do business in this state as a vendor of ignition interlock devices [a chemical laboratory apparatus transfer permit issued by the director under Section 481.081, Health and Safety Code];

(4) is an applicant for or holds certification by the department as an inspection station or an inspector under Subchapter G, Chapter 548, Transportation Code, holds an inspection station or inspector certificate issued under that subchapter, or is the owner of an inspection station operating under that chapter;
or

(5) is an applicant for or holds a certificate of registration issued by the department under Chapter 1956, Occupations Code, to act as a metal recycling entity [approval or
has been approved as a program sponsor by the department under
Chapter 662, Transportation Code, is an applicant for certification
by the department as an instructor under that chapter, or holds an
instructor certificate issued under that chapter].

(d) The department may require any person for whom the
department is authorized to obtain and use criminal history record
information maintained by the Federal Bureau of Investigation or
the department under Subsection (a) to submit a complete and
legible set of fingerprints to the department on a form prescribed
by the department for the purpose of obtaining criminal history
record information.

SECTION 3.002. Chapter 411, Government Code, is amended by
adding Subchapters Q and R to read as follows:

SUBCHAPTER Q. POWERS AND DUTIES RELATED TO CERTAIN REGULATORY
PROGRAMS

Sec. 411.501. DEFINITION. In this subchapter, "license"
means a license, certificate, registration, permit, or other form
of authorization required by law or a state agency rule that must be
obtained by a person to engage in a particular activity, business,
occupation, or profession.

Sec. 411.502. APPLICABILITY. This subchapter applies to a
program, and persons regulated under the program, administered by
the department under the following laws, including rules adopted
under those laws:

(1) Section 411.0625;
(2) Chapter 487, Health and Safety Code;
(3) Chapter 1702, Occupations Code;
(4) Chapter 1956, Occupations Code;
(5) Section 521.2476, Transportation Code; and

Sec. 411.503. FINAL ENFORCEMENT AUTHORITY. (a) Except as provided by Section 411.506(b), the commission shall make the final determination in an administrative action against a person for a violation of a law or rule governing a program or person subject to this subchapter.
(b) The commission may not delegate the duty under Subsection (a).

Sec. 411.504. COMPLAINTS. (a) The department shall maintain a system to promptly and efficiently act on complaints filed with the department regarding a violation of a law or rule governing a program or person subject to this subchapter. The department shall maintain information about parties to the complaint, the subject matter of the complaint, a summary of the results of the review or investigation of the complaint, and its disposition.
(b) The department shall make information available describing its procedures for complaint investigation and resolution.
(c) The department shall periodically notify the complaint parties of the status of the complaint until final disposition.
(d) On written request, the department shall inform the person filing the complaint and each person who is a subject of the complaint of the status of the investigation unless the information would jeopardize an ongoing investigation.

(e) The commission shall adopt rules to:
   (1) implement this section; and
   (2) establish a procedure for the investigation and resolution of complaints, including a procedure for documenting complaints to the department from the time of the submission of the initial complaint to the final disposition of the complaint.

Sec. 411.505. INVESTIGATIONS. The department may conduct investigations as necessary to enforce a law or rule governing a program or person subject to this subchapter.

Sec. 411.506. INFORMAL COMPLAINT RESOLUTION AND INFORMAL PROCEEDINGS. (a) The commission by rule shall establish procedures for the informal resolution of complaints filed with the department related to a violation of a law or rule governing a program or person subject to this subchapter, including procedures governing:

   (1) informal disposition of a contested case under Section 2001.056; and
   (2) an informal proceeding held in compliance with Section 2001.054.

(b) Any settlement agreement arising from the procedures described by Subsection (a) must be approved by the director or the director's designee.

Sec. 411.507. LICENSE DENIAL; ADMINISTRATIVE SANCTION. (a)
This section applies to a person required to obtain a license under a program subject to this subchapter.

(b) The commission may deny an application for, revoke, suspend, or refuse to renew a license or may reprimand a license holder for a violation of a law or rule governing a program subject to this subchapter.

(c) The commission may place on probation a person whose license is suspended. If a license suspension is probated, the commission may require the person to:

(1) report regularly to the department on matters that are the basis of the probation;

(2) limit practice to the areas prescribed by the department; or

(3) continue or renew education until the person attains a degree of competency satisfactory to the commission in those areas that are the basis for the probation.

(d) The commission shall develop a penalty schedule for each program subject to this subchapter consisting of administrative sanctions authorized under Subsections (b) and (c) based on the severity and frequency of a violation of a law or rule related to the program.

Sec. 411.508. RIGHT TO NOTICE AND HEARING; ADMINISTRATIVE PROCEDURE. (a) For each program subject to this subchapter, a person is entitled to notice and a hearing if the commission proposes to:

(1) deny an application for, revoke, suspend, or refuse to renew a license;
(2) reprimand a license holder; or
(3) place a license holder on probation.

(b) A proceeding to impose an administrative sanction as described by Subsection (a) is a contested case under Chapter 2001.

(c) Unless otherwise provided by law, judicial review of an administrative sanction or penalty imposed by the commission is under the substantial evidence rule as provided by Subchapter G, Chapter 2001.

Sec. 411.509. CEASE AND DESIST ORDER. The department may issue a cease and desist order if the department determines that the action is necessary to prevent a violation of a law or rule governing a program or person subject to this subchapter.

Sec. 411.510. INJUNCTIVE RELIEF. (a) On request of the department, the attorney general shall institute an action for injunctive relief to restrain a person in violation of or threatening to violate a law or rule governing a program or person subject to this subchapter.

(b) An action filed under this section shall be filed in a district court in:

(1) Travis County; or
(2) the county in which the violation allegedly occurred or is threatened to occur.

(c) The attorney general may recover reasonable expenses incurred in obtaining injunctive relief under this section, including court costs, attorney's fees, investigative costs, witness fees, and deposition expenses.

Sec. 411.511. STAGGERED RENEWAL; PRORATION OF LICENSE FEE.
(a) The commission by rule may adopt a system under which licenses expire on various dates during the year.

(b) A license issued under a program governed by this subchapter may not expire later than the second anniversary of the date the license is issued.

(c) For the year in which the expiration date of a license is changed, the department shall prorate license fees on a monthly basis so that each license holder pays only that portion of the license fee that is allocable to the number of months during which the license is valid. On renewal of the license on the new expiration date, the total license renewal fee is payable.

Sec. 411.512. ANNUAL REGULATORY REPORT. (a) The department shall annually make available on the department's Internet website a report of regulatory statistics for the preceding state fiscal year for each program subject to this subchapter and aggregate information on all the programs.

(b) The report must include, as applicable, information regarding:

(1) the number of licenses issued under the program;
(2) the number and types of complaints received and resolved by the department;
(3) the number of investigations conducted by the department; and
(4) the number and types of disciplinary actions taken by the department.

SUBCHAPTER R. ADMINISTRATIVE PENALTY

Sec. 411.521. DEFINITION. In this subchapter, "license"
Sec. 411.522. APPLICABILITY. This subchapter applies to a program, and persons regulated under the program, to which Section 411.502 applies.

Sec. 411.523. IMPOSITION OF PENALTY. The commission may impose an administrative penalty against a person who violates:

(1) a law establishing a program subject to this subchapter; or

(2) a rule adopted or order issued by the commission under a law described by Subdivision (1).

Sec. 411.524. AMOUNT OF PENALTY. (a) If the relevant law establishing a program subject to this subchapter does not state the maximum amount of an administrative penalty under that law, the amount of the penalty shall be assessed by the commission in an amount not to exceed $5,000 per day for each violation. Each day a violation continues or occurs is a separate violation for purposes of imposing a penalty.

(b) The amount of the penalty shall be based on:

(1) the seriousness of the violation;

(2) the respondent's history of previous violations;

(3) the amount necessary to deter a future violation;

(4) efforts made by the respondent to correct the violation; and

(5) any other matter that justice may require.

(c) The commission shall establish a written enforcement plan that provides notice to license holders of the specific ranges of penalties that apply to specific alleged violations and the
criteria by which the department determines the amount of a
proposed administrative penalty.

Sec. 411.525. IMPOSITION OF SANCTION. A proceeding under
this subchapter imposing an administrative penalty may be combined
with a proceeding to impose an administrative sanction. If a
sanction is imposed in a proceeding under this subchapter, the
requirements of this subchapter apply to the imposition of the
sanction.

Sec. 411.526. NOTICE OF VIOLATION AND PENALTY. If, after
investigation of a possible violation and the facts surrounding the
possible violation, the department determines that a violation
occurred, the department shall issue to the respondent a notice of
alleged violation stating:

(1) a brief summary of the alleged violation;
(2) the amount of the recommended administrative
penalty; and
(3) that the respondent has the right to a hearing to
contest the alleged violation, the amount of the penalty, or both.

Sec. 411.527. PENALTY TO BE PAID OR HEARING REQUESTED. (a)
Not later than the 20th day after the date the respondent receives
the notice, the respondent may:

(1) accept the department's determination and
recommended administrative penalty; or

(2) make a written request for a hearing on that
determination.

(b) If the respondent accepts the department's
determination, the commission by order may approve the
determination and require the person to pay the recommended penalty.

Sec. 411.528. HEARING ON RECOMMENDATIONS. (a) If the respondent requests a hearing, the hearing shall be conducted by the department or the State Office of Administrative Hearings.

(b) The State Office of Administrative Hearings shall consider the department's applicable substantive rules and policies when conducting a hearing under this subchapter.

(c) A department hearing officer or an administrative law judge at the State Office of Administrative Hearings, as applicable, shall:

(1) make findings of fact and conclusions of law; and

(2) promptly issue to the commission a proposal for decision as to the occurrence of the violation and the amount of any proposed administrative penalty.

Sec. 411.529. DECISION BY COMMISSION. (a) Based on the findings of fact, conclusions of law, and proposal for decision, the commission by order may determine that:

(1) a violation occurred and impose an administrative penalty; or

(2) a violation did not occur.

(b) The department shall give notice of the order to the respondent.

(c) The order under this section must include:

(1) separate statements of the findings of fact and conclusions of law;

(2) the amount of any penalty imposed;
(3) a statement of the right of the respondent to judicial review of the order; and
(4) any other information required by law.

Sec. 411.530. OPTIONS FOLLOWING DECISION: PAY OR APPEAL.
(a) Not later than the 30th day after the date the commission's order becomes final, the respondent shall:
(1) pay the penalty; or
(2) file a petition for judicial review contesting the order and:
   (A) forward the penalty to the department for deposit in an escrow account; or
   (B) give the department a supersedeas bond in a form approved by the department that:
      (i) is for the amount of the penalty; and
      (ii) is effective until judicial review of the decision is final.
(b) A respondent who is financially unable to comply with Subsection (a)(2) is entitled to judicial review if the respondent files with the court, as part of the respondent's petition for judicial review, a sworn statement that the respondent is unable to meet the requirements of Subsection (a)(2).

Sec. 411.531. COLLECTION OF PENALTY. If the person on whom the administrative penalty is imposed violates Section 411.530(a), the department or the attorney general may bring an action to collect the penalty.

Sec. 411.532. REMITTANCE OF PENALTY AND INTEREST. (a) If, after judicial review, the administrative penalty is reduced or not
imposed, the department shall:

(1) remit to the person the appropriate amount, plus accrued interest, if the person paid the amount of the penalty; or

(2) execute a release of the bond, if the person posted a supersedeas bond.

(b) The interest paid under Subsection (a)(1) is accrued at the rate charged on loans to depository institutions by the New York Federal Reserve Bank. The interest shall be paid for the period beginning on the date the penalty is paid to the department and ending on the date the penalty is remitted.

Sec. 411.533. ADMINISTRATIVE PROCEDURE. (a) The commission by rule shall prescribe procedures for the determination and appeal of a decision to impose an administrative penalty.

(b) A proceeding under this subchapter to impose an administrative penalty is a contested case under Chapter 2001.

SECTION 3.003. Section 1956.151, Occupations Code, is amended to read as follows:

Sec. 1956.151. DENIAL OF CERTIFICATE; DISCIPLINARY ACTION. The commission [department] shall deny an application for a certificate of registration, suspend or revoke a certificate of registration, or reprimand a person who is registered under this chapter if the person:

(1) obtains a certificate of registration by means of fraud, misrepresentation, or concealment of a material fact;

(2) sells, barter, or offers to sell or barter a certificate of registration;

(3) violates a provision of this chapter or a rule
adopted under this chapter; or

(4) violates Section 1956.021.

SECTION 3.004. Sections 548.405(a), (c), and (g), Transportation Code, are amended to read as follows:

(a) The commission [department] may deny a person's application for a certificate, revoke or suspend the certificate of a person, inspection station, or inspector, place on probation a person who holds a suspended certificate, or reprimand a person who holds a certificate if:

(1) the station or inspector conducts an inspection, fails to conduct an inspection, or issues a certificate:

(A) in violation of this chapter or a rule adopted under this chapter; or

(B) without complying with the requirements of this chapter or a rule adopted under this chapter;

(2) the person, station, or inspector commits an offense under this chapter or violates this chapter or a rule adopted under this chapter;

(3) the applicant or certificate holder does not meet the standards for certification under this chapter or a rule adopted under this chapter;

(4) the station or inspector does not maintain the qualifications for certification or does not comply with a certification requirement under this subchapter [Subchapter C];

(5) the certificate holder or the certificate holder's agent, employee, or representative commits an act or omission that would cause denial, revocation, or suspension of a certificate to
an individual applicant or certificate holder; or

(6) the station or inspector does not pay a fee required by Subchapter H;

(7) the inspector or owner of an inspection station is convicted of a:

(A) felony or Class A or Class B misdemeanor;

(B) similar crime under the jurisdiction of another state or the federal government that is punishable to the same extent as a felony or a Class A or Class B misdemeanor in this state; or

(C) crime under the jurisdiction of another state or the federal government that would be a felony or a Class A or Class B misdemeanor if the crime were committed in this state.

(c) If the commission suspends a certificate because of a violation of Subchapter F, the suspension must be for a period of not less than six months. [The suspension may not be probated or deferred.]

(g) The commission may not suspend, revoke, or deny all certificates of a person who holds more than one inspection station certificate based on a suspension, revocation, or denial of one of that person's inspection station certificates without proof of culpability related to a prior action under this subsection.

SECTION 3.005. Subchapter G, Chapter 548, Transportation Code, is amended by adding Section 548.4055 to read as follows:

Sec. 548.4055. RULES REGARDING CRIMINAL CONVICTIONS. The commission shall adopt rules necessary to comply with Chapter 53, Occupations Code, with respect to the certification of persons
under this subchapter. The commission's rules must list the specific offenses for each category of persons regulated under this subchapter for which a conviction would constitute grounds for the commission to take action under Section 53.021, Occupations Code.

SECTION 3.006. Sections 548.407(d) and (e), Transportation Code, are amended to read as follows:

(d) The commission [department] may provide that a revocation or suspension takes effect on receipt of notice under Subsection (b) if the commission [department] finds that the action is necessary to prevent or remedy a threat to public health, safety, or welfare. Violations that present a threat to public health, safety, or welfare include:

(1) issuing a passing vehicle inspection report or submitting inspection information to the department's database with knowledge that the issuance or submission is in violation of this chapter or rules adopted under this chapter;

(2) falsely or fraudulently representing to the owner or operator of a vehicle that equipment inspected or required to be inspected must be repaired, adjusted, or replaced for the vehicle to pass an inspection;

(3) issuing a vehicle inspection report or submitting inspection information to the department's database:

(A) without authorization to issue the report or submit the information; or

(B) without inspecting the vehicle;

(4) issuing a passing vehicle inspection report or submitting inspection information to the department's database for
a vehicle with knowledge that the vehicle has not been repaired,
adjusted, or corrected after an inspection has shown a repair,

(5) knowingly issuing a passing vehicle inspection
report or submitting inspection information to the department's
database:

(A) for a vehicle without conducting an

(B) for a vehicle that is missing an item
required to be inspected or that has an item required to be
inspected that is not in compliance with state law or department
rules;

(6) refusing to allow a vehicle's owner to have a
qualified person of the owner's choice make a required repair,
adjustment, or correction;

(7) charging for an inspection an amount greater than
the authorized fee;

(8) a violation of Subchapter F;

(9) a violation of Section 548.603; or

(10) a conviction of a felony or a Class A or B
misdemeanor that directly relates to or affects the duties or
responsibilities of a vehicle inspection station or inspector or a
conviction of a similar crime under the jurisdiction of another
state or the federal government.

(e) The commission may adopt rules to implement this
section. [For purposes of Subsection (d)(10), a person is convicted
of an offense if a court enters against the person an adjudication
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of the person's guilt, including an order of probation or deferred
judication.]

SECTION 3.007. Subchapter G, Chapter 548, Transportation Code, is amended by adding Section 548.410 to read as follows:

**Sec. 548.410. EXPIRATION OF CERTIFICATE.** A certificate issued to an inspector or an inspection station under this subchapter expires as determined by the department under Section 411.511, Government Code, but not later than the second anniversary of the date the certificate is issued.

SECTION 3.008. Section 548.506, Transportation Code, is amended to read as follows:

**Sec. 548.506. FEE FOR CERTIFICATION AS INSPECTOR AND INSPECTION STATION.** The commission by rule shall establish reasonable and necessary fees for certification as an inspector or inspection station. [An applicant for certification as an inspector must submit with the applicant's first application a fee of $25 for certification until August 31 of the even-numbered year following the date of certification. To be certified after August 31 of that year, the applicant must pay $25 as a certificate fee for each subsequent two-year period.]

SECTION 3.009. The following provisions are repealed:

1. Sections 1956.014(b) and (c), Occupations Code;
2. Sections 1956.041(b-2), (c), (d), (e), and (f), Occupations Code;
3. Section 1956.152, Occupations Code;
4. Sections 548.405(b), (h), and (i), Transportation Code;
(5) Section 548.406, Transportation Code;

(6) Sections 548.407(f), (g), (h), (i), (j), (k), and (l), Transportation Code;

(7) Section 548.409, Transportation Code; and

(8) Section 548.507, Transportation Code.

SECTION 3.010. As soon as practicable after the effective date of this Act, the Public Safety Commission shall adopt rules necessary to implement the changes in law made by this Act to Chapter 411, Government Code, Chapter 1956, Occupations Code, and Chapter 548, Transportation Code.

SECTION 3.011. Section 411.0891, Government Code, and Sections 548.405 and 548.407, Transportation Code, as amended by this Act, apply only to an application for the issuance or renewal of a license submitted on or after the effective date of this Act. An application for the issuance or renewal of a license submitted before that date is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

SECTION 3.012. Section 548.405(c), Transportation Code, as amended by this Act, applies only to a person placed on probation on or after the effective date of this Act. A person placed on probation before the effective date of this Act is governed by the law in effect on the date the person was placed on probation, and the former law is continued in effect for that purpose.

SECTION 3.013. Section 1956.041, Occupations Code, and Sections 548.405 and 548.407, Transportation Code, as amended by this Act, apply only to a proceeding initiated on or after the
A proceeding initiated before the effective date of this Act is governed by the law in effect on the date the proceeding was initiated, and the former law is continued in effect for that purpose.

ARTICLE 4. CERTAIN PROGRAMS REGULATING CONTROLLED SUBSTANCES, PRECURSOR CHEMICALS, AND LABORATORY APPARATUSES

SECTION 4.001. Sections 481.077(c), (i), and (k), Health and Safety Code, are amended to read as follows:

(c) This section does [and Section 481.078 do] not apply to a person to whom a registration has been issued by the Federal Drug Enforcement Agency or who is exempt from such registration.

(i) A manufacturer, wholesaler, retailer, or other person who [receives from a source outside this state a chemical precursor subject to Subsection (a) or who] discovers a loss or theft of a chemical precursor subject to Subsection (a) shall:

(1) submit a report of the transaction to the director in accordance with department rule; and

(2) include in the report:

(A) any difference between the amount of the chemical precursor actually received and the amount of the chemical precursor shipped according to the shipping statement or invoice; or

(B) the amount of the loss or theft.

(k) A [Unless the person is the holder of only a permit issued under Section 481.078(b)(1), a] manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes any chemical precursor subject to Subsection (a) or a
permit holder] commercial purchaser[.] or other person who receives a chemical precursor subject to Subsection (a):

(1) shall maintain records and inventories in accordance with rules established by the director;

(2) shall allow a member of the department or a peace officer to conduct audits and inspect records of purchases and sales and all other records made in accordance with this section at any reasonable time; and

(3) may not interfere with the audit or with the full and complete inspection or copying of those records.

SECTION 4.002. The heading to Section 481.080, Health and Safety Code, is amended to read as follows:

Sec. 481.080. CHEMICAL LABORATORY APPARATUS RECORD-KEEPING REQUIREMENTS [AND PENALTIES].

SECTION 4.003. Sections 481.080(d), (j), and (l), Health and Safety Code, are amended to read as follows:

(d) This section does [and Section 481.081 do] not apply to a person to whom a registration has been issued by the Federal Drug Enforcement Agency or who is exempt from such registration.

(j) A manufacturer, wholesaler, retailer, or other person who [receives from a source outside this state a chemical laboratory apparatus subject to Subsection (a) or who] discovers a loss or theft of such an apparatus shall:

(1) submit a report of the transaction to the director in accordance with department rule; and

(2) include in the report:

(A) any difference between the number of the
apparatus actually received and the number of the apparatus shipped
according to the shipping statement or invoice; or

(B) the number of the loss or theft.

(1) This subsection applies to a manufacturer, wholesaler, retailer, or other person who sells, transfers, or otherwise furnishes any chemical laboratory apparatus subject to Subsection (a) and to a [permit holder,] commercial purchaser[,] or other person who receives such an apparatus [unless the person is the holder of only a permit issued under Section 481.081(b)(1)]. A person covered by this subsection:

(1) shall maintain records and inventories in accordance with rules established by the director;

(2) shall allow a member of the department or a peace officer to conduct audits and inspect records of purchases and sales and all other records made in accordance with this section at any reasonable time; and

(3) may not interfere with the audit or with the full and complete inspection or copying of those records.

SECTION 4.004. Section 481.111(a), Health and Safety Code, is amended to read as follows:

(a) The provisions of this chapter relating to the possession and distribution of peyote do not apply to the use of peyote by a member of the Native American Church in bona fide religious ceremonies of the church or to [However,] a person who supplies the substance to the church [must register and maintain appropriate records of receipts and disbursements in accordance with rules adopted by the director]. An exemption granted to a
SECTION 4.005. Section 481.136(a), Health and Safety Code, is amended to read as follows:

(a) A person commits an offense if the person sells, transfers, furnishes, or receives a chemical precursor subject to Section 481.077(a) and the person:

(1) [does not hold a chemical precursor transfer permit as required by Section 481.078 at the time of the transaction;]

(2) [does not comply with Section 481.077 or 481.0771;]

(3) [knowingly makes a false statement in a report or record required by Section 481.077 or 481.0771, or 481.078;]

(4) [knowingly violates a rule adopted under Section 481.077 or 481.0771, or 481.078].

SECTION 4.006. Section 481.138(a), Health and Safety Code, is amended to read as follows:

(a) A person commits an offense if the person sells, transfers, furnishes, or receives a chemical laboratory apparatus subject to Section 481.080(a) and the person:

(1) [does not have a chemical laboratory apparatus transfer permit as required by Section 481.081 at the time of the transaction;]

(2) [does not comply with Section 481.080;]

(3) [knowingly makes a false statement in a report or record required by Section 481.080;]

(4) [knowingly violates a rule adopted under Section 481.080].
report or record required by Section 481.080 [or 481.081]; or

(3) knowingly violates a rule adopted under Section 481.080 [or 481.081].

SECTION 4.007. Section 481.301, Health and Safety Code, is amended to read as follows:

Sec. 481.301. IMPOSITION OF PENALTY. The department may impose an administrative penalty on a person who violates Section 481.067, 481.077, 481.0771, or 481.080[. or 481.081] or a rule or order adopted under any of those sections.

SECTION 4.008. Section 487.053(b), Health and Safety Code, is amended to read as follows:

(b) Subject to Section 411.503, Government Code, the [The] department shall enforce compliance of licensees and registrants and shall adopt procedures for suspending or revoking a license or registration issued under this chapter and for renewing a license or registration issued under this chapter.

SECTION 4.009. Sections 487.104(b) and (c), Health and Safety Code, are amended to read as follows:

(b) If the department denies the issuance or renewal of a license under Subsection (a), the applicant is entitled to a hearing. Chapter 2001, Government Code, applies to a proceeding under this section. [The department shall give written notice of the grounds for denial to the applicant at least 30 days before the date of the hearing.]

(c) A license issued or renewed under this section expires as determined by the department in accordance with Section 411.511, Government Code [on the second anniversary of the date of issuance]
or renewal, as applicable].

SECTION 4.010. Section 487.105(c), Health and Safety Code, is amended to read as follows:

(c) The department shall conduct a criminal history background check on each individual whose name is provided to the department under Subsection (a) or (b). The director by rule shall:

(1) require each individual whose name is provided to the department under Subsection (a) or (b) to submit a complete set of fingerprints to the department on a form prescribed by the department for purposes of a criminal history background check under this section; and

(2) establish criteria for determining whether an individual passes the criminal history background check for the purposes of this section.

SECTION 4.011. The following provisions of the Health and Safety Code are repealed:

(1) Sections 481.077(e), (f), (g), and (h);

(2) Section 481.078;

(3) Sections 481.080(f), (g), (h), and (i); and

(4) Section 481.081.

SECTION 4.012. As soon as practicable after the effective date of this Act, the public safety director of the Department of Public Safety shall adopt rules to implement the changes made by Section 487.105(c), Health and Safety Code, as amended by this Act.

SECTION 4.013. The changes in law made by this Act to Chapter 481, Health and Safety Code, apply only to an offense or
violation committed on or after the effective date of this Act. An
offense or violation committed before the effective date of this
Act is governed by the law in effect on the date the offense or
violation was committed, and the former law is continued in effect
for that purpose. For purposes of this section, an offense or
violation was committed before the effective date of this Act if any
element of the offense or violation occurred before that date.

SECTION 4.014. On the effective date of this Act, a permit
issued under former Section 481.078 or 481.081, Health and Safety
Code, expires.

ARTICLE 5. PRIVATE SECURITY

SECTION 5.001. Section 1702.002, Occupations Code, is
amended by amending Subdivisions (2), (5), (5-a), (17), and (21)
and adding Subdivisions (4), (5-b), (5-c), and (8-a) to read as
follows:

(2) "Branch office" means an office that is:
        (A) identified to the public as a place from
which business is conducted, solicited, or advertised; and
        (B) at a place other than the principal place of
business as shown in department [board] records.

(4) "Commission" means the Public Safety Commission.

(5) "Commissioned security officer" means a security
officer to whom a security officer commission has been issued by the
department [board].

(5-a) "Committee" means the Texas Private Security
Advisory Committee established under this chapter.

(5-b) "Company license" means a license issued by the
department that entitles a person to operate as a security services contractor or investigations company.

(5-c) "Department" means the Department of Public Safety of the State of Texas.

(8-a) "Individual license" means a license issued by the department that entitles an individual to perform a service regulated by this chapter for a company license holder, including a personal protection officer license.

(17) "Personal protection officer license [endorsement]" means a license [permit] issued by the department [board] that entitles an individual to act as a personal protection officer.

(21) "Security officer commission" means an authorization issued by the department [board] that entitles a security officer to carry a firearm.

SECTION 5.002. Section 1702.004, Occupations Code, is amended to read as follows:

Sec. 1702.004. GENERAL SCOPE OF REGULATION. (a) The department [board, in addition to performing duties required by other law or exercising powers granted by other law]:

(1) licenses investigations companies and security services contractors;

(2) issues commissions to certain security officers;

(3) licenses [issues endorsements to] certain security officers engaged in the personal protection of individuals;

(4) licenses [registers and endorses]:
(A) certain individuals connected with a company license holder; and
(B) certain individuals employed in a field connected to private investigation or private security; and
(5) regulates company license holders, security officers, registrants, and individual license endorsement holders under this chapter.
(b) The commission [board] shall adopt rules necessary to comply with Chapter 53. In its rules under this section, the commission [board] shall list the specific offenses for each category of regulated persons for which a conviction would constitute grounds for the department [board] to take action under Section 53.021.

SECTION 5.003. Section 1702.005, Occupations Code, is amended to read as follows:

Sec. 1702.005. DEPARTMENT OF PUBLIC SAFETY: REFERENCES. (a) [The board created under Section 1702.021 is a part of the department.] The department shall administer this chapter [through the board].
(b) A reference in this chapter or another law to the Texas Commission on Private Security or the Texas Private Security Board means the department [board].

SECTION 5.004. The heading to Subchapter B, Chapter 1702, Occupations Code, is amended to read as follows:

SUBCHAPTER B. TEXAS PRIVATE SECURITY ADVISORY COMMITTEE [BOARD]

SECTION 5.005. Section 1702.021, Occupations Code, is amended to read as follows:
Sec. 1702.021. COMMITTEE [BOARD] MEMBERSHIP; APPLICABILITY OF OTHER LAW. (a) The Texas Private Security Advisory Committee [board] consists of seven members appointed by the commission [governor with the advice and consent of the senate] as follows:

(1) three public members, each of whom is a citizen of the United States;
(2) one member who is licensed under this chapter as a private investigator;
(3) one member who is licensed under this chapter as an alarm systems company;
(4) one member who is licensed under this chapter as the owner or operator of a guard company; and
(5) one member who is licensed under this chapter as a locksmith.

(b) Appointments to the committee [board] shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee.

(c) Chapter 2110, Government Code, does not apply to the size, composition, or duration of the advisory committee or to the appointment of the committee's presiding officer.

SECTION 5.006. Section 1702.023, Occupations Code, is amended to read as follows:

Sec. 1702.023. ELIGIBILITY OF PUBLIC MEMBERS. The committee's [board's] public members must be representatives of the general public. A person may not be a public member of the committee [board] if the person or the person's spouse:

(1) is registered, commissioned, certified, or
licensed by a regulatory agency in the field of private
investigations or private security;
       (2) is employed by or participates in the management
of a business entity or other organization regulated by or
receiving money from the department [board];
       (3) owns or controls, directly or indirectly, more
than a 10 percent interest in a business entity or other
organization regulated by or receiving money from the department
[board]; or
       (4) uses or receives a substantial amount of tangible
goods, services, or money from the department [board] other than
compensation or reimbursement authorized by law for committee
[board] membership, attendance, or expenses.

SECTION 5.007. Sections 1702.024(b) and (c), Occupations
Code, are amended to read as follows:
       (b) A person may not be a committee [board] member, and may
not be a department employee whose primary duties include private
security regulation and who is employed in a "bona fide executive,
administrative, or professional capacity," as that phrase is used
for purposes of establishing an exemption to the overtime
provisions of the federal Fair Labor Standards Act of 1938 (29
U.S.C. Section 201 et seq.), and its subsequent amendments, if:
       (1) the person is an officer, employee, or paid
consultant of a Texas trade association in the field of private
investigation or private security; or
       (2) the person's spouse is an officer, manager, or paid
consultant of a Texas trade association in the field of private
investigation or private security.

(c) A person may not be a committee [board] member or act as general counsel to the committee or department [board or agency] if the person is required to register as a lobbyist under Chapter 305, Government Code, because of the person's activities for compensation on behalf of a profession related to the operation of the committee [agency].

SECTION 5.008. Section 1702.025, Occupations Code, is amended to read as follows:

Sec. 1702.025. TERMS; VACANCIES. (a) The committee [board] members serve staggered six-year terms, with the terms of two or three members expiring on January 31 of each odd-numbered year.

(b) If a vacancy occurs during the term of a committee [board] member, the commission [governor] shall appoint a new member to fill the unexpired term.

SECTION 5.009. Section 1702.026, Occupations Code, is amended to read as follows:

Sec. 1702.026. OFFICERS. (a) The commission [governor] shall designate one committee [board] member as presiding officer to serve in that capacity at the will of the commission [governor]. The commission [governor] shall designate the presiding officer without regard to race, creed, color, disability, sex, religion, age, or national origin.

(b) The committee [board] shall elect from among its members an assistant presiding officer and a secretary to serve two-year terms beginning on September 1 of each odd-numbered year.
(c) The presiding officer of the committee [board] or, in the absence of the presiding officer, the assistant presiding officer shall preside at each committee [board] meeting and perform the other duties prescribed by this chapter.

SECTION 5.010. Sections 1702.027(a) and (b), Occupations Code, are amended to read as follows:

(a) It is a ground for removal from the committee [board] that a member:

(1) does not have the qualifications required by Section 1702.021 at the time of appointment [taking office];

(2) does not maintain the qualifications required by Section 1702.021 during service on the committee [board];

(3) is ineligible for membership under Section 1702.023 or 1702.024;

(4) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(5) is absent from more than half of the regularly scheduled committee [board] meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the committee [board].

(b) The validity of an action of the committee [board] is not affected by the fact that it is taken when a ground for removal of a committee [board] member exists.

SECTION 5.011. Section 1702.029, Occupations Code, is amended to read as follows:

Sec. 1702.029. MEETINGS. The committee [board] shall meet
SECTION 5.012. Subchapter B, Chapter 1702, Occupations Code, is amended by adding Sections 1702.031 and 1702.032 to read as follows:

Sec. 1702.031. DUTIES OF ADVISORY COMMITTEE. The committee shall provide advice and recommendations to the department and commission on technical matters relevant to the administration of this chapter and the regulation of private security industries.

Sec. 1702.032. COMMISSION LIAISON. The commission shall designate a commission member to serve as a liaison to the committee.

SECTION 5.013. Section 1702.041, Occupations Code, is amended to read as follows:

Sec. 1702.041. CHIEF ADMINISTRATOR. (a) The chief administrator is responsible for the administration of this chapter under the direction of the public safety director [board]. The chief administrator shall perform duties as prescribed by the public safety director [board and the department].

(b) The chief administrator is a full-time employee of the department. A committee [board] member may not serve as chief administrator.

SECTION 5.014. Section 1702.044, Occupations Code, is amended to read as follows:

Sec. 1702.044. QUALIFICATIONS AND STANDARDS OF CONDUCT INFORMATION. The chief administrator or the chief administrator's designee shall provide to committee [board] members and to
employees, as often as necessary, information regarding the requirements for service as a committee member or employment under this chapter, including information regarding a person's responsibilities under applicable laws relating to standards of conduct for state officers or employees.

SECTION 5.015. The heading to Subchapter D, Chapter 1702, Occupations Code, is amended to read as follows:

SUBCHAPTER D. POWERS AND DUTIES [OF BOARD]

SECTION 5.016. Section 1702.061, Occupations Code, is amended to read as follows:

Sec. 1702.061. GENERAL POWERS AND DUTIES [OF BOARD]. (a) The board shall perform the functions and duties provided by this chapter.

(b) The commission shall adopt rules and general policies to guide the department in the administration of this chapter.

(c) The commission has the powers and duties to:

(1) determine the qualifications of company license holders, individual license holders, and commissioned security officers;

(2) investigate alleged violations of this chapter and
of commission [board] rules;

(3) adopt rules necessary to implement this chapter; and

(4) establish and enforce standards governing the safety and conduct of each person regulated [licensed, registered, or commissioned] under this chapter.

[(e) The board shall have a seal in the form prescribed by the board.]

SECTION 5.017. Section 1702.062, Occupations Code, is amended to read as follows:

Sec. 1702.062. FEES. (a) The commission [board] by rule shall establish reasonable and necessary fees that produce sufficient revenue to administer this chapter. The fees may not produce unnecessary fund balances.

(b) The department [board] may charge a fee each time the department [board] requires a person regulated under this chapter to resubmit a set of fingerprints for processing by the department [board] during the application process for a company license, individual license, [registration, endorsement,] or security officer commission. The commission [board] shall set the fee in an amount that is reasonable and necessary to cover the administrative expenses related to processing the fingerprints.

(c) A person whose pocket card has not expired is not eligible to receive from the department [board] another pocket card in the same classification in which the pocket card is held.

SECTION 5.018. The heading to Section 1702.063, Occupations Code, is amended to read as follows:
Sec. 1702.063. [BOARD] USE OF FINES.

SECTION 5.019. Section 1702.0635, Occupations Code, is amended to read as follows:

Sec. 1702.0635. RESTRICTIONS ON CERTAIN RULES. The commission [board] may not adopt rules or establish unduly restrictive experience or education requirements that limit a person's ability to be licensed as an electronic access control device company or be licensed [registered] as an electronic access control device installer.

SECTION 5.020. Section 1702.064, Occupations Code, is amended to read as follows:

Sec. 1702.064. RULES RESTRICTING ADVERTISING OR COMPETITIVE BIDDING. (a) The commission [board] may not adopt rules restricting advertising or competitive bidding by a person regulated under this chapter [by the board] except to prohibit false, misleading, or deceptive practices by the person.

(b) The commission [board] may not include in its rules to prohibit false, misleading, or deceptive practices by a person regulated under this chapter [by the board] a rule that:

1. restricts the person's use of any medium for advertising;
2. restricts the person's personal appearance or use of the person's personal voice in an advertisement;
3. relates to the size or duration of an advertisement by the person; or
4. restricts the person's advertisement under a trade name.
SECTION 5.021. Section 1702.0645, Occupations Code, is amended to read as follows:

Sec. 1702.0645. PAYMENT OF FEES AND FINES. (a) The commission [board] may adopt rules regarding the method of payment of a fee or a fine assessed under this chapter.

(b) Rules adopted under this section may:

(1) authorize the use of electronic funds transfer or a valid credit card issued by a financial institution chartered by a state or the federal government or by a nationally recognized credit organization approved by the department [board]; and

(2) require the payment of a discount or a reasonable service charge for a credit card payment in addition to the fee or the fine.

SECTION 5.022. Section 1702.067, Occupations Code, is amended to read as follows:

Sec. 1702.067. [BOARD] RECORDS; EVIDENCE. An official record of the department related to this chapter [board] or an affidavit by the chief administrator as to the content of the record is prima facie evidence of a matter required to be kept by the department [board].

SECTION 5.023. Section 1702.068, Occupations Code, is amended to read as follows:

Sec. 1702.068. APPEAL BOND NOT REQUIRED. The department [board] is not required to give an appeal bond in any cause arising under this chapter.

SECTION 5.024. The heading to Subchapter E, Chapter 1702, Occupations Code, is amended to read as follows:
SUBCHAPTER E. PUBLIC INTEREST INFORMATION [AND COMPLAINT PROCEDURES]

SECTION 5.025. Section 1702.084, Occupations Code, is amended to read as follows:

Sec. 1702.084. PUBLIC ACCESS TO CERTAIN RECORDS OF DISCIPLINARY ACTIONS. (a) The department [board] shall make available to the public through a toll-free telephone number, Internet website, or other easily accessible medium determined by the department [board] the following information relating to a disciplinary action taken during the preceding three years regarding a person regulated under this chapter [by the board]:

(1) the identity of the person;

(2) the nature of the complaint that was the basis of the disciplinary action taken against the person; and

(3) the disciplinary action taken by the commission [board].

(b) In providing the information, the department [board] shall present the information in an impartial manner, use language that is commonly understood, and, if possible, avoid jargon specific to the security industry.

(c) The department [board] shall update the information on a monthly basis.

(d) The department [board] shall maintain the confidentiality of information regarding the identification of a complainant.

SECTION 5.026. Section 1702.085, Occupations Code, is amended to read as follows:
Sec. 1702.085. CONFIDENTIALITY OF RECORDS. Records maintained by the department under this chapter on the home address, home telephone number, driver's license number, or social security number of an applicant or a company license holder, individual license holder [registrant], or security officer commission holder are confidential and are not subject to mandatory disclosure under Chapter 552, Government Code.

SECTION 5.027. Section 1702.102(a), Occupations Code, is amended to read as follows:

(a) Unless the person holds a license as a security services contractor, a person may not:

(1) act as an alarm systems company, armored car company, courier company, guard company, [guard dog company,] locksmith company[, or private security consultant company];

(2) offer to perform the services of a company in Subdivision (1); or

(3) engage in business activity for which a license is required under this chapter.

SECTION 5.028. Section 1702.1025(b), Occupations Code, is amended to read as follows:

(b) A person licensed as an electronic access control device company may not install alarm systems unless otherwise licensed [or registered] to install alarm systems under this chapter.

SECTION 5.029. Section 1702.103, Occupations Code, is amended to read as follows:

Sec. 1702.103. CLASSIFICATION AND LIMITATION OF COMPANY LICENSES. (a) The company license classifications are:
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(1) Class A: investigations company license, covering operations of an investigations company;
(2) Class B: security services contractor license, covering operations of a security services contractor;
(3) Class C: covering the operations included within Class A and Class B;
(4) Class F: level III training school license; and
(5) Class O: alarm level I training school license;
(6) Class P: private business letter of authority license;
(7) Class X: government letter of authority license; and
(8) Class T: telematics license.

(b) A company license described by this chapter does not authorize the company license holder to perform a service for which the company license holder has not qualified. A person may not engage in an operation outside the scope of that person's company license. The department [board] shall indicate on the company license the services the company license holder is authorized to perform. The company license holder may not perform a service unless it is indicated on the company license.

(c) A company license is not assignable unless the assignment is approved in advance by the department [board].

(d) The commission [board] shall prescribe by rule the procedure under which a company license may be terminated.

(e) The commission [board] by rule may establish other company license classifications for activities expressly regulated...
by this chapter and may establish qualifications and practice requirements consistent with this chapter for those company license classifications.

SECTION 5.030. Section 1702.110, Occupations Code, is amended to read as follows:

Sec. 1702.110. APPLICATION FOR COMPANY LICENSE. (a) An application for a company license under this chapter must be in the form prescribed by the department [board] and include:

(1) the full name and business address of the applicant;

(2) the name under which the applicant intends to do business;

(3) a statement as to the general nature of the business in which the applicant intends to engage;

(4) a statement as to the classification for which the applicant requests qualification;

(5) if the applicant is an entity other than an individual, the full name and residence address of each partner, officer who oversees the security-related aspects of the business, and director of the applicant [and of the applicant's manager];

(6) if the applicant is an individual, the fingerprints of the applicant or, if the applicant is an entity other than an individual, of each officer who oversees the security-related aspects of the business and of each partner or shareholder who owns at least a 25 percent interest in the applicant, provided in the manner prescribed by the department [board];
(7) a verified statement of the applicant's experience qualifications in the particular classification in which the applicant is applying;

(8) a report from the department stating the applicant's record of any convictions for a Class B misdemeanor or equivalent offense or a greater offense;

(9) the social security number of the individual making the application; and

(10) other information, evidence, statements, or documents required by the department [board].

(b) An applicant for a company license as a security services contractor shall maintain a physical address within this state and provide that address to the department [board]. The commission [board] shall adopt rules to enable an out-of-state company license holder to comply with this subsection.

(c) The department may return an application for a company license as incomplete if the applicant submits payment of a fee that is returned for insufficient funds and the applicant has received notice and an opportunity to provide payment in full.

SECTION 5.031. Section 1702.112, Occupations Code, is amended to read as follows:

Sec. 1702.112. FORM OF COMPANY LICENSE. The department [board] shall prescribe the form of a company license[; including a branch office license]. The company license must include:

(1) the name of the company license holder;

(2) the name under which the company license holder is to operate;
(3) the company license number and the date the company license was issued; and

(4) a photograph of the company license holder, affixed to the company license at the time the company license is issued by the department [board].

SECTION 5.032. The heading to Section 1702.113, Occupations Code, is amended to read as follows:

Sec. 1702.113. GENERAL QUALIFICATIONS FOR COMPANY LICENSE [Certiﬁcate of Registration,] OR SECURITY OFFICER COMMISSION.

SECTION 5.033. Section 1702.113(a), Occupations Code, is amended to read as follows:

(a) An applicant for a company license [Certiﬁcate of registration, endorsement,] or security officer commission [or the applicant’s manager] must be at least 18 years of age and must not:

(1) at the time of application be charged under an information or indictment with the commission of a Class A or Class B misdemeanor or felony offense determined to be disqualifying by commission [board] rule;

(2) have been found by a court to be incompetent by reason of a mental defect or disease and not have been restored to competency;

(3) have been dishonorably discharged from the United States armed services, discharged from the United States armed services under other conditions determined by the commission [board] to be prohibitive, or dismissed from the United States armed services if a commissioned officer in the United States armed services; or
(4) be required to register in this or any other state as a sex offender[, unless the applicant is approved by the board under Section 1702.3615].

SECTION 5.034. Section 1702.114, Occupations Code, is amended to read as follows:

Sec. 1702.114. ADDITIONAL QUALIFICATIONS FOR INVESTIGATIONS COMPANY LICENSE. (a) An applicant for a company license to engage in the business of an investigations company [or the applicant's manager] must have, before the date of the application, three consecutive years' experience in the investigative field as an employee[man], or satisfy other requirements set by the commission [board].

(b) The applicant's experience must be:

(1) reviewed by the department [board or the chief administrator]; and

(2) determined to be adequate to qualify the applicant to engage in the business of an investigations company.

SECTION 5.035. Section 1702.115, Occupations Code, is amended to read as follows:

Sec. 1702.115. ADDITIONAL QUALIFICATIONS FOR SECURITY SERVICES CONTRACTOR LICENSE. (a) An applicant for a company license to engage in the business of a security services contractor [or the applicant's manager] must have, before the date of the application, two consecutive years' experience in each security services field for which the person applies as an employee[man] or owner of a security services contractor or satisfy
other requirements set by the commission [board].

(b) The applicant's experience must have been obtained legally and must be:

(1) reviewed by the department [board or the chief administrator]; and

(2) determined to be adequate to qualify the applicant to engage in the business of a security services contractor.

SECTION 5.036. Section 1702.117, Occupations Code, is amended to read as follows:

Sec. 1702.117. EXAMINATION. (a) The department [board] shall require an applicant for a company license under this chapter [or the applicant's manager] to demonstrate qualifications in the person's company license classification, including knowledge of applicable state laws and commission [board] rules, by taking an examination to be determined by the commission [board].

(b) Payment of the application fee entitles the applicant [or the applicant's manager] to take one examination without additional charge. A person who fails the examination must pay a reexamination fee to take a subsequent examination.

(c) The commission [board] shall set the reexamination fee in an amount not to exceed the amount of the renewal fee for the company license classification for which application was made.

(d) The department [board] shall develop and provide to a person who applies to take the examination under Subsection (a) material containing all applicable state laws and commission [board] rules.

SECTION 5.037. Section 1702.118, Occupations Code, is
amended to read as follows:

Sec. 1702.118. EXAMINATION RESULTS. (a) Not later than the 30th day after the date a person takes a licensing examination under this chapter, the department [board] shall notify the person of the examination results.

(b) If an examination is graded or reviewed by a testing service:
   (1) the department [board] shall notify the person of the examination results not later than the 14th day after the date the department [board] receives the results from the testing service; and
   (2) if notice of the examination results will be delayed for longer than 90 days after the examination date, the department [board] shall notify the person of the reason for the delay before the 90th day.

(c) The department [board] may require a testing service to notify a person of the results of the person's examination.

(d) If requested in writing by a person who fails a licensing examination administered under this chapter, the department [board] shall furnish the person with an analysis of the person's performance on the examination.

SECTION 5.038. Section 1702.1183, Occupations Code, is amended to read as follows:

Sec. 1702.1183. RECIPROCAL COMPANY LICENSE FOR CERTAIN APPLICANTS. (a) The department [board] may waive any prerequisite to obtaining a company license for an applicant who holds a company license issued by another jurisdiction with which this state has a
reciprocity agreement.

(b) The commission may make an agreement, subject to the approval of the governor, with another state to allow for licensing by reciprocity.

(c) The commission shall adopt rules under which the commission may waive any prerequisite to obtaining a company license for, and credit experience for a company license requirement to, an individual who the commission determines has acceptable experience gained during service in a branch of the United States armed forces, including the United States Coast Guard.

SECTION 5.039. Section 1702.1186, Occupations Code, is amended to read as follows:

Sec. 1702.1186. PROVISIONAL COMPANY LICENSE. (a) The department may issue a provisional company license to an applicant currently licensed in another jurisdiction who seeks an equivalent company license in this state and who:

(1) has been licensed in good standing as an investigations company or security services contractor for at least two years in another jurisdiction, including a foreign country, that has licensing requirements substantially equivalent to the requirements of this chapter;

(2) has passed a national or other examination recognized by the commission relating to the practice of private investigations or security services contracting; and

(3) is sponsored by a person licensed by the department under this chapter with whom the provisional
company license holder will practice during the time the person holds a provisional company license.

(b) A provisional company license is valid until the date the department [board] approves or denies the provisional company license holder's application for a company license. The department [board] shall issue a company license under this chapter to the provisional company license holder if:

1. the provisional company license holder is eligible to be licensed under Section 1702.1183; or
2. the provisional company license holder:
   (A) passes the part of the examination under Section 1702.117(a) that relates to the applicant's knowledge and understanding of the laws and rules relating to the practice of an investigations company or security services contractor in this state;
   (B) is verified by the department [board] as meeting the academic and experience requirements for a company license under this chapter; and
   (C) satisfies any other licensing requirements under this chapter.

(c) The department [board] must approve or deny a provisional company license holder's application for a company license not later than the 180th day after the date the provisional company license is issued. The department [board] may extend the 180-day period if the results of an examination have not been received by the department [board] before the end of that period.

(d) The commission [board] may establish a fee for
provisional company licenses in an amount reasonable and necessary to cover the cost of issuing the company license.

SECTION 5.040. Section 1702.122, Occupations Code, is amended to read as follows:

Sec. 1702.122. TEMPORARY CONTINUATION OF COMPANY LICENSE HOLDER'S BUSINESS. Under the terms provided by commission [board] rule, a company license holder’s business may continue for a temporary period if the individual on the basis of whose qualifications a company license under this chapter has been obtained ceases to be connected with the company license holder.

SECTION 5.041. Section 1702.123, Occupations Code, is amended to read as follows:

Sec. 1702.123. INSURANCE; BOND. (a) A company license holder shall maintain on file with the department [board] at all times the surety bond and certificate of insurance required by this chapter.

(b) The commission [board] shall immediately suspend the company license of a company license holder who violates Subsection (a).

(c) The commission [board] may rescind the company license suspension if the company license holder provides proof to the commission [board] that the bond or the insurance coverage is still in effect. The company license holder must provide the proof in a form satisfactory to the commission [board] not later than the 10th day after the date the company license is suspended.

(d) After suspension of the company license, the commission [board] may not reinstate the company license until an application,
in the form prescribed by the commission, is filed accompanied by a proper bond, insurance certificate, or both. The commission may deny the application notwithstanding the applicant's compliance with this section:

(1) for a reason that would justify suspending, revoking, or denying a company license; or

(2) if, during the suspension, the applicant performs a practice for which a company license is required.

SECTION 5.042. Sections 1702.124(a), (b), and (f), Occupations Code, are amended to read as follows:

(a) An applicant is not eligible for a company license unless the applicant provides as part of the application:

(1) a certificate of insurance or other documentary evidence of a general liability insurance policy countersigned by an insurance agent licensed in this state; or

(2) a certificate of insurance for surplus lines coverage obtained under Chapter 981, Insurance Code, through a licensed Texas surplus lines agent resident in this state.

(b) The general liability insurance policy must be conditioned to pay on behalf of the company license holder damages that the company license holder becomes legally obligated to pay because of bodily injury, property damage, or personal injury, caused by an event involving the principal, or an officer, agent, or employee of the principal, in the conduct of any activity or service for which the company license holder is licensed under this chapter.

(f) In addition to the requirements of this section, an
applicant or company license holder shall provide and maintain a certificate of insurance or other documentary evidence of insurance sufficient to cover all of the business activities of the applicant or company license holder related to private security.

SECTION 5.043. Section 1702.125, Occupations Code, is amended to read as follows:

Sec. 1702.125. BOND REQUIREMENT. A bond executed and filed with the department [board] under this chapter remains in effect until the surety terminates future liability by providing to the department [board] at least 30 days' notice of the intent to terminate liability.

SECTION 5.044. Section 1702.127, Occupations Code, is amended to read as follows:

Sec. 1702.127. COMPANY LICENSE HOLDER EMPLOYEES; RECORDS.

(a) A company license holder may be legally responsible for the conduct in the company license holder's business of each employee of the company license holder while the employee is performing assigned duties for the company license holder.

(b) A company license holder shall maintain a record containing information related to the company license holder's employees as required by the commission [board].

(c) A company license holder shall maintain for inspection by the department at the company license holder's principal place of business or branch office two recent color photographs, of a type required by the commission [board], of each applicant, individual license holder [registrant], commissioned security officer, and employee of the company license holder.
(d) A company license holder shall maintain records required under this chapter at a physical address within this state and provide that address to the department [board].

SECTION 5.045. Section 1702.128, Occupations Code, is amended to read as follows:

Sec. 1702.128. POSTING OF COMPANY LICENSE REQUIRED. A company license holder shall at all times post:

(1) the person's license in a conspicuous place in:

(a) the principal place of business of the company license holder; and

(2) each branch office [license in a conspicuous place in each branch office] of the company license holder.

SECTION 5.046. Section 1702.129, Occupations Code, is amended to read as follows:

Sec. 1702.129. NOTICE OF CERTAIN CHANGES; BRANCH OFFICES. (a) A company license holder shall notify the department [board] not later than the 14th day after the date of:

(1) a change of address for the company license holder's principal place of business;

(2) a change of a name under which the company license holder does business; or

(3) a change in the company license holder's officers or partners.

(b) A company license holder shall notify the department [board] in writing not later than the 14th day after the date a branch office:

(1) is established;
(2) is closed; or
(3) changes address or location.

SECTION 5.047. Section 1702.130(a), Occupations Code, is amended to read as follows:
(a) A company license holder, or an officer, director, partner, manager, or employee of a company license holder, may not:
(1) use a title, an insignia, or an identification card, wear a uniform, or make a statement with the intent to give an impression that the person is connected with the federal government, a state government, or a political subdivision of a state government; or
(2) use a title, an insignia, or an identification card or wear a uniform containing the designation "police."

SECTION 5.048. Section 1702.131, Occupations Code, is amended to read as follows:
Sec. 1702.131. ADVERTISING. An advertisement by a company license holder soliciting or advertising business must contain the company license holder's company name and address as stated in department [board] records.

SECTION 5.049. Section 1702.132, Occupations Code, is amended to read as follows:
Sec. 1702.132. REPORTS TO EMPLOYER OR CLIENT. (a) A written report submitted to a company license holder's employer or client may only be submitted by the company license holder [or manager] or a person authorized by a company license holder [or manager]. The person submitting the report shall exercise
diligence in determining whether the information in the report is correct.

(b) A company license holder or an officer, director, partner, [manager,] or employee of a company license holder may not knowingly make a false report to the employer or client for whom information is obtained.

SECTION 5.050. Section 1702.133, Occupations Code, is amended to read as follows:

Sec. 1702.133. CONFIDENTIALITY; INFORMATION RELATING TO CRIMINAL OFFENSE. (a) A company license holder or an officer, director, or partner[, or manager] of a company license holder may not disclose to another information obtained by the person for an employer or client except:

(1) at the direction of the employer or client; or

(2) as required by state law or court order.

(b) A company license holder or an officer, director, or partner[, or manager] of a company license holder shall disclose to a law enforcement officer or a district attorney, or that individual's representative, information the person obtains that relates to a criminal offense. A private investigator who is working under the direct supervision of a licensed attorney satisfies this requirement by disclosing the information to the supervising attorney.

SECTION 5.051. The heading to Section 1702.134, Occupations Code, is amended to read as follows:

Sec. 1702.134. COMPANY LICENSE HOLDER EXEMPTIONS FROM CERTAIN LOCAL REGULATIONS.
SECTION 5.052. Sections 1702.134(a) and (b), Occupations Code, are amended to read as follows:

(a) A company license holder or an employee of a company license holder is not required to obtain an authorization, permit, franchise, or license from, pay another fee or franchise tax to, or post a bond in a municipality, county, or other political subdivision of this state to engage in business or perform a service authorized under this chapter.

(b) A municipality, county, or other political subdivision of this state may not require a payment for the use of municipal, county, or other public facilities in connection with a business or service provided by a company license holder, except that a municipality may impose and collect:

(1) a reasonable charge for the use of a central alarm installation located in a police office that is owned, operated, or monitored by the municipality; and

(2) reasonable inspection and reinspection fees in connection with a device that causes at least five false alarms in a 12-month period.

SECTION 5.053. Section 1702.161(b), Occupations Code, is amended to read as follows:

(b) An individual employed as a security officer may not knowingly carry a firearm during the course of performing duties as a security officer unless the department [board] has issued a security officer commission to the individual.

SECTION 5.054. Section 1702.162, Occupations Code, is amended to read as follows:
Sec. 1702.162. EMPLOYER’S APPLICATION FOR SECURITY OFFICER COMMISSION. The employer of a security officer who applies for a security officer commission for the officer must submit an application to the department [board] on a form provided by the department [board].

SECTION 5.055. Section 1702.163(a), Occupations Code, is amended to read as follows:

(a) An applicant employed by a company license holder is not eligible for a security officer commission unless the applicant submits as part of the application satisfactory evidence that the applicant has:

(1) completed the basic training course at a school or under an instructor approved by the department [board];

(2) met each qualification established by this chapter and administrative rule;

(3) achieved the score required by the department [board] on the examination under Section 1702.1685; and

(4) demonstrated to the satisfaction of the firearm training instructor that the applicant has complied with other department [board] standards for minimum marksmanship competency with a handgun.

SECTION 5.056. Section 1702.165, Occupations Code, is amended to read as follows:

Sec. 1702.165. ISSUANCE OF SECURITY OFFICER COMMISSION; POCKET CARD. (a) The [board, with the concurrence of the] department:

(1) may issue a security officer commission to an
individual employed as a uniformed security officer; and

(2) shall issue a security officer commission to a qualified employee of an armored car company that is a carrier conducting the armored car business under a federal or state permit or certificate.

(b) A security officer commission issued under this section must be in the form of a pocket card designed by the department [board that identifies the security officer.

SECTION 5.057. Section 1702.167, Occupations Code, is amended to read as follows:

Sec. 1702.167. TERMINATION OF EMPLOYMENT AS COMMISSIONED SECURITY OFFICER; TRANSFER OF COMMISSION. The holder of a security officer commission who terminates employment with one employer may transfer the individual’s commission to a new employer if, not later than the 14th day after the date the individual begins the new employment, the new employer notifies the department [board of the transfer of employment on a form prescribed by the department [board], accompanied by payment of the employee information update fee.

SECTION 5.058. Sections 1702.1675(a), (b), (c), (d), (e), (f), and (i), Occupations Code, are amended to read as follows:

(a) The commission [board] shall establish a basic training course for commissioned security officers. The course must include, at a minimum:

(1) general security officer training issues;

(2) classroom instruction on handgun proficiency; and

(3) range instruction on handgun proficiency.
(b) The course must be offered and taught by schools and instructors approved by the department [board]. To receive department [board] approval, a school or an instructor must submit an application to the department [board] on a form provided by the department [board].

(c) The basic training course established under this section [approved by the board] must consist of a minimum of 30 hours.

(d) The general security officer training portion of the course must include instruction on:

(1) [board rules and] applicable rules and state laws;
(2) field note taking and report writing; and
(3) any other topics of security officer training curriculum the department [board] considers necessary.

(e) The department [board] shall develop a commissioned security officer training manual that contains applicable state laws and [board] rules to be used in the instruction and training of commissioned security officers.

(f) The commission [board] shall adopt rules necessary to administer the provisions of this section concerning the training requirements of this chapter.

(i) The commission [board] by rule shall establish minimum standards for handgun proficiency that are at least as stringent as the standards for handgun proficiency developed [by the public safety director] under Section 411.188, Government Code.

SECTION 5.059. Section 1702.168, Occupations Code, is amended to read as follows:
Sec. 1702.168. FIREARM REQUIREMENTS. (a) In addition to the requirements of Section 1702.163(a), the commission [board] by rule shall establish other qualifications for individuals who are employed in positions requiring the carrying of firearms. The qualifications may include:

(1) physical and mental standards; and
(2) standards of good moral character; and
(3) other requirements that relate to the competency and reliability of individuals to carry firearms.

(b) The commission [board] shall prescribe appropriate forms and adopt rules by which evidence is presented that the requirements are fulfilled.

SECTION 5.060. Sections 1702.1685(b) and (d), Occupations Code, are amended to read as follows:

(b) Only a department-approved [board-approved] instructor may administer the handgun proficiency examination.

(d) The school shall maintain the records of the required proficiency and make the records available for inspection by the department [board].

SECTION 5.061. Section 1702.171, Occupations Code, is amended to read as follows:

Sec. 1702.171. SECURITY OFFICER COMMISSION RECORDS. The commission [board] shall adopt rules for the maintenance of records relating to an individual to whom the department [board] has issued a security officer commission.

SECTION 5.062. The heading to Subchapter H, Chapter 1702, Occupations Code, is amended to read as follows:
SUBCHAPTER H. EMPLOYMENT OF COMMISSIONED SECURITY OFFICER BY CERTAIN PERSONS; [LETTER OF AUTHORITY] REQUIREMENTS

SECTION 5.063. Section 1702.181, Occupations Code, is amended to read as follows:

Sec. 1702.181. NOTICE AND REGISTRATION [LETTER OF AUTHORITY] REQUIRED; REGISTRY. (a) The security department of a private business or a political subdivision may not employ a commissioned security officer unless the security department provides notice to the department in the form prescribed by the commission of:

(1) the security department's intent to employ a commissioned security officer and register with the department under this section;

(2) the name, title, and contact information of the person serving in the security department as the contact for the department; and

(3) any change in the information provided in Subdivision (1) or (2) [holds a letter of authority].

(b) The department shall maintain a registry of security departments that provide notice under Subsection (a) and the name, title, and contact information of the person serving as contact for each security department.

SECTION 5.064. The heading to Subchapter I, Chapter 1702, Occupations Code, is amended to read as follows:

SUBCHAPTER I. PERSONAL PROTECTION OFFICER LICENSE [ENDORSEMENT] REQUIREMENTS

SECTION 5.065. Section 1702.201, Occupations Code, is
amended to read as follows:

Sec. 1702.201. PERSONAL PROTECTION OFFICER LICENSE [ENDORSEMENT] REQUIRED. An individual may not act as a personal protection officer unless the individual holds a personal protection officer license [endorsement].

SECTION 5.066. Section 1702.203, Occupations Code, is amended to read as follows:

Sec. 1702.203. APPLICATION FOR PERSONAL PROTECTION OFFICER LICENSE [ENDORSEMENT]. An applicant for a personal protection officer license [endorsement] must submit a written application on a form prescribed by the commission [board].

SECTION 5.067. Section 1702.204, Occupations Code, is amended to read as follows:

Sec. 1702.204. PERSONAL PROTECTION OFFICER LICENSE [ENDORSEMENT]; QUALIFICATIONS. (a) An applicant for a personal protection officer license [endorsement] must be at least 21 years of age and must provide:

(1) a certificate of completion of the basic security officer training course;

(2) proof that the applicant:

(A) has been issued a security officer commission;

(B) is employed at the time of application by an investigations company or guard company licensed by the department [board]; and

(C) has completed the required training in nonlethal self-defense or defense of a third person; and
(3) proof of completion and the results of the Minnesota Multiphasic Personality Inventory psychological testing.

(b) The commission [board] by rule shall require an applicant for a personal protection officer license [endorsement] to complete the Minnesota Multiphasic Personality Inventory test. The department [board] may use the results of the test to evaluate the applicant's psychological fitness.

SECTION 5.068. Section 1702.205(a), Occupations Code, is amended to read as follows:

(a) The commission [board] shall establish a 15-hour course for a personal protection officer consisting of training in nonlethal self-defense or defense of a third person.

SECTION 5.069. Section 1702.206(a), Occupations Code, is amended to read as follows:

(a) An individual acting as a personal protection officer may not carry a firearm unless the officer:

(1) is either:

(A) engaged in the exclusive performance of the officer's duties as a personal protection officer for the employer under whom the officer's personal protection officer license [endorsement] is issued; or

(B) traveling to or from the officer's place of assignment; and

(2) carries the officer's security officer commission and personal protection officer license [endorsement] on the officer's person while performing the officer's duties or traveling as described by Subdivision (1) and presents the commission and
license [endorsement] on request.

SECTION 5.070. The heading to Subchapter J, Chapter 1702, Occupations Code, is amended to read as follows:

SUBCHAPTER J. LICENSING AND [REGISTRATION AND ENDORSEMENT REQUIREMENTS;] DUTIES OF INDIVIDUALS [REGISTRANT AND ENDORSEMENT HOLDER]

SECTION 5.071. Section 1702.221, Occupations Code, is amended to read as follows:

Sec. 1702.221. INDIVIDUAL LICENSE [REGISTRATION AND ENDORSEMENT] REQUIRED. (a) To perform any activity regulated by this chapter, the individual must:

(1) [register in accordance with the requirements of this chapter and related administrative rules;]

(2) [obtain the proper individual license endorsement under Subsection (b); and]

(3) [be employed by a company license holder licensed under this chapter].

(b) An individual must obtain the appropriate individual license [endorsement] in accordance with the requirements of this chapter and related administrative rules if the individual:

(1) is employed as:

(A) an alarm instructor;

(B) an alarm systems installer;

(C) an alarm systems monitor;

(D) an electronic access control device installer;

(E) a level 3 classroom or firearm instructor;
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(F) a locksmith;

(G) a dog trainer;

(H) a manager or branch office manager;

(I) a noncommissioned security officer;

(J) a level 4 personal protection instructor;

(K) a private investigator; or

(L) a private security consultant;

(M) a security salesperson; or

(N) an individual whose duties include performing another activity for which an individual license is required under Subsection (e); or

(2) is an owner who owns at least a 51 percent interest in a company license holder who oversees the security-related aspects of the business, officer, partner, or shareholder of a license holder.

(c) Licensure [Registration and endorsement] under this chapter does not preclude an individual from performing additional duties or services authorized by the individual's employer that are not regulated by this chapter. An individual who performs more than one of the services that require an individual license [an endorsement] under this section must obtain an individual license [an endorsement] for each service.

(d) In addition to the services listed in Subsection (b), a person holding a security officer commission must also obtain an individual license [an endorsement] for personal protection if the individual performs the services described by Section 1702.202.
(e) The commission [board] by rule may require a person to hold an individual license [an endorsement] for performing any other activity expressly regulated by this chapter.

SECTION 5.072. Section 1702.2226(b), Occupations Code, is amended to read as follows:

(b) A person licensed [registered] as an electronic access control device installer may not install alarm systems unless the person holds an individual license [an endorsement] under this chapter as an alarm systems installer.

SECTION 5.073. Section 1702.229, Occupations Code, is amended to read as follows:

Sec. 1702.229. QUALIFICATIONS FOR INDIVIDUAL LICENSE [REGISTRATION]. (a) An applicant for an individual license [registration] must meet the qualifications required under Section 1702.113 for a company license applicant.

(b) The commission [in accordance with the requirements of Section 1702.0611, the board] by rule may adopt additional qualifications for an individual to obtain an individual license [be registered] under this subchapter.

SECTION 5.074. Section 1702.230, Occupations Code, is amended to read as follows:

Sec. 1702.230. APPLICATION FOR INDIVIDUAL LICENSE [REGISTRATION OR ENDORSEMENT]. (a) An application for an individual license [registration or endorsement] must be verified and include:

(1) the applicant's full name, residence address, residence telephone number, date and place of birth, and social
(2) a statement that:

(A) lists each name used by the applicant, other than the name by which the applicant is known at the time of application, and an explanation stating each place where each name was used, the date of each use, and a full explanation of the reasons the name was used; or

(B) states that the applicant has never used a name other than the name by which the applicant is known at the time of application;

(3) the name and address of the applicant's employer [and, if applicable, the applicant's consulting firm];

(4) the date the employment described by Subdivision (3) commenced;

(5) a letter from the company license holder requesting that the applicant be issued an individual license [be registered or endorsed];

(6) the title of the position occupied by the applicant and a description of the applicant's duties;

(7) the required fees, including the criminal history check fee established under Section 1702.282;

(8) fingerprints of the applicant provided in the manner prescribed by the department [board]; and

(9) any other information, evidence, statement, or document required by the department [board].

(b) The employer of the applicant shall make a reasonable attempt to verify the information required under Subsection (a)(1)
before the earlier of:

1. the date the application is submitted; or
2. the date the applicant begins to perform the duties of employment that require an individual license [registration].

(c) An applicant must submit an application that substantially meets the requirements of this section before employment in a capacity for which an individual license [registration] is required.

(d) For purposes of Subsection (a), an application is not considered to be verified until the department [board] has received electronic verification from the department or the Federal Bureau of Investigation, as applicable, that the applicant has submitted the applicant's fingerprints.

(e) The department [board] shall make information available to the public concerning whether an applicant for an individual license [registration or endorsement] has met the requirements under this chapter for performing a service for which the individual license [registration or endorsement] is required.

(f) If information concerning an applicant is not made available under Subsection (e) before the 48th hour after the time the applicant's fingerprints are submitted in accordance with Subsection (a), the applicant may begin performing the duties of employment for which the individual license [registration or endorsement] is required, other than duties as a commissioned security officer, if the employer or its agent:

1. verifies through the department's publicly
accessible website that the applicant is:

(A) not disqualified for the individual license [registration or endorsement] based on the applicant's criminal history; and

(B) not required to register as a sex offender under Chapter 62, Code of Criminal Procedure; and

(2) maintains in the applicant's employee file a copy of the search results obtained under Subdivision (1).

SECTION 5.075. Section 1702.2305, Occupations Code, is amended to read as follows:

Sec. 1702.2305. PROVISIONAL INDIVIDUAL LICENSE [REGISTRATION]. (a) The department [board] may issue a provisional individual license [registration] to an applicant currently licensed [registered] in another jurisdiction who seeks an equivalent license [registration] in this state and who:

(1) has been licensed [registered] in good standing in the field in which the individual license [registration] is sought for at least two years in another jurisdiction, including a foreign country, that has licensing [registration] requirements substantially equivalent to the requirements of this chapter;

(2) has passed a national or other examination recognized by the commission [board] relating to practice in the field in which the individual license [registration] is sought; and

(3) is employed by a company license holder [person licensed by the board under this chapter] with whom the provisional individual license holder [registration holder] will practice during the time the person holds a provisional individual license
(b) A provisional individual license is valid until the date the department approves or denies the provisional individual license holder's application for an individual license. The department shall issue an individual license under this chapter to the provisional individual license holder if the provisional individual license holder is eligible to be licensed under this chapter.

(c) The department must approve or deny a provisional individual license holder's application for an individual license not later than the 180th day after the date the provisional individual license is issued. The department may extend the 180-day period if the results of an examination have not been received by the department before the end of that period.

(d) The commission may establish a fee for a provisional individual license in an amount reasonable and necessary to cover the cost of issuing the individual license.

SECTION 5.076. Section 1702.232, Occupations Code, is amended to read as follows:

Sec. 1702.232. POCKET CARDS. (a) The department shall issue a pocket card for each individual license holder under this chapter. A pocket card for an owner or officer, partner, or shareholder of a company license holder shall be issued to the company license holder.
The department shall determine the size, design, and content of the pocket card.

The pocket card must:

1. state the name of the individual license holder;

2. contain a color photograph, affixed to the pocket card by the department at the time the card is issued, and the signature of the individual license holder; and

3. state the date the card was issued and the card's expiration date;

4. state each endorsement held by the registrant and the date the endorsement expires.

SECTION 5.077. Section 1702.233, Occupations Code, is amended to read as follows:

Sec. 1702.233. DURATION OF POCKET CARDS. A pocket card issued for an individual license holder is valid for two years and expires on the date the individual license expires under Section 1702.301(b), (d), (e), or (f).

SECTION 5.078. Section 1702.234, Occupations Code, is amended to read as follows:

Sec. 1702.234. [REGISTRATION AND ENDORSEMENT] TRANSFER OF INDIVIDUAL LICENSE. An individual license holder may transfer the holder's license from one employer to another employer if, not later than the 14th day after the date the individual license holder begins the new employment, the new employer notifies
the department [board] of the transfer of employment on a form
prescribed by the commission [board] accompanied by payment of the
employee information update fee.

SECTION 5.079. Section 1702.235, Occupations Code, is
amended to read as follows:

Sec. 1702.235. PREEMPLOYMENT CHECK FOR NONCOMMISSIONED
SECURITY OFFICERS. A person may not hire a noncommissioned
security officer unless the person conducts a preemployment check
as required by commission [board] rule.

SECTION 5.080. Section 1702.236, Occupations Code, is
amended to read as follows:

Sec. 1702.236. EXAMINATION AND TRAINING REQUIREMENTS FOR
ELECTRONIC ACCESS CONTROL DEVICE INSTALLERS. (a) The department
shall require an individual who applies for an individual
license [endorsement] as an electronic access control device
installer to pass an examination given by the department [board] or
a person approved by the department [board]. The examination must
cover material related to access control.

(b) The commission [On and after September 1, 2005, the
board] by rule may allow an electronic access control device
installer to obtain or renew an individual license [endorsement] by
fulfilling the requirements of a commission-approved
[board-approved], industry-based educational training program.

SECTION 5.081. Section 1702.239, Occupations Code, is
amended to read as follows:

Sec. 1702.239. TRAINING REQUIREMENTS FOR ALARM SYSTEMS
INSTALLER [AND SECURITY SALESPERSON]; EXAMINATION. (a) The
The commission may require that an individual employed as an alarm systems installer or security salesperson hold a certification by a commission-approved training program to renew an individual license. The commission may approve only nationally recognized training programs that consist of at least 16 hours of classroom study in the areas of work allowed by the individual license. To be approved, a training program must offer at least two certification programs each year, sufficient to complete the requirements of this subsection, within 100 miles of each county in the state that has a population of more than 500,000.

(b) The commission may require an individual who has completed a training program under Subsection (a) to pass an examination given by the department or by a person approved by the department. The commission may approve examinations in conjunction with training programs approved under Subsection (a). The individual's performance on the examination must demonstrate the individual's qualifications to perform the duties allowed by the individual's individual license.

(c) An individual who holds a registration on September 30, 1993, is not required to comply with requirements adopted under Subsections (a) and (b) during the time the individual maintains the registration with the individual's current license holder.

(d) If the commission requires certification or examination under this section, the commission shall adopt rules to require that to renew an individual license...
endorsement], an individual who is employed as an alarm systems installer [or a security salesperson] and who has already once renewed the individual license [endorsement] must obtain continuing education credits related to the line of work for which the individual is licensed. If the commission [board] requires the continuing education, the chief administrator must approve classes offered by nationally recognized organizations, and participants in the classes must qualify according to commission [board] rules.

SECTION 5.082. Section 1702.240, Occupations Code, is amended to read as follows:

Sec. 1702.240. [REGISTRATION] EXEMPTIONS FOR UNDERCOVER AGENT. (a) For the purposes of this section, "undercover agent" means an individual hired by a person to perform a job in or for that person, and while performing that job, to act as an undercover agent, an employee, or an independent contractor of a company license holder, but supervised by a company license holder.

(b) An employee of a company license holder who is employed exclusively as an undercover agent is not required to obtain an individual license [register with the board].

SECTION 5.083. Section 1702.241, Occupations Code, is amended to read as follows:

Sec. 1702.241. JURISPRUDENCE EXAMINATION. (a) The commission [board] may develop and the department may administer at least twice each calendar year a jurisprudence examination to determine the knowledge that an applicant for an individual license [endorsement] has of this chapter, commission [board] rules, and any other applicable laws of this state affecting the applicant's
activities regulated under this chapter.

(b) Before the department [board] may administer a jurisprudence examination under this section, the commission [board] shall adopt rules to implement this section, including rules related to the development and administration of the examination, examination fees, guidelines for reexamination, grading the examination, and providing notice of examination results. The department [board] may design different examinations for different types of individual licenses [endorsements].

SECTION 5.084. Section 1702.282, Occupations Code, is amended to read as follows:

Sec. 1702.282. CRIMINAL HISTORY CHECK. (a) The department [board] shall conduct a criminal history check, including a check of any criminal history record information maintained by the Federal Bureau of Investigation, in the manner provided by Subchapter F, Chapter 411, Government Code, on each applicant for a license or [registration.] security officer commission issued under this chapter [letter of approval, permit, endorsement, or certification]. As part of its criminal history check, the department [board] may request that the applicant provide certified copies of relevant court documents or other records. The failure to provide the requested records within a reasonable time as determined by the department [board] may result in the application being considered incomplete. An applicant is not eligible for a license or security officer [registration.] commission issued under this chapter [letter of approval, permit, endorsement, or certification] if the check reveals that the applicant has
committed an act that constitutes grounds for the denial of the license or [registration,] commission [letter of approval, permit, endorsement, or certification]. Except as provided by Subsection (d), each applicant shall submit at the time of application, including an application for the renewal of a license or security officer [registration,] commission issued under this chapter [letter of approval, permit, endorsement, or certification], fingerprints in the manner prescribed by the department [board] accompanied by the fee set by the commission [board].

(b) Before beginning employment as a commissioned security officer, the applicant must be approved by the department [board] based on the results of the check under Subsection (a). To continue employment in a capacity regulated under this chapter other than as a commissioned security officer, the applicant must be approved by the department [board] based on the results of the check under Subsection (a) not later than the 120th day after the date the applicant begins employment in that capacity.

(c) A license or [registration,] security officer commission[letter of approval, permit, endorsement, or certification] issued by the department [board] is conditional on the department's review [board's receipt] of criminal history record information.

(d) An applicant who is a peace officer is not required to submit fingerprints with the applicant's application. On request, the law enforcement agency or other entity that employs the peace officer or the entity that maintains the peace officer's
fingerprints shall provide the fingerprints for the peace officer to the department [board]. The applicant shall provide sufficient information to the department [board] to enable the department [board] to obtain the fingerprints under this subsection.

(e) On receipt of notice that a check of the applicant's criminal record has uncovered an unresolved and potentially disqualifying arrest that occurred before the 10th anniversary of the date the application is filed, the applicant must provide a letter of reference from the county sheriff, prosecuting attorney, or judge of the county in which the applicant was arrested stating that a record of a disposition related to the arrest does not exist, and to the best of the county sheriff's, prosecuting attorney's, or judge's knowledge the applicant is free of any disqualifying convictions. If the applicant fails to provide either the letter of reference or documentary proof of the final disposition of the arrest, the application is considered incomplete and the applicant may not be issued a license or security officer['] commission[ or certificate of registration] under this chapter.

SECTION 5.085. Section 1702.283, Occupations Code, is amended to read as follows:

Sec. 1702.283. CRUELTY TO ANIMALS. A person who has been convicted of cruelty to animals under Section 42.09 or 42.092, Penal Code, [+]

[1] is ineligible for a license as a guard dog company or for endorsement as a dog trainer; and

[2] may not be employed to work with dogs as a security officer by a security services contractor or security
department of a private business that uses dogs to protect
individuals or property or to conduct investigations.

SECTION 5.086. Section 1702.284(a), Occupations Code, is
amended to read as follows:
(a) Information contained in alarm systems records
maintained by a governmental body that concerns the location of an
alarm system, the name of the occupant of an alarm system location,
or the type of alarm system used is confidential and may be
disclosed only to the department [board], to the alarm company to
which the confidential records relate, or as otherwise required by
state law or court order.

SECTION 5.087. Section 1702.285, Occupations Code, is
amended to read as follows:
Sec. 1702.285. FALSE REPRESENTATION. A person may not
represent falsely that the person:
(1) is employed by a company license holder; or
(2) has a license or security officer commission [is
licensed, registered, endorsed, or commissioned] under this
chapter.

SECTION 5.088. Sections 1702.288(a), (d), and (f),
Occupations Code, are amended to read as follows:
(a) The commission [board] shall adopt rules in accordance
with this section that require a company license holder acting as an
alarm systems company under this chapter to inform each of the
license holder's clients that the client is entitled to receive a
written contract for alarm system services that contains the
client's fee arrangement and other relevant information about
services to be rendered.

(d) The rules shall require that, not later than the seventh day after the date of entering into a contract for services regulated by the department [board] with another alarm systems company or alarm systems monitor, an alarm systems company shall:

(1) notify the recipient of those services of the name, address, and telephone number and individual to contact at the company that purchased the contract;

(2) notify the recipient of services at the time the contract is negotiated that another licensed company may provide any of the services requested by subcontracting or outsourcing those services; and

(3) if any of the services are subcontracted or outsourced to a licensed third party, notify the recipient of services, by mail, of the name, address, phone number, and license number of the company providing those services.

(f) A company license holder acting as an alarm systems company does not have to provide the notice required under Subsection (d) if the contact information, including the address and the telephone numbers for the alarm systems company, has not changed.

SECTION 5.089. Section 1702.289, Occupations Code, is amended to read as follows:

Sec. 1702.289. INSPECTIONS. (a) An employee or agent of the department [or board, as applicable] who enters the place of business of a person regulated under this chapter for the purpose of conducting an inspection or audit must:
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(1) notify the manager or owner of the business of the presence of the person conducting the inspection or audit; and

(2) present the manager or owner of the business with credentials that identify the person conducting the inspection or audit as an employee or agent of the department [or board].

(b) This section does not prohibit the department [or board] from conducting an undercover investigation or covert audit in order to determine compliance with this chapter or a rule adopted under this chapter.

SECTION 5.090. Sections 1702.301(b), (c), and (h), Occupations Code, are amended to read as follows:

(b) A company license, individual license, and security officer commission expire on the dates determined by the commission under Section 411.511, Government Code, but not later than [expires on] the second anniversary of the date the license or commission is issued.

(c) A personal protection officer license endorsement expires on the date determined by the commission under Section 411.511, Government Code, but not later than [on] the expiration date of the security officer commission under which the license [individual's endorsement] is issued.

(h) A license[registration, or endorsement] issued under this chapter, other than one specified in this section, expires on the date determined by the commission under Section 411.511, Government Code, but not later than the second anniversary of the date the license is issued [specified by this chapter or by board rule].
SECTION 5.091. Sections 1702.302(a), (b), (c), and (e), Occupations Code, are amended to read as follows:

(a) A person who is otherwise eligible to renew a license may renew an unexpired license by paying the required renewal fee to the department [board] before the expiration date of the license. A person whose license has expired may not engage in activities that require a license until the license has been renewed.

(b) A person whose license has been expired for 90 days or less may renew the license by paying to the department [board] a renewal fee that is equal to 1-1/2 times the normally required renewal fee.

(c) A person whose license has been expired for longer than 90 days but less than one year may renew the license by paying to the department [board] a renewal fee that is equal to two times the normally required renewal fee.

(e) Not later than the 30th day before the date a person's license is scheduled to expire, the department [board] shall send written notice of the impending expiration to the person at the person's last known address according to the department's [board's] records.

SECTION 5.092. Section 1702.303, Occupations Code, is amended to read as follows:

Sec. 1702.303. RENEWAL OF EXPIRED LICENSE BY OUT-OF-STATE PRACTITIONER. A person who was licensed in this state, moved to another state, and is currently licensed and has been in practice in the other state for the two years preceding the date the person applies for renewal may obtain a new license without reexamination.
The person must pay to the department [board] a fee that is equal to
two times the normally required renewal fee for the license.

SECTION 5.093. Sections 1702.308(b) and (c), Occupations
Code, are amended to read as follows:

(b) The department [board] shall recognize, prepare, or
administer continuing education programs for company license
holders, commissioned security officers, and individual license
[endorsement] holders. The commission [board] shall set the
minimum number of hours that must be completed and the types of
programs that may be offered.

(c) A company license holder, commissioned security
officer, or individual license [endorsement] holder must
participate in the programs to the extent required by the
commission [board] to keep the person's license or [endorsement].
A company license holder, commissioned security
officer, or individual license [endorsement] holder shall submit
evidence of compliance with the commission's [board's] continuing
education requirements in a manner prescribed by the department
[board].

SECTION 5.094. Section 1702.309(a), Occupations Code, is
amended to read as follows:

(a) The commission [board] by rule shall develop a
continuing education course required for renewal of a security
officer commission. Only a department-approved [board-approved]
instructor may administer the continuing education course. The
course must include at least six hours of instruction determined by
the department [chief administrator of the board].
SECTION 5.095. Sections 1702.321(b), (c), and (e), Occupations Code, are amended to read as follows:

(b) The provisions of this chapter relating to security officer commissions apply to a person employed by a political subdivision whose duties include serving as a security guard, security watchman, or security patrolman on property owned or operated by the political subdivision if the governing body of the political subdivision files a written request with the department for the department to issue a commission to the political subdivision's employees with those duties.

(c) The department may not charge a fee for issuing a commission to an officer under Subsection (b). The department shall issue to the officer a pocket card designating the political subdivision that employs the officer.

(e) The department may approve a security officer training program conducted by the political subdivision in accordance with Sections 1702.1675 and 1702.168.

SECTION 5.096. Sections 1702.323(c) and (c-1), Occupations Code, are amended to read as follows:

(c) The security department of a private business may not hire or employ an individual to perform a duty described by Section 1702.222 if the individual has been convicted of a crime that would otherwise preclude the individual from being licensed under this chapter. The private business shall maintain the individual's criminal history record on file at the business and shall make the record available for inspection by the Department of Public Safety.
Although the security department of a private business that hires or employs an individual as a private security officer to possess a firearm in the course and scope of the individual's duties is required to apply for a security officer commission for the individual under this chapter, the security department of a private business is not required to apply [to the board] for any license under this chapter.

SECTION 5.097. Section 1702.331(b), Occupations Code, is amended to read as follows:

(b) This chapter does not apply to:

(1) an alarm systems company that sells, installs, services, monitors, or responds to only personal emergency response systems;

(2) an alarm systems installer who installs, maintains, or repairs only personal emergency response systems; and

(3) [a manager or branch office manager of an alarm systems company described by Subdivision (1),]

(4) a security salesperson who is employed by an alarm systems company described by Subdivision (1) to sell services offered by the company; and

(5) an owner[, officer, partner, or shareholder] of an alarm systems company described by Subdivision (1).

SECTION 5.098. Sections 1702.332(c) and (d), Occupations Code, are amended to read as follows:

(c) To qualify for the exemption provided by Subsection (b), a telematics service provider shall[,]

(4) establish business practices and procedures
that are at least as stringent as the guidelines established by the
Association of Public Safety Communications Officials
International regarding the communication of information from
telematics service providers to public safety agencies; and

(2) pay an annual fee of $2,500 to the department.

(d) The commission may adopt rules necessary
to carry out the purposes of this section, including rules to
determine whether a telematics service provider is complying with
Subsection (c).

SECTION 5.099. Section 1702.361, Occupations Code, is
amended to read as follows:

Sec. 1702.361. DENIAL AND DISCIPLINARY ACTIONS; GROUNDS.
(a) The commission, for conduct described by
Subsection (b), may:

(1) deny an application or revoke, suspend, or refuse
to renew a license[, registration, endorsement,] or security
officer commission;

(2) reprimand a license holder[, registrant,] or
commissioned security officer; or

(3) place on probation a person whose license[, registration, endorsement,] or security officer commission has
been suspended.

(b) The commission shall take disciplinary
action described by Subsection (a) on proof:

(1) that the applicant, license holder, [manager or]
majority owner of a license holder, [registrant, endorsement
holder,] or commissioned security officer has:
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(A) violated this chapter or a rule adopted under this chapter;

(B) become ineligible for licensure[registration, or endorsement under Section 1702.113,] or a security officer commission under Section 1702.163, if applicable, other than an action for which the department has taken summary action under Section 1702.364;

(C) engaged in fraud, deceit, or misrepresentation;

(D) made a material misstatement in an application for or renewal of a license[registration, endorsement,] or commission;

(E) failed to pay in full an administrative penalty assessed under Subchapter R, Chapter 411, Government Code, for which the commission [board] has issued a final order; or

(F) performed any service for which an individual license [endorsement] is required under this chapter and either:

(i) was not employed with a company licensed under this chapter at the time the service was performed; or

(ii) performed the service for a company licensed under this chapter that was not listed on the individual's individual license [registration] without informing the department [board] of the individual's employment with the company within a reasonable period; or

(G) failed to qualify a new manager within the time required by board rule following the termination of a manager;
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(2) that the company license holder employing an individual license holder (of a registrant) or commissioned security officer has submitted to the department sufficient evidence that the individual license holder (registrant) or commissioned security officer:

(A) engaged in fraud or deceit while employed by the company license holder; or

(B) committed theft while performing work as an individual license holder (registrant) or commissioned security officer.

(c) The commission (department) may place on probation a person whose license is suspended. If a person's suspension of a license is probated, the commission (department) may require the person:

(1) to report regularly to the department on matters that are the basis of the suspension;

(2) to limit practice to the areas prescribed by the commission (department); or

(3) to continue or review professional education until the person attains a degree of skill satisfactory to the commission (department) in those areas that are the basis of the probation.

(d) The commission (department) may revoke a license (certificate, registration, endorsement) or security officer commission if the person holding that credential under this chapter submits payment of a fee or penalty that is returned for insufficient funds and the person has received notice and an
opportunity to provide payment in full.

SECTION 5.100. Section 1702.363, Occupations Code, is amended to read as follows:

Sec. 1702.363. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. Except as provided by Section [Sections 1702.3615(b) and] 1702.364, a person regulated under this chapter against whom the commission [board] has taken action is entitled to a hearing before the State Office of Administrative Hearings. A proceeding under this section is a contested case that is governed by Chapter 2001, Government Code.

SECTION 5.101. Sections 1702.364(a), (b), (c), (d), (e), and (f), Occupations Code, are amended to read as follows:

(a) On receiving written notice from a law enforcement agency that a person has been charged with or convicted of an offense that would make the person ineligible for a license[,... certificate of registration, endorsement,] or security officer commission under Section 1702.113 or 1702.163, or a rule adopted under Section 1702.004(b), the commission [department] shall:

    (1) summarily deny the person's application for a license[,... registration, endorsement,] or security officer commission;

    (2) in the event of pending charges, summarily suspend the person's license[,... certificate of registration, endorsement,] or security officer commission; or

    (3) in the event of a conviction, summarily revoke the person's license[,... certificate of registration, endorsement,] or security officer commission.
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(b) To initiate a proceeding to take action under Subsection (a), the department must serve notice to the person. The notice must:

(1) inform the person of the person's right to a preliminary hearing before the department or the department's designee;
(2) state the basis for the summary action; and
(3) be personally served on the person or the person's authorized representative, or sent to the person by certified or registered mail, return receipt requested, to the person's mailing address as it appears in the department's records.

(c) The action is effective at the time notice is served. The person shall immediately surrender to the department any certificate of registration, security officer commission, pocket card, or other form of identification issued by the department.

(d) At a preliminary hearing under this section, the person must show cause why:

(1) the application should not have been denied;
(2) the license[endorsement] or security officer commission should not have been suspended; or
(3) the license[endorsement] or commission should not have been revoked.

(e) Chapter 2001, Government Code, applies [does not apply] to a proceeding under this section for the summary denial of an application for or the summary suspension or revocation of a license or security officer commission [the department's initial action under this section or to a preliminary hearing before the
department under this section].

(f) The dismissal of a complaint, information, or indictment or an acquittal releases the person from automatic grounds for a summary denial of an application or summary suspension of a license or registration, endorsement, or security officer commission under this section. A conviction for the offense giving rise to a summary suspension is automatic grounds for immediate, summary revocation.

SECTION 5.102. Section 1702.365, Occupations Code, is amended to read as follows:

Sec. 1702.365. ABDUCTION OF CHILD. The commission (board) shall revoke a person's license, registration, endorsement, or security officer commission or deny a person's application for, or renewal of, a license, registration, endorsement, or security officer commission on proof that the person or an agent of the person has, after the date of application for a license, registration, endorsement, or security officer commission, abducted or attempted to abduct by force or the threat of force or by misrepresentation, stealth, or unlawful entry a child who at the time of the abduction or attempt is under the care and control of a person who:

1. has custody or physical possession of the child under a court order; or
2. is exercising the care and control with the consent of a person who has custody or physical possession of the child under a court order.

SECTION 5.103. Sections 1702.367(a), (c), (d), and (e),
Occupations Code, are amended to read as follows:

(a) For an investigation conducted under this chapter, if necessary to enforce this chapter or the commission's rules adopted under this chapter, the department may issue an administrative subpoena to any person in this state compelling:

(1) the production of information or documents; or

(2) the attendance and testimony of a witness.

(c) A person required to testify or to produce a record or document on any matter properly under inquiry by the department who refuses to testify or to produce the record or document on the ground that the testimony or the production of the record or document would incriminate or tend to incriminate the person is nonetheless required to testify or to produce the record or document. A person who is required to testify or to produce a record or document under this subsection is not subject to indictment or prosecution for a transaction, matter, or thing concerning which the person truthfully testifies or produces evidence.

(d) If a witness refuses to obey a subpoena or to give evidence relevant to proper inquiry by the department, the department may petition a district court of the county in which the hearing is held to compel the witness to obey the subpoena or to give the evidence. The court shall immediately issue process to the witness and shall hold a hearing on the petition as soon as possible.

(e) An investigator employed by the department may take statements under oath in an investigation of a matter covered
by this chapter.

SECTION 5.104. Section 1702.368, Occupations Code, is amended to read as follows:

Sec. 1702.368. NOTIFICATION OF CONVICTION FOR CERTAIN OFFENSES. The department shall notify the police department of the municipality and the sheriff's department of the county in which a person licensed or commissioned under this chapter resides of the conviction of the person for a Class B misdemeanor or equivalent offense or a greater offense.

SECTION 5.105. Section 1702.372, Occupations Code, is amended to read as follows:

Sec. 1702.372. RECUSAL OF COMMISSION MEMBER. (a) A commission member who participated in the investigation of a complaint of a violation of this chapter or in informal settlement negotiations regarding the complaint:

(1) may not vote on the matter at a commission meeting related to the complaint; and

(2) shall state at the meeting the reason for which the member is prohibited from voting on the matter.

(b) A statement under Subsection (a)(2) shall be entered into the minutes of the meeting.

SECTION 5.106. Section 1702.381(b), Occupations Code, is amended to read as follows:

(b) A person who contracts with or employs a person who is required to hold a license or security officer commission under this chapter knowing that the person does not hold the required license or security officer commission under this chapter.
endorsement, or commission or who otherwise, at the time of contract or employment, is in violation of this chapter may be assessed a civil penalty to be paid to the state in an amount not to exceed $10,000 for each violation.

SECTION 5.107. Section 1702.386(a), Occupations Code, is amended to read as follows:

(a) A person commits an offense if the person contracts with or employs a person who is required to hold a license, registration, endorsement, or commission under this chapter knowing that the person does not hold the required license, registration, endorsement, or commission or who otherwise, at the time of contract or employment, is in violation of this chapter.

SECTION 5.108. Section 1702.3863(a), Occupations Code, is amended to read as follows:

(a) A person commits an offense if the person contracts with or is employed by a bail bond surety as defined by Chapter 1704 to secure the appearance of a person who has violated Section 38.10, Penal Code, unless the person is:

(1) a peace officer;

(2) an individual licensed as a private investigator or the manager of a licensed investigations company;

(3) a commissioned security officer employed by a licensed guard company.

SECTION 5.109. Section 1702.387(a), Occupations Code, is amended to read as follows:

(a) A person commits an offense if the person fails to
surrender or immediately return to the department [board] the person's [registration,] commission, pocket card, or other identification issued to the person by the department under this chapter [board] on notification of a summary suspension or summary denial under Section 1702.364.

SECTION 5.110. Section 1702.3875(a), Occupations Code, is amended to read as follows:

(a) A person commits an offense if the person:

(1) impersonates a commissioned or noncommissioned security officer with the intent to induce another to submit to the person's pretended authority or to rely on the person's pretended acts of a security officer; or

(2) knowingly purports to exercise any function that requires licensure [registration] as a noncommissioned security officer or a security officer commission.

SECTION 5.111. Section 1702.388(b), Occupations Code, is amended to read as follows:

(b) An offense under this section is a Class A misdemeanor, except that the offense is a felony of the third degree if the person has previously been convicted under this chapter of failing to hold a license, [registration, endorsement,] certificate of insurance, or commission that the person is required to hold under this chapter.

SECTION 5.112. Section 411.042(b), Government Code, is amended to read as follows:

(b) The bureau of identification and records shall:

(1) procure and file for record photographs, pictures,
descriptions, fingerprints, measurements, and other pertinent
information of all persons arrested for or charged with a criminal
offense or convicted of a criminal offense, regardless of whether
the conviction is probated;

(2) collect information concerning the number and
nature of offenses reported or known to have been committed in the
state and the legal steps taken in connection with the offenses, and
other information useful in the study of crime and the
administration of justice, including information that enables the
bureau to create a statistical breakdown of:

(A) offenses in which family violence was
involved;

(B) offenses under Sections 22.011 and 22.021,
Penal Code; and

(C) offenses under Sections 20A.02, 43.02(a),
43.02(b), 43.03, and 43.05, Penal Code;

(3) make ballistic tests of bullets and firearms and
chemical analyses of bloodstains, cloth, materials, and other
substances for law enforcement officers of the state;

(4) cooperate with identification and crime records
bureaus in other states and the United States Department of
Justice;

(5) maintain a list of all previous background checks
for applicants for any position regulated under Chapter 1702,
Occupations Code, who have undergone a criminal history background
check as required by that chapter [under Section 411.119], if the
check indicates a Class B misdemeanor or equivalent offense or a
(6) collect information concerning the number and nature of protective orders and magistrate's orders of emergency protection and all other pertinent information about all persons subject to active orders, including pertinent information about persons subject to conditions of bond imposed for the protection of the victim in any family violence, sexual assault or abuse, stalking, or trafficking case. Information in the law enforcement information system relating to an active order shall include:

(A) the name, sex, race, date of birth, personal descriptors, address, and county of residence of the person to whom the order is directed;

(B) any known identifying number of the person to whom the order is directed, including the person's social security number or driver's license number;

(C) the name and county of residence of the person protected by the order;

(D) the residence address and place of employment or business of the person protected by the order, unless that information is excluded from the order under Article 17.292(e), Code of Criminal Procedure;

(E) the child-care facility or school where a child protected by the order normally resides or which the child normally attends, unless that information is excluded from the order under Article 17.292(e), Code of Criminal Procedure;

(F) the relationship or former relationship between the person who is protected by the order and the person to
whom the order is directed;
(G) the conditions of bond imposed on the person to whom the order is directed, if any, for the protection of a victim in any family violence, sexual assault or abuse, stalking, or trafficking case;
(H) any minimum distance the person subject to the order is required to maintain from the protected places or persons; and
(I) the date the order expires;
(7) grant access to criminal history record information in the manner authorized under Subchapter F;
(8) collect and disseminate information regarding offenders with mental impairments in compliance with Chapter 614, Health and Safety Code; and
(9) record data and maintain a state database for a computerized criminal history record system and computerized juvenile justice information system that serves:
(A) as the record creation point for criminal history record information and juvenile justice information maintained by the state; and
(B) as the control terminal for the entry of records, in accordance with federal law and regulations, federal executive orders, and federal policy, into the federal database maintained by the Federal Bureau of Investigation.
SECTION 5.113. (a) Section 411.119, Government Code, is repealed.
(b) The following provisions of the Occupations Code are
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<td>(22) Section 1702.109;</td>
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(27) Section 1702.120;
(28) Section 1702.121;
(29) Section 1702.181;
(30) Section 1702.225;
(31) Section 1702.227;
(32) Section 1702.228;
(33) Sections 1702.301(a), (d), (e), (f), and (g);
(34) Section 1702.304;
(35) Section 1702.307;
(36) Section 1702.3615;
(37) Section 1702.362;
(38) Sections 1702.364(g), (h), and (i);
(39) Section 1702.371;
(40) Section 1702.385; and
(41) Subchapter Q, Chapter 1702.

SECTION 5.114. (a) On September 1, 2019, the terms of the members serving on the Texas Private Security Board expire and the Texas Private Security Board is abolished.

(b) As soon as practicable after the effective date of this Act, the Public Safety Commission shall appoint members to the Texas Private Security Advisory Committee in accordance with Section 1702.021, Occupations Code, as amended by this Act. A board member whose term expired under Subsection (a) of this section is eligible for reappointment to the advisory committee.

(c) The members of the Texas Private Security Board whose terms expire under Subsection (a) of this section shall continue to provide advice to the Department of Public Safety until a majority
of the members of the Texas Private Security Advisory Committee are appointed under Subsection (b) of this section and qualified.

SECTION 5.115. (a) In this section:

(1) "Commission" means the Public Safety Commission.

(2) "Department" means the Department of Public Safety.

(3) "Former board" means the Texas Private Security Board.

(b) On September 1, 2019:

(1) all functions and activities performed by the former board immediately before that date are transferred to the department;

(2) all rules, fees, policies, procedures, decisions, and forms adopted by the former board are continued in effect as rules, fees, policies, procedures, decisions, and forms of the commission or the department, as applicable, and remain in effect until amended or replaced by the commission or department;

(3) a complaint, investigation, contested case, or other proceeding before the former board that is pending on September 1, 2019, is transferred without change in status to the department or the commission, as appropriate;

(4) all money, contracts, leases, property, and obligations of the former board are transferred to the department;

(5) all property in the custody of the former board is transferred to the department; and

(6) the unexpended and unobligated balance of any money appropriated by the legislature for the former board is
transferred to the department.

(c) The former board shall provide the department with access to any systems or information necessary for the department to accept the program transferred under this Act.

(d) A license, certificate, or other authorization issued by the former board is continued in effect as a license, certificate, or other authorization of the department.

SECTION 5.116. On September 1, 2019, the following expire:

(1) any license, registration, endorsement, or other authorization required to operate as a guard dog company or trainer of a dog used to protect persons or property or to conduct investigations, as described by Chapter 1702, Occupations Code, as that chapter existed immediately before the effective date of this Act; and

(2) any license, registration, endorsement, or other authorization required to operate as a security salesperson, private security consultant, or private security consulting company, as described by Chapter 1702, Occupations Code, as that chapter existed immediately before the effective date of this Act.

SECTION 5.117. As soon as practicable after the effective date of this Act, the Public Safety Commission shall adopt rules necessary to implement the changes in law made by this Act to Chapter 1702, Occupations Code.

SECTION 5.118. The changes in law made by this Act amending Chapter 1702, Occupations Code, do not affect the validity of a disciplinary action or other proceeding that was initiated before the effective date of this Act and that is pending before a court or
SECTION 5.119. (a) A violation of Chapter 1702, Occupations Code, that is repealed or amended by this Act is governed by the law in effect when the violation was committed, and the former law is continued in effect for that purpose.

(b) For purposes of this section, a violation was committed before the effective date of this Act if any element of the violation occurred before that date.

ARTICLE 6. CONDITIONAL TRANSFER OF DRIVER'S LICENSE PROGRAMS FROM DEPARTMENT OF PUBLIC SAFETY TO DEPARTMENT OF MOTOR VEHICLES

SECTION 6.001. Sections 521.001(a)(1-a) and (2), Transportation Code, are amended to read as follows:

(1-a) "Department" means the Texas Department of Motor Vehicles.

(2) "Director" means the executive director of the department.

SECTION 6.002. Section 521.001(c), Transportation Code, is amended to read as follows:

(c) The department by rule may define types of vehicles that are "motorcycles" for the purposes of this chapter, in addition to those defined under Subsection (a)(6-a), and The Texas Department of Motor Vehicles by rule may define the types of vehicles that are "motorcycles" for the purposes of Chapters 501, 502, and 503. This subsection applies only to vehicles manufactured by a manufacturer licensed under Chapter 2301, Occupations Code.

SECTION 6.003. Subchapter A, Chapter 521, Transportation
Code, as amended by adding Section 521.0015 to read as follows:

Sec. 521.0015. STATUTORY REFERENCES. A statutory reference to the Department of Public Safety means the Texas Department of Motor Vehicles if the statutory reference concerns:

(1) the administration of the programs established by this chapter, Chapter 522, and other law that license a person to operate a motor vehicle, as defined by Section 501.002, or a commercial motor vehicle, as defined by Section 522.003, in this state; or

(2) the administration of Chapter 521A.

SECTION 6.004. (a) In this section:

(1) "Former administrator" means the Department of Public Safety.

(2) "Licensing program" means:

(A) the programs established by Chapters 521 and 522, Transportation Code, and other law, that license a person to operate in this state a motor vehicle, as defined by Section 501.002, Transportation Code, or a commercial motor vehicle, as defined by Section 522.003, Transportation Code; and

(B) the program to issue election identification certificates under Chapter 521A, Transportation Code.

(3) "New administrator" means the Texas Department of Motor Vehicles.

(4) "Work group" means the work group established under Subsection (b) of this section.

(b) As soon as practicable after the effective date of this section, the former administrator and the new administrator shall
establish a work group to plan the transfer of the licensing program from the former administrator to the new administrator.

(c) The work group shall:

(1) adopt a transition plan to provide for the orderly transfer of powers, duties, functions, programs, and activities related to the licensing program, including:

(A) a plan that ensures the transfer of the licensing program will be completed on or before August 31, 2021; and

(B) completion dates for substantial phases of the licensing program's transfer;

(2) implement the transition plan described by Subdivision (1) of this subsection; and

(3) provide a quarterly report of the work group's progress in developing and implementing the transition plan described by Subdivision (1) of this subsection to:

(A) the presiding officer of each house of the legislature;

(B) the governor; and

(C) the Sunset Advisory Commission.

(d) To prepare for the transfer, the former administrator shall provide the new administrator with access to any systems, information, property, records, or personnel necessary for the new administrator to administer the licensing program transferred under this article.

(e) As soon as practicable after the effective date of this section:
the new administrator shall study the most effective use of available state and county resources, including personnel, property, and resources potentially available through the adoption of intergovernmental agreements, to administer the licensing program, prioritizing:

(A) administrative efficiency and cost savings; and

(B) accessibility of the licensing program for the citizens of this state, including citizens residing in rural areas of this state; and

(2) the former administrator shall assist in the study described by Subdivision (1) of this subsection as requested by the new administrator.

(f) On September 1, 2021:

(1) all licensing program functions and activities performed by the former administrator immediately before that date are transferred to the new administrator;

(2) all licensing program rules, fees, policies, procedures, decisions, and forms adopted by the former administrator are continued in effect as rules, fees, policies, procedures, decisions, and forms of the new administrator and remain in effect until amended or replaced by the new administrator;

(3) a licensing program complaint, investigation, contested case, or other proceeding before the former administrator that is pending on September 1, 2021, is transferred without change in status to the new administrator;
(4) all licensing program money, contracts, leases, property, and obligations of the former administrator are transferred to the new administrator;

(5) all licensing program property in the custody of the former administrator is transferred to the new administrator; and

(6) the unexpended and unobligated balance of any money appropriated by the legislature to the former administrator for the purpose of administering the licensing program is transferred to the new administrator.

(g) On September 1, 2021, a license, certificate, endorsement, or other form of authorization issued by the former administrator and related to the licensing program is continued in effect as a license, certificate, endorsement, or other form of authorization of the new administrator.

(h) On September 1, 2021, all full-time equivalent employee positions at the former administrator that primarily concern the administration or enforcement of the licensing program become positions at the new administrator.

SECTION 6.005. (a) In this section, "licensing program" means:

(1) the programs established by Chapters 521 and 522, Transportation Code, and other law, that license a person to operate in this state a motor vehicle, as defined by Section 501.002, Transportation Code, or a commercial motor vehicle, as defined by Section 522.003, Transportation Code; and

(2) the program to issue election identification
certificates under Chapter 521A, Transportation Code.

(b) The Department of Public Safety shall enter into an agreement with an independent, third-party contractor to:

(1) conduct a study that examines the opportunities and challenges of transferring the licensing program from the Department of Public Safety to the Texas Department of Motor Vehicles; and

(2) prepare a report containing:

(A) the results of the study conducted under this subsection; and

(B) recommendations on the opportunities and challenges of transferring the program from the Department of Public Safety to the Texas Department of Motor Vehicles.

(c) Not later than September 1, 2020, the contractor shall submit the report prepared under Subsection (b) of this section to the legislature, the governor, the Sunset Advisory Commission, the Department of Public Safety, and the Texas Department of Motor Vehicles.

SECTION 6.006. (a) Subject to Subsection (b) of this section, this article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2019.

(b) Sections 6.001, 6.002, 6.003, and 6.004 of this article take effect only if the report required by Section 6.005 of this article is not submitted within the period prescribed by that
ARTICLE 7. EXPIRATION DATES OF DRIVER'S LICENSES

SECTION 7.001. Section 521.271(a), Transportation Code, is amended to read as follows:

(a) Each original driver's license, provisional license, learner license, or occupational driver's license issued to an applicant who is a citizen, national, or legal permanent resident of the United States or a refugee or asylee lawfully admitted into the United States expires as follows:

1. Except as provided by Section 521.2711, a driver's license expires on the first birthday of the license holder occurring after the eighth [sixth] anniversary of the date of the application;
2. A provisional license expires on the 18th birthday of the license holder;
3. A learner license expires on the 18th birthday of the license holder;
4. An occupational driver's license expires on the first anniversary of the court order granting the license; and
5. Unless an earlier date is otherwise provided, a driver's license issued to a person whose residence or domicile is a correctional facility or a parole facility expires on the first birthday of the license holder occurring after the first anniversary of the date of issuance.

SECTION 7.002. Section 521.421(a), Transportation Code, is amended to read as follows:

(a) The fee for issuance or renewal of a license not
otherwise provided for by this section is $32 (§24).

SECTION 7.003. The changes in law made by this Act to Sections 521.271 and 521.421, Transportation Code, apply only to a driver's license issued or renewed on or after June 1, 2020. A driver's license issued or renewed before June 1, 2020, is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

ARTICLE 8. MOTORCYCLE AND OFF-HIGHWAY VEHICLE OPERATOR TRAINING PROGRAMS

SECTION 8.001. Chapter 662, Transportation Code, is amended by adding Section 662.0005 to read as follows:

Sec. 662.0005. DEFINITIONS. In this chapter:

(1) "Commission" means the Texas Commission of Licensing and Regulation.

(2) "Department" means the Texas Department of Licensing and Regulation.

(3) "Instructor" means an individual who holds a license issued under this chapter that entitles the individual to provide instruction on motorcycle operation and safety as an employee of a motorcycle school.

(4) "Motorcycle school" means a person who holds a license issued under this chapter that entitles the person to offer and conduct courses on motorcycle operation and safety for consideration as part of the motorcycle operator training and safety program.

SECTION 8.002. Section 662.001, Transportation Code, is amended to read as follows:
Sec. 662.001. ADMINISTRATION OF PROGRAM [DESIGNATED STATE AGENCY]. The department [governor] shall [designate a state agency to establish and] administer a motorcycle operator training and safety program and enforce the laws governing the program.

SECTION 8.003. The heading to Section 662.002, Transportation Code, is amended to read as follows:

Sec. 662.002. PURPOSE OF PROGRAM [CURRICULUM].

SECTION 8.004. Section 662.003, Transportation Code, is amended to read as follows:

Sec. 662.003. PROGRAM DIRECTOR. The department [designated state agency] shall employ as program director a person who is certified as a chief instructor by the Motorcycle Safety Foundation.

SECTION 8.005. Chapter 662, Transportation Code, is amended by adding Sections 662.0033, 662.0035, and 662.0037 to read as follows:

Sec. 662.0033. MINIMUM CURRICULUM STANDARDS. (a) The commission by rule shall establish minimum curriculum standards for courses provided under the motorcycle operator training and safety program.

(b) The department shall approve all courses that meet the curriculum standards established under Subsection (a).

(c) In establishing the minimum curriculum standards for entry-level courses, the commission shall consider the standards for motorcycle operator training and safety courses adopted by the National Highway Traffic Safety Administration.

Sec. 662.0035. FEES. (a) The commission may set fees in
amounts reasonable and necessary to cover the costs of administering this chapter.

(b) The renewal fee for a motorcycle school license may not exceed $100.

(c) The renewal fee for an instructor license may not exceed $50.

Sec. 662.0037. MOTORCYCLE SAFETY ADVISORY BOARD. (a) The commission shall establish an advisory board to advise the department on matters related to the motorcycle operator training and safety program established under this chapter.

(b) The advisory board must consist of nine members appointed by the presiding officer of the commission, on approval of the commission, as follows:

(1) three members:
   (A) each of whom must be a licensed instructor or represent a licensed motorcycle school; and
   (B) who must collectively represent the diversity in size and type of the motorcycle schools licensed under this chapter;

(2) one member who represents the motorcycle dealer retail industry;

(3) one representative of a law enforcement agency;

(4) one representative of the Texas A&M Transportation Institute;

(5) one representative of the Texas A&M Engineering Extension Service; and

(6) two public members who hold a valid Class M
driver's license issued under Chapter 521.

(c) The advisory board members serve staggered six-year terms.

(d) Chapter 2110, Government Code, does not apply to the advisory board.

(e) The department may call a joint meeting of the advisory board and the advisory committee established under Section 1001.058, Education Code, for the committees to collaborate on matters determined by the department.

SECTION 8.006. Section 662.005, Transportation Code, is amended to read as follows:

Sec. 662.005. CONTRACTS. (a) The department [designated state agency] may [license or] contract with a motorcycle school for the school [qualified persons] to:

(1) offer and conduct motorcycle operator training and safety courses under the [administer or operate the motorcycle operator training and safety] program; or

(2) research motorcycle safety in this state.

(b) The department may only execute a contract under this section after consulting with the motorcycle safety advisory board regarding the contract.

SECTION 8.007. Section 662.006(a), Transportation Code, is amended to read as follows:

(a) A person may not offer or conduct training in motorcycle operation for consideration unless the person:

(1) is licensed as a motorcycle school under this chapter;
(2) offers and conducts training in accordance with a motorcycle operator training curriculum approved by the department; and

(3) employs an instructor licensed under this chapter to conduct the training [by or contracts with the designated state agency].

SECTION 8.008. Chapter 662, Transportation Code, is amended by adding Sections 662.0062, 662.0064, 662.0066, and 662.0068 to read as follows:

Sec. 662.0062. ELIGIBILITY; APPLICATION. (a) To be eligible for an instructor license, an applicant must:

(1) have completed a commission-approved training program on motorcycle operator training and safety instruction administered by the Texas A&M Engineering Extension Service;

(2) have held for the two years preceding the date of submitting the application a valid driver's license that entitles the applicant to operate a motorcycle on a public road; and

(3) have accumulated less than 10 points under the driver responsibility program established by Chapter 708.

(b) The commission by rule may adopt additional requirements for issuance of an instructor license.

(c) To be eligible for a motorcycle school license, an applicant must meet the minimum standards established by commission rule for:

(1) health and safety;

(2) the school's facility; and

(3) consumer protection.
The department shall issue a license to an applicant who meets the eligibility requirements established under this chapter and department rule.

The department may prescribe an application form for applicants to submit when applying for a license under this section.

Sec. 662.0064. INSTRUCTOR TRAINING; ADMINISTRATOR. The Texas A&M Engineering Extension Service, in consultation with the department, shall administer the training program required by Section 662.0062(a)(1).

Sec. 662.0066. ALTERNATIVE QUALIFICATIONS. The department shall issue a license to an applicant who holds a similar license issued by another jurisdiction with licensing requirements substantially equivalent to the requirements of this state. The commission may adopt rules to implement this section.

Sec. 662.0068. PROGRAM CERTIFICATES. The department shall issue a certificate of completion to a person who completes a department-approved motorcycle operator training and safety course conducted by a motorcycle school on receipt of notice from the motorcycle school that conducted the course.

SECTION 8.009. Section 662.008, Transportation Code, is amended to read as follows:

Sec. 662.008. DENIAL, SUSPENSION, OR REVOCATION [CANCELLATION] OF INSTRUCTOR OR MOTORCYCLE SCHOOL LICENSE [APPROVAL]. (a) The department [designated state agency] may deny an application for, suspend, or revoke a license issued [cancel its approval for a program sponsor to conduct or for an instructor to
teach a course offered under this chapter if the applicant, instructor, or motorcycle school sponsor:

(1) does not satisfy the requirements established under this chapter to receive or retain the license [approval];
(2) permits fraud or engages in a fraudulent practice with reference to an application for [to] the license [agency];
(3) induces or countenances fraud or a fraudulent practice by a person applying for a driver's license or permit;
(4) permits fraud or engages in a fraudulent practice in an action between the applicant or license holder and the public; or
(5) fails to comply with this chapter or rules adopted under this chapter [of the state agency].

(b) Following denial of an application for a license or the [suspension or] revocation of a license issued under this chapter [cancellation of the approval of a program sponsor or an instructor], notice and opportunity for a hearing must be given as provided by:

(1) Chapter 2001, Government Code; and
(2) Chapter 53, Occupations Code.

SECTION 8.010. Section 662.009, Transportation Code, is amended to read as follows:

Sec. 662.009. RULES. The commission [designated state agency] may adopt rules to administer this chapter.

SECTION 8.011. Section 662.010, Transportation Code, is amended to read as follows:

Sec. 662.010. NONAPPLICABILITY OF CERTAIN OTHER LAW.
Chapter 1001, Education Code [332, Acts of the 60th Legislature, Regular Session, 1967 (Article 4413(29c), Vernon's Texas Civil Statutes)], does not apply to training offered or conducted under this chapter.

SECTION 8.012. Section 662.011, Transportation Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) Money deposited to the credit of the motorcycle education fund account may be used only to defray the cost of:

(1) administering the motorcycle operator training and safety program; [and]

(2) conducting the motorcyclist safety and share the road campaign described by Section 201.621; and

(3) administering the grant program under Section 662.0115.

(d) The department may apply for and accept gifts, grants, and donations from any organization to be deposited in the motorcycle education fund account for the purpose of improving motorcycle safety in this state.

SECTION 8.013. Chapter 662, Transportation Code, is amended by adding Section 662.0115 to read as follows:

Sec. 662.0115. MOTORCYCLE SAFETY GRANT PROGRAM. (a) Using money from the motorcycle education fund account, the department may establish and administer a grant program to improve motorcycle safety in this state.

(b) The department may award a person a grant to:

(1) promote the motorcycle operator training and
safety program or any other motorcycle safety program in this state;

(2) increase the number of individuals seeking motorcycle operator training or licensure as an instructor to conduct motorcycle operator training; or

(3) support any other goal reasonably likely to improve motorcycle safety in this state.

(c) To administer the grant program, the department shall prescribe:

(1) grant application procedures;

(2) guidelines relating to grant amounts; and

(3) criteria for evaluating grant applications.

(d) The department may only award a grant after consulting with the motorcycle safety advisory board regarding the grant application.

SECTION 8.014. Section 662.012, Transportation Code, is amended to read as follows:

Sec. 662.012. REPORTS. (a) The department [designated state agency] shall require each motorcycle school [provider of a motorcycle operator training and safety program] to compile and forward to the department [agency] each month a report on the school's [provider's] programs. The report must include:

(1) the number and types of courses provided in the reporting period;

(2) the number of persons who took each course in the reporting period;

(3) the number of instructors available to provide
training under the school's [provider's] program in the reporting period;

(4) information collected by surveying persons taking each course as to the length of any waiting period the person experienced before being able to enroll in the course;

(5) the number of persons on a waiting list for a course at the end of the reporting period; and

(6) any other information the department [agency] reasonably requires.

(b) The department [designated state agency] shall maintain a compilation of the reports submitted under Subsection (a) on a by-site basis. The department [agency] shall update the compilation as soon as practicable after the beginning of each month.

(c) The department [designated state agency] shall provide without charge a copy of the most recent compilation under Subsection (b) to any member of the legislature on request.

SECTION 8.015. Chapter 662, Transportation Code, is amended by adding Section 662.013 to read as follows:

Sec. 662.013. RESEARCH, ADVOCACY, AND EDUCATION. The Texas A&M Transportation Institute, in consultation with the department, shall:

(1) research motorcycle safety in this state;

(2) provide advocacy on motorcycle safety issues in this state; and

(3) provide education to the public on motorcycle safety issues in this state.
amended by amending Subdivision (1-b) and adding Subdivisions (1-c) and (1-d) to read as follows:

(1-b) "Commission" means the Texas Commission of Licensing and Regulation.

(1-c) "Department" means the Texas Department of Licensing and Regulation.

(1-d) "Off-highway vehicle" means:

(A) an all-terrain vehicle or recreational off-highway vehicle, as those terms are defined by Section 502.001; or

(B) a utility vehicle.

SECTION 8.017. Section 663.011, Transportation Code, is amended to read as follows:

Sec. 663.011. ADMINISTRATION [DESIGNATED DIVISION OR STATE AGENCY]. The department [governor] shall designate a division of the governor's office or a state agency to establish and administer an off-highway vehicle operator education and certification program and enforce the laws governing the program.

SECTION 8.018. Section 663.013, Transportation Code, is amended to read as follows:

Sec. 663.013. PROGRAM STANDARDS [OFF-HIGHWAY VEHICLE SAFETY COORDINATOR]. (a) The department [designated division or state agency] shall employ an off-highway vehicle safety coordinator.

[(b) The coordinator] shall supervise the off-highway
vehicle operator education and certification program and shall determine:

(1) locations at which courses will be offered;
(2) fees for the courses;
(3) qualifications of instructors;
(4) course curriculum; and
(5) standards for operator safety certification.

(b) In establishing standards for instructors, curriculum, and operator certification, the department shall consult and be guided by standards established by recognized off-highway vehicle safety organizations.

SECTION 8.019. Section 663.014, Transportation Code, is amended to read as follows:

Sec. 663.014. CONTRACTS. To administer the education program and certify off-highway vehicle operators, the department may contract with nonprofit safety organizations, nonprofit educational organizations, or agencies of local governments.

SECTION 8.020. Section 663.015(a), Transportation Code, is amended to read as follows:

(a) If the department determines that vehicle operation is not feasible in a program component or at a particular program location, the operator education and certification program for persons who are at least 14 years of age may use teaching or testing methods that do not involve the actual operation of an off-highway vehicle.

SECTION 8.021. Section 663.017, Transportation Code, is
amended to read as follows:

Sec. 663.017. DENIAL, SUSPENSION, OR CANCELLATION OF APPROVAL. (a) The department [designated division or state agency] may deny, suspend, or cancel its approval for a program sponsor to conduct or for an instructor to teach a course offered under this chapter if the applicant, sponsor, or instructor:

(1) does not satisfy the requirements established under this chapter to receive or retain approval;

(2) permits fraud or engages in fraudulent practices with reference to an application to the department [division or agency];

(3) induces or countenances fraud or fraudulent practices by a person applying for a driver's license or permit;

(4) permits or engages in a fraudulent practice in an action between the applicant or license holder and the public; or

(5) fails to comply with rules of the department [division or agency].

(b) Before the department [designated division or agency] may deny, suspend, or cancel the approval of a program sponsor or an instructor, notice and opportunity for a hearing must be given as provided by:

(1) Chapter 2001, Government Code; and

(2) Chapter 53, Occupations Code.

SECTION 8.022. Section 663.018, Transportation Code, is amended to read as follows:

Sec. 663.018. RULES. The commission [designated division or state agency] may adopt rules to administer this chapter.
SECTION 8.023. Section 663.019, Transportation Code, is amended to read as follows:

Sec. 663.019. EXEMPTIONS. The commission [designated division or state agency] by rule may temporarily exempt the residents of any county from Section 663.015 or from Section 663.031(a)(1) until the appropriate education and certification program is established at a location that is reasonably accessible to the residents of that county.

SECTION 8.024. Section 663.033(d), Transportation Code, is amended to read as follows:

(d) The department [coordinator] may exempt off-highway vehicles that are participating in certain competitive events from the requirements of this section.

SECTION 8.025. Section 663.037(e), Transportation Code, is amended to read as follows:

(e) The executive director of the department [Department of Public Safety] shall adopt standards and specifications that apply to the color, size, and mounting position of the flag required under Subsections (d)(2) and (g)(2).

SECTION 8.026. Sections 662.002(b), 662.004, and 662.007, Transportation Code, are repealed.

SECTION 8.027. (a) In this section:

(1) "Department" means the Department of Public Safety.

(2) "Program" means the motorcycle operator training and safety program established under Chapter 662, Transportation Code, as that chapter existed before the effective date of this Act.
(b) As soon as practicable after the effective date of this article and not later than August 31, 2019, the department shall dispose of motorcycles and other equipment related to the program that the department possesses or has leased to entities offering training under the program. The plan must conform with the requirements of Subsection (c) of this section.

(c) The department shall dispose of the motorcycles and other equipment related to the program in the following manner:

(1) the department shall provide to any entity to whom the department leased a motorcycle or other equipment related to the program a reasonable period determined by the department to purchase from the department or return the motorcycle or other equipment;

(2) after the expiration of the period described by Subdivision (1) of this subsection, the department shall:
   (A) determine the need of the Texas Department of Licensing and Regulation, the Texas A&M Transportation Institute, and the Texas A&M Engineering Extension Service for motorcycles and other equipment necessary to provide motorcycle operator training for the instructors under the program; and
   (B) subject to the need determined under Paragraph (A) of this subdivision and the availability of motorcycles and other equipment related to the program, transfer the motorcycles and equipment to the Texas Department of Licensing and Regulation, institute, or service under that paragraph, as applicable; and

(3) after the determination and any transfer under
Subdivision (2) of this subsection, sell any remaining motorcycles and related equipment of the program in accordance with Chapter 2175, Government Code.

(d) All revenue generated by the disposition of motorcycles and other equipment related to the program under this section shall be deposited in the motorcycle education fund account established under Section 662.011, Transportation Code.

(e) Not later than August 31, 2019, the department and the Texas Department of Licensing and Regulation shall enter into a memorandum of understanding regarding any property acquired by the department by lease or purchase using money from the motorcycle education fund account established under Section 662.011, Transportation Code, to ensure that the Department of Public Safety appropriately compensates the fund for those assets.

SECTION 8.028. (a) In this section:

(1) "Former administrator" means the Texas Department of Public Safety.

(2) "Licensing commission" means the Texas Commission of Licensing and Regulation.

(3) "Licensing department" means the Texas Department of Licensing and Regulation.

(4) "Program" means the:

(A) motorcycle operator training and safety program under Chapter 662, Transportation Code; and

(B) off-highway vehicle operator education and certification program under Chapter 663, Transportation Code.

(b) On September 1, 2019:
(1) all functions and activities related to the program performed by the former administrator immediately before that date are transferred to the licensing department;

(2) all rules, fees, policies, procedures, decisions, and forms related to the program adopted by the former administrator are continued in effect as rules, fees, policies, procedures, decisions, and forms of the licensing commission or the licensing department, as applicable, and remain in effect until amended or replaced by the licensing commission or licensing department;

(3) a complaint, investigation, contested case, or other proceeding related to the program before the former administrator that is pending on September 1, 2019, is transferred without change in status to the licensing department or the licensing commission, as appropriate;

(4) all money, contracts, leases, property, and obligations related to the program of the former administrator are transferred to the licensing department;

(5) all property related to the program in the custody of the former administrator is transferred to the licensing department; and

(6) the unexpended and unobligated balance of any money appropriated by the legislature for the former administrator for the purpose of administering the program is transferred to the licensing department.

(c) The former administrator shall provide the licensing department with access to any systems or information necessary for
the department to accept the program transferred under this Act.

(d) A license or certificate issued by the former administrator is continued in effect as a license or certificate of the licensing department.

(e) On September 1, 2019, all full-time equivalent employee positions at the former administrator that primarily concern the administration or enforcement of the program become positions at the licensing department.

SECTION 8.029. (a) Except as provided by Subsection (b) of this section, this article takes effect September 1, 2019.

(b) Section 8.027 of this article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, Section 8.027 takes effect on the 91st day after the last day of the legislative session.

ARTICLE 9. EFFECTIVE DATE

SECTION 9.001. Except as otherwise provided by this Act, this Act takes effect September 1, 2019.