

LEGISLATIVE UPDATE:
SIGNIFICANT BILLS OF THE 83RD TEXAS LEGISLATURE, REGULAR SESSION
AFFECTING REAL ESTATE, LENDING
AND OTHER COMMERCIAL MATTERS



REAL ESTATE LEGISLATIVE AFFAIRS COMMITTEE
REAL ESTATE, PROBATE AND TRUST LAW SECTION
STATE BAR OF TEXAS
FINAL REPORT

JUNE 20, 2013

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I. INTRODUCTION

This report is the final report of the Real Estate Legislative Affairs Committee of the Real Estate, Probate and Trust Law Section of the State Bar of Texas (“RELACs”). This report summarizes significant bills passed during the Regular Session of the 83rd Texas Legislature affecting real estate, mortgage lending, and other business and commercial issues of interest to Texas real estate law practitioners.

During the Session, Texans’ elected representatives introduced 5,885 bills. Among those bills, RELACs identified over 2,000 to track throughout the Session. From among the bills that were being tracked and passed, RELACs chose for inclusion in this report 159 bills that were believed would be of general interest to practitioners of Texas real estate law.

This report categorizes bill summaries by code in alphabetical order. Some bills may be broad enough in scope to justify placement under multiple codes and/or under multiple titles within a code; however, in the interest of brevity, each bill summary appears in this report only once, under the primarily affected code and title. Consequently, we encourage the reader to carefully review the entire report to ensure recognition of every bill of relevance to a particular topic.

Bill captions in this report are copied from the actual legislation. However, neither the bill caption nor RELACs’ general summary can address all relevant aspects of each bill. Rather, this report serves only to alert the reader to each bill’s general scope and effect. The reader must choose which bills, if any, merit closer scrutiny for their potential effect on his or her practice.

II. EFFECTIVE DATES

Pursuant to Section 39, Article III, of the Texas Constitution, the effective date of acts without specific effective dates (and without provisions for immediate effect) passed by the Legislature in regular session is ninety-one days after adjournment of the regular session. For the 83rd Legislature’s Regular Session this date is Monday, August 26, 2013. If, however, a bill has a provision for immediate effect and is passed by a two-thirds majority in each of the

House and Senate, then the bill becomes law immediately upon: (a) the date the Governor signs it, (b) the date the Governor files it with the Secretary of State (with neither signature, nor veto), (c) in the absence of signing or filing, the date the deadline for gubernatorial action expires, or (d) if the Governor vetoes the bill, the date the Legislature overrides the veto.

To reduce the potential for confusion and uncertainty as to effective dates, this report states the earliest effective date for each summarized bill as reported by the Texas Legislative Service on its website. RELACs advises the reader to review these effective dates, in that a substantial number of bills included in this report have effective dates prior to Monday, August 26, 2013. Note as well that different portions of a bill may have different effective dates. The summaries in this report do not necessarily indicate all effective dates within a bill.

III. ACKNOWLEDGMENTS

RELACs is almost entirely dependent on volunteer efforts from members of the Texas real estate lawyers community. Without these lawyers’ collective efforts, this report would not be feasible. Each of these lawyers has given RELACs scores of hours he or she may have otherwise spent in countless different (and, most likely, less arduous) pursuits. The Bar is richer for their service. RELACs for the 83rd Texas Legislature is:

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IV. INTERNET RESOURCES

Bills from the 83rd Texas Legislature can be accessed the official website for the Texas legislature at:

<http://www.capitol.state.tx.us>.

Additionally, this report hyperlinks each bill summary to the final, enrolled version of the bill as posted on the Texas Legislature's website. Simply click on the bill heading and the enrolled bill will appear in your web browser.

V. SUMMARIES OF NEW LEGISLATION

AGRICULTURE CODE

Title 2. Department of Agriculture

Senate Bill 1214

Relating to certain economic development programs administered by the Department of Agriculture.

Amends Texas Agriculture Code, Sections 12.027, 44.007 and 502.404; repeals Section 12.040 and adds Section 12.0272

Author: Schwertner Sponsor: Darby

Enhances the Texas Department of Agriculture's economic development programs. Allows the department to seek funding to support economic development. Creates the Texas Economic Development Fund in order to receive federal funds received pursuant to federal programs. Allows the Department to segregate returns from federal programs to be deposited for use in programs of the Department which are aligned with the federal government. Updates various sections dealing with the Texas Agriculture Finance Authority and expands the TAFA's authority and flexibility. Rural businesses are now able to apply for interest rate reduction programs funded through new economic development programs.

Effective Date: September 1, 2013

Title 6. Production, Processing, and Sale of Animal Products

House Bill 1819

Relating to the liability for injuring a trespassing sheep or goat.

Amends Texas Agriculture Code, Section 143.033

Author: Kascal Sponsor: Seliger

Imposes liability on a person with inadequate fences for damages if he maims, wounds or kills a trespassing sheep or goat including using a dog or a gun for such actions. Such persons

(inadequate fence maintainers) were already liable for similarly injuring or killing trespassing cows, horses, mules, jacks, and jennies. Liability also arises if the person procures a third party to do the maiming, wounding or killing, including by use of a gun or a dog. Presumably a person with good fences has no liability if he or she maims, wounds or kills a trespassing animal.

Effective Date: September 1, 2013

Senate Bill 174

Relating to the control of stray bison and other estrays.

Amends Texas Agriculture Code, Section 142.001(1) and adds Subdivision (2)

Author: Estes Sponsor: Anderson

Includes "bison" within the definition of "estrays" which means stray animals found on public property. When stray bison are found on public property, sheriff is to notify the owner of the stray bison and its location. However, if the stray bison is determined to be dangerous to the public or if its owner doesn't immediately remove the bison, the sheriff may immediately impound the bison. If a "perilous condition" exists (i.e., the capture and impoundment of the stray bison threatens law enforcement personnel or other animal), the sheriff may "dispose" of the animal by any means without notifying the owner and without attempting to impound the animal. Sheriff must make a written report of such disposition. Amendment expands the law regarding estrays, impoundment and disposition previously applicable to livestock, exotic livestock and exotic fowl.

Effective Date: May 10, 2013

Title 7. Soil and Water Conservation

House Bill 2153

Relating to the abolition of wind erosion conservation districts.

Repeals Texas Agriculture Code, Chapter 202

Author: Callegari Sponsor: Garcia

Requires the county judge of each county in which there remains a wind erosion conservation district (which were created pursuant to a 1981 law) to proceed with the dissolution of such district, sale of its property, payment of its debts, and the transfer of the district's remaining property to the county where the district was located.

Effective Date: June 14, 2013

BUSINESS AND COMMERCE CODE

Title 1. Uniform Commercial Code

Senate Bill 230

Relating to the applicability of state law governing funds transfers to certain remittance transfers.

Amends Business & Commerce Code Section 4A.108

Author: Carona Sponsor: Deshotel

Provides that inconsistencies between state and federal law regarding certain wire transfers will be governed by the federal Electronic Fund Transfer Act to the extent of the inconsistency.

Effective Date: September 1, 2013

Senate Bill 474

Relating to financing statement and other records under the secured transactions law.

Amends Texas Business & Commerce Code, Section 9.516(b)

Author: Carona Sponsor: Villarreal

Deletes requirements in UCC statement amendments of certain details identifying information previously required for debtors who are entities.

Effective Date: September 1, 2013

Title 5. Regulation of Business and Services

Senate Bill 699

Relates to the contents of an assumed name certificate filed by certain businesses or professionals.

Amends Texas Business & Commerce Code, Section 71.102

Author: Carona Sponsor: Villalba

Eliminates the requirement in an assumed name certificate for disclosure of the registered address of the registrant. Only the street or mailing address of the registrant's principal office is now required.

Effective Date: September 1, 2013

BUSINESS ORGANIZATIONS CODE

Title 1. General Provisions

Senate Bill 847

Relating to business entities and associations

Amends Texas Business & Commerce Code, Sections 3.059, 7.001, 11.052, 21.301, 101.052, 101.605, 101.609, 101.622, 154.104; repeals Section 24.003(c)

Author: Carona Sponsor: Oliveira

With respect to restated certificates of formation making new amendments, deletes the requirement that such restated certificate of formation identify all of the added, altered and deleted provisions. Provides that a general partner's personal liability to its other partners for acts or omissions as a governing person may be limited or eliminated by language in the partnership agreement. Provides that a limited partnership or a limited liability company may limit the liability of its governing persons. Exempts general partnerships from certain notices to creditors in the event of a winding up. Changes the definition of "distribution limit" for a consuming assets corporation. Adds provisions that limited liability company agreements and partnership agreements may extend rights to third persons though such third

persons are not parties to such agreements. Clarifies the rights of a series limited liability company with respect to acquiring real property and exercise powers necessary to achieve its business purposes. Extends the powers of governing persons and officers of other business entities to persons governing a series of a limited liability company. Clarifies that a series limited liability company is not a separate entity though it has the rights, powers and duties of a business entity. Deletes the definition of “insolvency” for a partnership, which previously said if its debts exceed the fair market value of the aggregate of the partnership’s assets and the excess of the general partner’s non-partnership assets over its non-partnership debt.

Effective Date: September 1, 2013

Senate Bill 849

Relating to social purposes of a for-profit corporation and the consideration of social purposes and other interests by officers and directors of a for-profit corporation.

Adds to and amends various sections of Texas Business Organizations Code, Chapters 1, 3, and 21

Author: Carona Sponsor: Oliveira

Adds the broadly defined term “social purposes” to the lists of purposes that may be listed in a for-profit corporation’s certificate of formation. Adds that “social purposes” may be a required consideration of officers and directors in discharging their duties. Provides that shareholders’ agreements may contain requirements that the social purposes of the corporation must be considered by officers directors and employees in taking certain actions. Also allows officers or directors of corporations without “social purposes clauses” in their charters to consider or take actions that promote a social, charitable or environmental purpose.

Effective Date: September 1, 2013

CIVIL PRACTICE AND REMEDIES CODE

Title 2. Trial, Judgment, and Appeal

House Bill 1874

Relating to an appeal from an interlocutory order of certain courts.

Amends Civil Practice and Remedies Code, Section 51.014(a)

Author: Lewis Sponsor: Rodriguez

Adds the statutory probate court to the list of courts from which an appeal of an interlocutory order may be made.

Effective Date: September 1, 2013

House Bill 2978

Relating to procedures for expedited judicial foreclosure proceedings.

Adds Civil Practices and Remedies Code Sections 17.031 and 154.028, and adds Government Code Section 22.018

Author: Parker Sponsor: Paxton

Requires service of citation for power of sale application under expedited court order to be completed in accordance with Texas Rules of Civil Procedure 736 or 106 or in any other manner provided for petitions under Texas Rules of Civil Procedure. Establishes procedures for court required mediation in a matter involving expedited foreclosure of real property. Requires Supreme Court to promulgate certain forms for use in expedited foreclosure proceedings.

Effective Date: June 14, 2013

Senate Bill 422

Relating to service of citation on a financial institution.

Adds to and amends Civil Practice and Remedies Code, Section 17.028

Author: Duncan Sponsor: Darby

Clarifies citation and delivery of service with respect to a financial institution, a credit union and a customer of a financial institution.

Effective Date: May 2, 2013

Title 4. Liability in Tort

House Bill 200

Relating to liability of certain electric utilities that allow certain uses of land that the electric utility owns, occupies, or leases.

Amends Civil Practice and Remedies Code, Sections 51.014(a), 75.0021(c), and 75.003(b); adds Civil Practice and Remedies Code, Section 75.0022

Author: Murphy

Sponsor: Ellis

Adds a provision to Section 51.014(a) granting a person the right of appeal of an interlocutory order of a district court, county court at law, or a county court that denies a motion for summary judgment filed by an electric utility regarding liability in a suit subject to Section 75.0022. Amends Section 75.0021(c) by limiting application of the section to a county having a population equal to or greater than 800,000 and located on the international border and deleting existing application of the provision to a municipal utility district with a population of more than 1.9 million. Section 75.0021 limits the liability of certain electric utilities that enter into an agreement with a municipality, county, or political subdivision whereby such public utility districts do not assume responsibility or incur liability beyond that provided by Chapter 75 of the Civil Practice and Remedies Code to a third party who enters the premises for recreation to the extent the municipality, county, or political subdivision purchases a general liability insurance policy in amounts required by Chapter 75 of the Civil Practice and Remedies Code insuring the electric utility for liability arising from the condition of the premises for such recreational use. Adds Section 75.0022, which limits the liability of an electric utility located in a county with a population of four million (Harris County) or more when the electric utility enters into a written agreement with a political subdivision to allow public access to and recreational use of a premises

owned, leased, or occupied by such electric utility. Specifically excludes the doctrine of attractive nuisance from a claim subject to this section.

Effective Date: May 16, 2013

Title 6. Miscellaneous Provisions

House Bill 403

Relating to liability of certain certified municipal inspectors for services rendered during an emergency or disaster.

Amends Civil Practices & Remedies Code Section 150.001; Adds Civil Practices & Remedies Code Section 150.004

Author: Davis

Sponsor: Ellis

Adds definition of “certified municipal inspector” to include inspectors certified by a national model code group or plumber licensed by Texas. Relieves certified municipal inspector of liability for civil damages related to the inspector’s actions during an inspection performed during a disaster or emergency unless the inspector was grossly negligent.

Effective Date: June 14, 2013

House Bill 586

Relating to the waiver of sovereign immunity for certain design and construction claims arising under written contracts with state agencies.

Adds Civil Practice and Remedies Code, Chapter 114; amends Government Code, Sections 2260.002; amends various sections Government Code, Chapter 2001

Author: Workman

Sponsor: Deuell

Waives sovereign immunity to suit for certain claims of breach of a written contract for engineering, architectural, or construction services in which the amount in controversy is not less than \$250,000. Limits the total amount awarded in a lawsuit to (1) the amount owed by the state agency under contract as it may have been amended, including compensation for increased cost to perform the work as a direct result of owner-caused delays or acceleration if

the contract expressly provides for such compensation; (2) the amount owed for written change orders; (3) reasonable and necessary attorney's fees if the contract expressly provides for recovery of attorney's fees; (4) interest specified by the contract or the rate provided by the Finance Code not exceeding 10 percent. Excludes from damages (1) consequential damages; (2) exemplary damages; or (3) damages for "unabsorbed home office overhead." Requires enforcement of contractual adjudication procedures except to the extent such procedures conflict with this chapter. Excludes waiver of sovereign immunity to a claim for negligence, fraud, tortious interference with a contract, or any other tort. Exempts employment contracts between a state agency and an agency employee. Provides that satisfaction and payment of judgments under this chapter may not be paid from general revenue appropriated to the state or agency unless funds are specifically appropriate for such purpose; and state or any agency, department, or office of the state is not subject to satisfaction of a judgment under this chapter. Provides Chapter 114 as the exclusive remedy for a claim to which this chapter applies, and such a claim may not be brought under Government Code Chapter 2260 pertaining to contracts for goods and services or for a project defined under Section 2166.001. Requires that each state agency report the cost of defense in an adjudication of a claim subject to this chapter.

Amends Section 2260.002 of the Government Code by adding a provision to exclude claims for breach of contract to which Chapter 114 of the Civil Practice and Remedies Code applies.

Effective Date: September 1, 2013

House Bill 1188

Relating to limiting the liability of persons who employ persons with criminal convictions.

Adds Civil Practice and Remedies Code, Chapter 142

Author: Thompson Sponsor: Whitmire

Limits liability for hiring a person, other than an independent contractor as defined by Section 91.001 of the Labor Code, by providing that a

lawsuit "may not be brought against an employer, general contractor, premises owner, or other third party solely for negligently hiring or failing to adequately supervise an employee, based on evidence that the employee has been convicted of an offense." Does not prohibit a cause of action for negligent hiring or failure to provide adequate supervision if: (1) the employer, general contractor, premises owner or other third party knew or should have known of the conviction; and (2) the employee was convicted of: (a) an offense while performing duties substantially similar to those reasonably expected to be performed; (b) those offenses listed in Section 3g, Article 42.12 of the Code of Criminal Procedure; or (c) a sexually violent offense as defined by Article 62.001 of the Code of Criminal Procedure. Exempts from limitation suits for the misuse of funds or property of a person other than the employer, general contractor, premises owner, or other third party if on the date the employee was hired, the employee had been convicted of a crime that includes fraud or the misuse of funds or property as an element of the offense, and it was foreseeable that the position would involve management of funds or property.

Effective Date: June 14, 2013

Senate Bill 958

Relating to the liability of certain special-purpose districts or authorities providing water to a purchaser for the generation of electricity.

Adds Civil Practice and Remedies Code, Chapter 113

Author: Fraser Sponsor: Keffer

Waives sovereign immunity for breach of contract, but not actions for negligent or intentional torts, by a local district or authority that enters into a written contract to provide water to a purchaser for use in generating electricity. Provides for any remedy for breach of contract not inconsistent with the contract, including costs to cover and for specific performance, but excludes consequential and exemplary damages.

Effective Date: June 14, 2013

CONSTITUTION

House Joint Resolution 24

Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization.

Amends Texas Constitution, Article VIII, Section 1-b

Author: Perry Sponsor: Van de Putte

Authorizes legislature to allow partially disabled veterans who receive a home from a charitable organization to receive ad valorem tax exemption on his/her residential homestead property equal to the percentage of veteran's disability. Defines "partially disabled" veteran. Allows legislature to create additional eligibility requirements for such an exemption.

Effective Date: January 1, 2014, if constitutional amendment is approved by voters

House Joint Resolution 62

Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action.

Amends Texas Constitution, Article VIII, Section 1-b

Author: Turner Sponsor: Van de Putte

Authorizes legislature to allow ad valorem tax exemption of residential homestead property owned by surviving spouse of service member killed in action. Provides that, should surviving spouse acquire different residential homestead property, the ad valorem tax exemption applies to newly-acquired residential homestead in the dollar amount equal to the dollar amount of the

exemption on the previous homestead on which the exemption was received.

Effective Date: January 1, 2014, if constitutional amendment is approved by voters

Senate Joint Resolution 1

Proposing a constitutional amendment for the creation of the State Water Implementation Fund for Texas and the State Water Implementation Revenue Fund for Texas to assist in the financing of priority projects in the state water plan.

Amends Texas Constitution, Article III, by adding Sections 49-d-12 and 49-d-13

Author: Williams Sponsor: Pitts/Ritter

Creates the State Water Implementation Fund (SWIF) and the State Water Implementation Revenue Fund (SWIRF), which funds will be separate from the general revenue fund and used exclusively to facilitate the financing of water projects. Allows the legislature to authorize the Texas Water Development Board to (i) enter into general obligation or revenue bond enhancement agreements payable from SWIF funds; (ii) issue revenue bonds payable from SWIRF funds; and (ii) use SWIF funds to make direct loans to finance water projects.

Effective Date: January 1, 2014, if constitutional amendment is approved by voters

FAMILY CODE

Title 1. The Marriage Relationship

House Bill 389

Relating to the enforcement of spousal maintenance and property distribution agreements incident to divorce or annulment.

Amends Family Code Sections 8.059, 8.101, 9.001(a), 9.002, 9.006(a) and (b), and 9.009

Author: Thompson Sponsor: Rodríguez

Allows a court to order that income be withheld from the disposable earnings of the obligor in a

proceeding in which there is an agreement for periodic payments of spousal maintenance voluntarily entered into between the parties and approved by the court. Prohibits such withholding to the extent it exceeds the amount or period of periodic support the court could have ordered under the chapter.

Expands a court's enforcement authority of divorce and annulment decrees to include court approved property divisions and contractual provisions under agreements incident to divorce or annulment pursuant to Section 7.006 of the Family Code.

Effective Date: September 1, 2013

FINANCE CODE

Title 2. Financial Regulatory Agencies

House Bill 1721

Relating to use of the Nationwide Mortgage Licensing System and Registry in connection with the regulatory authority of the consumer credit commissioner; affecting fees.

Adds Finance Code Section 14.109

Author: Villarreal Sponsor: Carona

Allows the Consumer Credit Commissioner to use the Nationwide Mortgage Licensing System as a "channeling agent" to obtain any document or fee required under the Finance Code and related rules for licensing or registration related to consumer loans, motor vehicle installment sales, property tax lenders, credit services organizations, and debtor assistance.

Effective Date: September 1, 2013

Title 3. Financial Institutions and Businesses

House Bill 1664

Relating to the regulation of banks, trust companies, and bank holding companies.

Amends various Finance Code Sections; Repeals Finance Code Sections 201.009(c), 203.003(c), and 203.005

Author: Villarreal Sponsor: Carona

Enables the banking commissioner performing an examination of state banks or trust companies to subpoena witnesses and documents and to compel the production of documents by court order. Permits the establishment of deposit offices and clarifies the banking commissioner's oversight of deposit and loan production offices. Protects confidentiality of certain information disclosed to an advisory director. Extends the period of time that a state bank may hold real property after it ceases to become a bank facility. Replaces references to a bank's ownership of a "passive investment in mineral interests" with a clearer definition of a nonparticipating royalty interest. During a period of supervision, prevents a bank or trust company from making any changes to the executive officers or directors without certain prior approval. Modifies certain requirements of acquiring a trust office of an out-of-state trust company. Adds the Bureau of Consumer Financial Protection to the definition of "Bank Supervisory Agency." Provides additional guidance as to when Texas laws apply to interstate branch banks located in this state. States that a cooperative agreement between the commissioner and one or more bank supervisory agencies does not prevent an official who is not a party to the agreement to enforce the law of this state which is applicable to a branch of an out-of-state state bank. Details certain conditions that allow the commissioner to take enforcement action against, or to conduct an examination of, an interstate branch maintained by an out-of-state state bank in this state.

Effective Date: June 14, 2013

Senate Bill 1004

Relating to the regulation of residential mortgage loan originators, residential mortgage loan companies, mortgage bankers, and residential mortgage loan servicers under the jurisdiction of the Department of Savings and Mortgage Lending; changing a fee.

Amends various sections of Finance Code Chapter 156; Amends and adds various sections to Finance Code Chapter 157; Repeals various sections of Finance Code Chapters 15, 156, 157, and 180

Author: Carona Sponsor: Villarreal

Creates one mortgage licensing process for residential mortgage loan originators, regardless of whether they are employed by mortgage bankers or mortgage companies and clarifies other provisions of the SAFE Act (Secure and Fair Enforcement for Mortgage Licensing Act). Provides for criminal background checks and credit checks for anyone applying for a residential mortgage loan originator license. Gives the commissioner of the Texas Department of Savings and Mortgage Lending authority to (1) revoke the registration or license of a mortgage banker if the mortgage banker's credentials have been revoked in another state, and (2) participate in multistate examinations scheduled by the Consumer Financial Protection Bureau. Authorizes the Texas Finance Commission to prohibit false, misleading, or deceptive practices by residential mortgage loan originators and to adopt rules related to bookkeeping by residential mortgage loan originators. Authorizes the mortgage industry advisory committee to advise and assist the commissioner with implementation of Chapter 157. Changes in the licensing process apply only to licenses issued or renewed after the effective date of the bill.

Effective Date: September 1, 2013

Title 4. Regulation of Interest, Loans, and Financed Transactions

House Bill 1979

Relating to interest on commercial loans.

Adds Finance Code Section 306.002(c); Amends Finance Code Section 306.003

Author: Villarreal Sponsor: Carona

Permits calculation of interest on a commercial loan based on 365/360 or 366/360 days and clarifies that payment-in-kind (PIK) interest does not violate usury statutes.

Effective Date: September 1, 2013

Senate Bill 247

Relating to the transfer of an ad valorem tax lien; providing an administrative penalty.

Amends various sections of Finance Code Chapter 351; Adds Finance Code Sections 351.0022 and 351.0023; Amends Tax Code Sections 32.06 and 32.065; Repeals Finance Code Section 32.06(c-1)

Author: Carona Sponsor: Miller

Places various restrictions on property tax lenders, including prohibitions on (1) unauthorized fees, (2) non-judicial foreclosure of tax liens, and (3) the sale, license or transfer of a property tax lien to a person not licensed under the licensing statute. Imposes requirements on property tax lenders' advertising, including a conspicuous notice and disclosure of certain terms of the property tax financing. Authorizes the consumer credit commissioner to assess an administrative penalty related to violations of the bill. Authorizes the Texas Finance Commissioner to adopt rules to implement the bill. Provides that requirements of the bill cannot be waived by contract.

Effective Date: May 29, 2013

GOVERNMENT CODE

Title 2. Judicial Branch

House Bill 1711

Relating to barratry.

Amends Government Code Section 82.065(b), Section 82.0651, and Texas Penal Code Section 38.12

Author: Fletcher Sponsor: Duncan

(1) Specifies instances of barratry in which a contract for legal services can be voided by a client, as being violation of Section 38.12(a) or (b) of the Texas Penal Code or Rule 7.03 of the Texas Disciplinary Rules of Professional Conduct.

(2) Enables a client to recover damages for barratry even if the legal services contract with the attorney has been voluntarily voided.

(3) Adds "a penalty in the amount of \$10,000" as an award for a prevailing client in a barratry suit.

(4) Removes applicability of the expedited actions process in Rule 169 of the Texas Rules of Civil Procedure to barratry actions.

(5) Eliminates from the defined barratry offenses the instance of soliciting employment concerning an arrest or issuance of a summons before the 31st day after the date on which the arrest or issuance of summons occurred.

Effective Date: September 1, 2013

Title 3. Legislative Branch

House Bill 7

Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts; reducing or affecting the amounts or rates of certain statutorily dedicated fees and assessments; making an appropriation.

Adds Government Code, Sections 322.024 and 403.0956; amends Health and Safety Code, Sections 361.013(a) and (f), 361.014(a) and (b), 771.0711(c), 771.079(c) and 780.003(a); adds Health and Safety Code, Section 361.133(c-1); amends Insurance Code, Section 2007.002; amends Natural Resources Code, Sections 81.067(c), 81.068, and 91.0115; adds Natural Resources Code, Section 81.0681; amends Tax Code, Section 151.801(c-1); adds Transportation Code, Section 504.6012; adds Utilities Code, Sections 39.903 and 39.9039; adds Water Code, Section 26.35745; repeals Natural Resources Code, Chapter 113

Author: Darby Sponsor: Williams

Directs the Legislative Budget Board to review legislation creating new revenue and appropriations and make recommendations regarding the same. Redirects sources and uses of state funds by changing, among other things, the use of certain interest, fees and uses of funds related to solid waste disposal and battery recycling, funding for an alternative fuels program, and funds from specialty license plates.

Requires the Texas Commission on Environmental Quality, until September 1, 2021, to prepare an annual report regarding the status of corrective actions for sites (1) reported on or

before December 22, 1998 as having had a release from a petroleum storage tank needing corrective action, and (2) that remain in the commission's PST State-Lead Program on September 1, 2013. The report shall include, among other information, the number of sites monitored, the projected cost of monitoring and corrective action, the amount recovered in connection with the sites, and a timeline for issuing closure letters. The commission shall investigate the fees necessary to conclude the PST State-Lead Program before September 1, 2021.

Effective Date: June 14, 2013

Title 4. Executive Branch

Senate Bill 111

Relating to the designation of Texas Historical Use Buildings.

Adds Government Code, Section 442.006(d-1)

Author: Lucio Sponsor: Lucio III

Defines a Texas Historical Use Building as a building that, for at least 150 years, because of its history, culture, or architecture, has been used regularly for a purpose that benefits the local community.

Effective Date: September 1, 2013

Title 5. Open Government; Ethics

Senate Bill 293

Relating to the authority of certain water districts to hold meetings by teleconference or videoconference.

Adds Government Code Section 551.131

Author: Williams Sponsor: Ritter

Permits water districts with territories encompassing three or more counties to hold meetings by conference call or video conference for a special called meeting if immediate action is required provided meeting in person is difficult or impossible. If a video conference is used, it must be visible and audible to the public,

be recorded and have two-way audio and video communications with each participant.

Effective Date: May 10, 2013

Senate Bill 1368

Relating to public information pertaining to the official business of governmental bodies and to contracts by certain state governmental entities that involve the exchange or creation of public information.

Amends Government Code Sections 552.002 and 552.003

Author: Davis Sponsor: Alvarado / Flynn

Provides that a contract between a governmental entity and nongovernmental vendor involving the creation of public information be drafted in consideration of the public information laws and requires the nongovernmental vendor to make such public information available to the public. Expands definition of public information.

Effective Date: September 1, 2013

Title 9. Public Securities

House Bill 2105

Relating to municipally owned utility systems; authorizing the imposition of fees by a utility board of trustees.

Amends Government Code Sections 1502.02 and 1502.057

Author: Lucio III Sponsor: Lucio

Permits municipalities to acquire channels of water for use with respect to utility systems, parks and swimming pools. Allows a board of trustees of a utility system in a county along the Gulf of Mexico and also bordering the United Mexican States to collect fees for services provided by the utility.

Effective Date: June 14, 2013

Senate Bill 1553

Relating to the Homes for Texas Heroes home loan program.

Amends various sections of Government Code, Chapters 1372 and 2306; Repeals Government Code Sections 1372.0221, 1372.0222, and 2306.5621(i)

Author: Lucio Sponsor: Farias

Includes professional educators and veterans as individuals who may apply to the Texas State Affordable Housing Corporation (TSAHC) for home loans. Provides that TSAHC may contract with the Texas Veterans Commission to provide other housing assistance to veterans receiving loans from TSAHC. Changes name of Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program to Homes for Texas Heroes Home Loan Program.

Effective Date: June 14, 2013

Title 10. General Government

House Bill 316

Relating to the pilot program authorizing a property owner to appeal to the State Office of Administrative Hearings regarding certain appraisal review board determinations.

Amends Government Code, Chapter 2003, various sections

Author: Otto Sponsor: Williams

Implements an appeals process first initiated in a pilot program begun in 2010 which provided for appeals from local appraisal review boards as alternative for property owners pursuant to such appeals under Section 42.01 of the Tax Code. Provides for remote hearing locations for appeals regarding property in certain cities. Limited to non-industrial property having a value of more than \$1 million.

Effective Date: January 1, 2014

House Bill 429

Relating to the definition of rural area for purposes of certain housing assistance administered by the Texas Department of Housing and Community Affairs.

Amends Government Code Sections 2306.004(28-a); Adds Government Code Section 2306.111(d-4); Repeals Government Code Section 2306.6702(12)

Author: Guillen Sponsor: Zaffirini

Narrows the definition of “Rural Area” with respect to the Texas Department of Housing and Community Affairs by deleting “an area that is eligible for funding by the Texas Rural Development Office of the U.S. Dept. of Agriculture, other than an area that is located in a municipality with a population of more than 50,000.”

Effective Date: September 1, 2013

House Bill 1050

Relating to purchasing and other contracts by governmental entities.

Adds Government Code Sections 791.011(j) and 2267.3615; Amends Government Code Sections 2252.002, 2267.353(b), 2267.354, 2267.3615, and 2269.3615; Amends Local Government Code Section 252.048(c-1); Amends Water Code Section 49.273(i); Repeals Government Code Section 2267.353(d)

Author: Callegari Sponsor: Fraser

Defines “purchasing cooperative” with respect to interlocal contracting authority. Supplements the qualification for an award of a contract to nonresident bidder. Clarifies the definition of a “single integrated project” as it relates to governmental contracts. Amends the limitation on number of projects a governmental entity is able to enter into in a given year. Defines the reporting requirements of a design-build firm responding to a governmental entity’s request for detailed proposal.

Effective Date: September 1, 2013

House Bill 1675

Relating to the sunset review process and certain governmental entities subject to that process.

Amends Governmental Code Section 2306.022; Natural Resources Code Section 81.01001;

Finance Code Sections 11.108, 12.109, 13.012; Insurance Code Section 2210.002(b).

Author: Bonnen Sponsor: Nichols

Augments the abolishment date from September 1, 2013 to September 1, 2017 for the Texas Department of Housing and Community Affairs and the Railroad Commission of Texas.

Augments the abolishment date from September 1, 2015 to September 1, 2017 for the Texas Department of Transportation.

Augments the abolishment date from September 1, 2015 to September 1, 2019 for the Finance Commission of Texas, Office of Banking Commissioner, Office of Savings and Mortgage Lending, Office of Consumer Credit Commissioner, State Securities Board, State Board of Public Accountancy, and the Texas Windstorm Insurance Association.

Effective Date: June 14, 2013

House Bill 1888

Relating to low income housing tax credits awarded to at-risk developments.

Amends Government Code Sections 2306.6702(a)(5) and 2306.6714

Author: Anchia Sponsor: Hinojosa

Defines “at-risk” developments which are eligible for housing tax credits by referring to numerous federal housing acts and programs and mandates that the Texas Department of Housing and Community Affairs set aside 15% of its available housing tax credits to eligible at-risk developments.

Effective Date: September 1, 2013

House Bill 3361

Relating to the continuation and functions of the Texas Department of Housing and Community Affairs; authorizing and otherwise affecting the application of certain fees.

Amends various sections under Government Code Chapter 2306; Amends various sections under Occupations Code Chapter 1201

Author: Dutton Sponsor: Birdwell

Extends the existence of the Texas Department of Housing and Community Affairs for 12 years. Changes the tax credit program as to scoring for projects, letters of support and allocation cycles for certain federal assistance opportunities. Increases the TDHCA's enforcement and penalty authorities. Makes numerous other technical changes relating to the continuation of the TDHCA and compliance with standard sunset requirements for continued departments.

Effective Date: September 1, 2013

Senate Bill 286

Relating to a home loan program operated by the Texas State Affordable Housing Corporation.

Amends Government Code Sections 1372.025(b), 2306.553(a) and (b), and 2306.5621(a); Repeals Government Code Sections 1372.0221, 1372.0222, and 2306.5621(i)

Author: Hinojosa Sponsor: Bonnen

Expands state mortgage assistance program to include professional educators in the list of professionals and service workers who can apply for certain low-interest home mortgage loans.

Effective Date: June 14, 2013

Senate Bill 1430

Relating to the applicability of certain public works contracting requirements.

Amends Government Code Section 2267.354; Amends Local Government Code Section 252.048(c-1)

Author: Hinojosa Sponsor: Herrero

Increases to six (6) from three (3) in any fiscal year the amount of design-build public works contracts a municipality with a population of at least 500,000 may enter into after August 31, 2013. Changes from 500,000 to 300,000 the minimum population of a municipality to be authorized to grant authority to an official to approve a change order in a public works

contract involving a decrease or increase of \$100,000 or less.

Effective Date: June 14, 2013

Senate Bill 1548

Relating to the definition of "qualified employee" in an enterprise zone.

Amends Government Code Section 2303.003(7)

Author: Eltife Sponsor: Lavender

Redefines "qualified employee" under the Texas Enterprise Zone Act to include a person who receives wages from the qualified business and performs at least 50% of the person's job at the qualified business site *unless* the person's job responsibility is to transport or deliver the enterprise project's goods or services.

Effective Date: June 14, 2013

Senate Bill 1597

Relating to the development of state agency information security plans.

Adds Government Code Section 2054.133

Author: Zaffirini Sponsor: Smithee

Amends Information Resources Management Act by requiring each state agency to develop and periodically update an information security plan to protect the security of the agency's information. The agency's initial security plan must be submitted to the Department of Information Resources by October 15, 2014, and a copy of the agency's security plan must be submitted no later than October 15 of each even-numbered year.

Effective Date: September 1, 2013

**Title 11. State Symbols and Honors;
Preservation**

House Bill 2256

Relating to the view of the State Capitol.

Adds Government Code Sections 3151.0021 and 3151.0511

Author: Howard Sponsor: Watson

Restricts construction within the "Congress Avenue view corridor." Prohibits on east side of Congress Avenue construction of new structures within 40 feet of Congress Avenue or higher than 90 feet. Prohibits on west side of Congress Avenue construction of new structures within 60 feet of Congress Avenue or higher than 90 feet. Codifies in state law what is current practice in Austin.

Effective Date: June 14, 2013

Title 13. Water and Utilities

House Bill 2414

Relating to open meetings of governmental bodies held by videoconference call and to written electronic communications between members of a governmental body.

Amends Government Code, Sections 551.001 and 551.127; adds Government Code, Section 551.006

Author: Button Sponsor: Deuell

Allows public officials to communicate, outside a posted meeting, via an "online message board or similar Internet application," subject to specific regulations. Reworks existing law allowing participation in public meetings by videoconference call, including: (i) a new requirement that the governmental body provide a suitable space with both audio and video that enables the public to actively participate in the meeting, where a member of the governmental body presiding over the meeting is present, and (ii) revised notice requirements. *Note:* Senate Bill 1297 also contains provisions for communication by online message board.

Effective Date: June 14, 2013

Senate Bill 293

Relating to the authority of certain water districts to hold meetings by teleconference or videoconference.

Adds Government Code Section 551.131

Author: Williams Sponsor: Ritter

Allows meeting of a large water district (territory in three or more counties) to be held by telephone conference call or video conference call only if it is a special called meeting, immediate action is required and it is difficult or impossible to gather a quorum. Requires meetings held by video conference call to be: (i) visible and audible to the public at the location named in the notice; (ii) be recorded; and (iii) have two-way audio and video communications, and (iv) meet other requirements.

Effective Date: May 10, 2013

Senate Bill 984

Relating to the meeting of a governmental body held by videoconference call.

Amends Government Code Section 551.127

Author: Ellis Sponsor: Perry

Modifies existing law allowing governmental bodies to hold some emergency meetings by videoconference call.

Effective Date: September 1, 2013

HEALTH AND SAFETY CODE

Title 5. Sanitation and Environmental Quality

House Bill 2781

Relating to rainwater harvesting and other water conservation initiatives.

Adds Government Code Section 447.004(c-1), amends Health and Safety Code Section 341.042(b-1) and (b-2), Amends Local Government Code Section 580.004(b), and Amends Section 5.008(b).

Author: Fletcher Sponsor: Campbell

Partially enlarges scope of regulated water systems to include all "outdoor water." Requires a backflow prevention assembly or air gap in a privately owned rainwater harvesting system with a capacity in excess of 500 gallons and an auxiliary water supply. Changes the qualifying municipalities for required rainwater harvesting training from municipalities with a

population of more than 100,000 to municipalities with a population of more than 10,000. Requires a seller disclosure notice to include acknowledgement of whether the property has a rainwater harvesting system with a capacity larger than 500 gallons and that uses a public water supply as an auxiliary water source.

Effective Date: September 1, 2013

Senate Bill 186

Relating to the abatement of mosquitoes in stagnant water located on certain uninhabited residential property.

Adds Health and Safety Code Section 341.019

Author: Carona Sponsor: Giddings
Gives a municipality, a county, or another local health authority the power, without notice, to treat water that has collected on residential property presumed to be abandoned or uninhabited. The breeding of the mosquitoes must constitute an immediate threat to the health, life or safety of any person. Requires the public official to post a notice on the front door of the residence that identifies the authority that treated the property, gives the date and purpose of the treatment and describes the areas of the property treated with the larvacide, the type of larvacide used and any known risks of larvacide to humans or animals.

Effective Date: May 10, 2013

Senate Bill 634

Relating to regulating faulty on-site sewage disposal systems in the unincorporated areas of a county as a public nuisance; providing a criminal penalty.

Amends Health and Safety Code Sections 343.011(c) and 343.021

Author: Davis Sponsor: Collier

Provides that surface discharge from a sewage disposal system that produces 5,000 gallons or less of waste each day and is used for on-site disposal constitutes a public nuisance. Permits a county to use any means of abatement reasonably necessary to bring a sewage disposal system constituting a public nuisance into

compliance with applicable law if the property owner has been ordered by a court to abate the nuisance and has failed to do so.

Effective Date: September 1, 2013

Senate Bill 837

Relating to the authority of a municipality to require owners of real property to keep the property free of certain conditions.

Amends Health and Safety Code Section 342.004

Author: Ellis Sponsor: Bohac

Gives municipalities the power to require an owner of real property to keep the property free from certain conditions creating a public nuisance, such as (i) maintaining a premises in a condition likely to attract or harbor mosquitos, rodents or disease carrying pests, (ii) keeping or storing refuse on a premises within a neighborhood that is not contained within a closed receptacle, or (iii) keeping or storing newspapers, abandoned vehicles, appliances, furniture, tires or cans on a premises within a neighborhood or within 300 feet of a public street for ten days or more.

Effective Date: June 14, 2013

Title 9. Safety

House Bill 3159

Relating to an agreement to allocate sales and use tax after a municipality annexes land in an emergency services district and to the provision of emergency services in that area.

Amends Health and Safety Code Section 775.0753(c); Adds Health and Safety Code Section 775.0754

Author: Isaac Sponsor: Zaffirini

Permits a municipality and an emergency services district that imposes a sales and use tax to allocate by agreement the revenue arising from the sales and use tax in an area of the emergency services district that has been annexed into the municipality. A municipality that enters into such an agreement with an emergency services district is not required to

provide emergency services in the portion of the emergency services district that has been annexed into the municipality.

Effective Date: September 1, 2013

INSURANCE CODE

Title 2. Texas Department of Insurance

Senate Bill 1074

Relating to electronic transmission of documentation involved in certain insurance transactions.

Adds to and amends various sections of Insurance Code, Chapter 35

Author: Hegar Sponsor: Bonnen

Allows written communication that is required in an insurance transaction or is to serve as evidence of coverage to be delivered, stored, and presented by electronic means if such communication conforms with the Uniform Electronic Transactions Act (Business & Commerce Code, Chapter 322). Deems compliant electronic communication to be equivalent to first class mail or certified mail. Requires consent of the recipient of electronic communications, and requires a conspicuous statement that other methods of written communication are available, and establishes procedures concerning same. Modifies, limits, or supersedes the federal Electronic Signatures in Global and National Commerce Act (15 USC Section 7001 *et seq.*).

Effective Date: September 1, 2013

Title 4. Regulation of Solvency

Senate Bill 841

Relating to certain authorized investments under the Insurance Code.

Amends various sections of Insurance Code, Chapters 424 and 425

Author: Hancock Sponsor: Smithee

Allows certain types of insurers to invest in real estate, provided that the insurer has \$10 billion or more in assets. Clarifies the conditions under which an insurer may invest in a foreign commonwealth, territory, or possession of the United States or a foreign country other than Canada, and limits to 10 percent the amount an insurer may invest in any one foreign entity.

Effective Date: September 1, 2013

Title 5. Protection of Consumer Interests

Senate Bill 411

Relating to insurers' duty to provide information in a fraud investigation.

Amends Insurance Code, Section 701.108

Author: Carona Sponsor: Eiland
Requires an insurer to respond within 15 days to a request from the Texas Department of Insurance with information or material relevant to a fraud investigation. Provides for a 10-day extension if requested in writing.

Effective Date: September 1, 2013

Senate Bill 698

Relating to the refund of unearned premium for a personal automobile or residential property insurance policy.

Adds Insurance Code, Section 558.002(d)-(f)

Author: Carona Sponsor: Eiland

Requires an insurer to refund to a residential property insurance policyholder any unearned premium within 15 business days after the policy's effective cancellation or termination date. Requires a guaranty association to refund to a residential property insurance policyholder any unearned premium within 30 business days after receiving documentation allowing for calculation of the unearned premium.

Effective Date: May 18, 2013

Senate Bill 736

Relating to insurance rating and underwriting practices and declinations based on certain consumer inquiries.

Adds to and amends various sections of Insurance Code, Chapters 544 and 551

Author: Watson Sponsor: Smithee

With respect to standard fire, homeowners, or farm and ranch owners coverage, defines a “consumer inquiry” as communication made to an insurer that does not result in an investigation or claim, regarding the general terms or conditions of or coverage offered under an insurance policy, including questions concerning the process for filing a claim and whether a policy will cover a loss unless the question concerns specific damage that has occurred and that results in an investigation or claim. Prohibits: (1) use of underwriting guidelines based solely on whether a consumer inquiry was made, (2) charging a rate different than that charged to others based solely on whether a consumer inquiry was made, and (3) considering a consumer inquiry as a basis for nonrenewal or cancellation.

Effective Date: September 1, 2013

Title 10. Property and Casualty Insurance

Senate Bill 112

Relating to a requirement for and the contents of a declarations page required for certain standard insurance policy forms for residential property insurance.

Adds Insurance Code, Section 2301.056

Author: Lucio Sponsor: Smithee

Requires a residential property insurance policy declarations page to list and identify each type of deductible under the policy, including the exact dollar amount of each. Requires any changes to any deductible amount to be clearly identified.

Effective Date: September 1, 2013

Senate Bill 852

Relating to availability of certain property and casualty insurance forms.

Adds Insurance Code, Sections 1812.001-1812.005

Author: Taylor Sponsor: Smithee

Defines a “specimen policy” as an insurance policy form or endorsement used for writing residential property insurance (and other lines of insurance, including automobile) that does not contain personally identifiable information about the insured. Allows an insurer to make a specimen policy available on its website and requires the insurer to provide a copy of same upon the insured’s request. Requires an insurer that posts a specimen policy on its website to disclose on the declarations page that the specimen policy is available on the website, how the insured may obtain a copy upon request and at no charge, and that the insurer provide a copy to the Texas Department of Insurance and the Office of Public Insurance Counsel.

Effective Date: September 1, 2013

Senate Bill 1702

Relating to residential property insured by the Texas Windstorm Insurance Association.

Adds to, amends, and repeals various sections of Insurance Code, Chapter 2210

Author: Taylor Sponsor: Bonnen

Authorizes the Texas Windstorm Insurance Association (TWIA) to insure a residential structure that was built, remodeled or repaired, on or after June 19, 2009, but not in compliance with applicable building codes, provided that: (1) the structure was insured by a private insurer on or after June 19, 2009; (2) the private insurer canceled or nonrenewed coverage before September 1, 2013; and (3) the structure is not altered between cancellation or nonrenewal and submission to TWIA. Removes a previous surcharge for noncompliant residential structures in favor of a surcharge against noncompliant

insured structures as described above. Repeals alternate eligibility for TWIA coverage.

Effective Date: June 14, 2013

Title 11. Title Insurance

House Bill 3106

Relating to compensatory payments and reinsurance agreements made in connection with the issuance of title insurance.

Adds Insurance Code, Sections 2502.057 and 2551.305(e)

Author: Morrison Sponsor: Carona

Specifies allowable compensation to be collected by title companies for furnishing title evidence for the issue of a title policy related to an electric utility project valued over \$25,000,000.00 upon completion. Allows a title insurance company to obtain reinsurance through any assuming insurer with a B+ or better financial strength rating if the title company demonstrates that it was unable to obtain reinsurance from another title insurance company after a diligent search, and states the terms of the reinsurance to be obtained.

Effective Date: September 1, 2013

Title 13. Regulation of Professionals

House Bill 1183

Relating to prohibited conduct by insurance adjusters, public insurance adjusters, and roofing contractors.

Adds Insurance Code, Sections 4101.251 and 4102.163

Author: Guillen Sponsor: Lucio

Prohibits a licensed insurance adjuster from adjusting a roof damage loss if the adjuster is a roofing contractor or otherwise provides roofing services or products for compensation, or is a controlling person in a roofing-related business. Prohibits a roofing contractor, whether licensed or not as an insurance adjuster or public adjuster, from adjusting or advertising to adjust claims for

any property the contractor is providing or may provide roofing services.

Effective Date: September 1, 2013

LOCAL GOVERNMENT CODE

Title 2. Organization of Municipal Government

House Bill 1554

Relating to the authority of municipalities to file a lien for the costs of abatement of a floodplain ordinance violation; providing a civil penalty.

Amends Local Government Code, Section 54.012. Adds Local Government Code, Section 54.020.

Author: Rodriguez Sponsor: Campbell

Empowers municipalities to enforce floodplain regulations by civil suit and by: (i) abating violations, e.g., by removing structures or fill, (ii) assessing the cost and (iii) affixing a lien.

Effective Date: September 1, 2013

Senate Bill 654

Relating to the enforcement of water conservation and animal care and control ordinances of a municipality by civil action or quasi-judicial enforcement; providing civil penalties.

Amends Local Government Code, Sections 54.012 and 54.032

Author: West Sponsor: Anchia

Adds two categories of ordinances that municipalities may enforce by civil suit or local administrative proceedings (“quasi-judicial” enforcement): (i) animal care and control; and (ii) water conservation, including watering restrictions.

Effective Date: September 1, 2013

Senate Bill 1596

Relating to emergency services districts.

Amends Health and Safety Code Section, 775.022; adds Health and Safety Code, 775.045; amends Local Government Code, Section 43.056

Author: Zaffirini Sponsor: Rodriguez

Clarifies that a municipality is not required to remove territory from an emergency services district when the municipality annexes the territory. Changes fire code and fire sprinkler requirements in emergency services districts. Forbids municipal service plans (for annexation) from "reducing by more than a negligible amount the level of fire and police protection and emergency medical services." Contains special provisions for certain municipalities that have adopted Local Government, Chapter 143 (fire and police civil service).

Effective Date: September 1, 2013

Title 4. Finances

Senate Bill 1510

Relating to the public notice required to be provided by certain taxing units before adopting an ad valorem tax rate.

Adds Local Government Code, Section 140.010

Author: Hinojosa Sponsor: Hilderbrand

Modifies advance notice requirements for ad valorem tax levies by municipalities and counties.

Effective Date: January 1, 2014

Title 6. Records

Senate Bill 1437

Relating to authorizing certain persons to file documents electronically for recording with a county clerk.

Amends Local Government Code, Section 195.003

Author: Paxton Sponsor: Sanford

Allows municipal clerks to file documents electronically with county clerks that accept electronic filings. Allows large counties (populations of 500,000 or more) to agree to accept electronic filings from anyone.

Effective Date: June 14, 2013

Title 7. Regulation of Land Use, Structures, Businesses, and Related Activities

House Bill 674

Relating to providing notice of certain proposed municipal zoning changes to a school district.

Amends Local Government Code, Section 211.007

Author: Ratliff Sponsor: Carona

Requires special notice to school districts for some zoning hearings. Applies to "a proposed change in a zoning classification affecting residential or multifamily zoning."

Effective Date: September 1, 2013

Senate Bill 194

Relating to ingress and egress for access by emergency vehicles and for use during evacuations in certain new residential subdivisions.

Adds Local Government Code, 232.0034

Author: West Sponsor: Coleman

Mandates that counties require large subdivisions (1,000 lots or more) to have "at least two means of ingress and egress" for emergency vehicles and evacuations.

Effective Date: September 1, 2013

Senate Bill 552

Relating to an application filed with a county commissioners court to revise a subdivision plat; authorizing a fee.

Amends Local Government Code, Sections 232.009 and 232.041

Author: Uresti Sponsor: Nevarez

Eases notice requirements required for revision of a plat by a county. Applies only if commissioners court determines the revision "does not affect a public interest or public property of any type, including, but not limited to, a park, school, or road." Does not apply within jurisdiction of municipalities with populations of 1.5 million or more.

Effective Date: June 14, 2013

Senate Bill 1599

Relating to county and municipal land development regulation.

Amends Government Code, Section 405.021; Local Government Code, Sections 232.022, 232.023 and 232.072; Water Code, Section 16.343.

Author: Zaffirini Sponsor: Lozano

Expands and clarifies county power to regulate subdivisions and require plats. Narrows exemptions for large-lot subdivisions (lots over 5 or 10 acres). Contains provisions for: (i) designation of substandard subdivisions called "colonias," (ii) adoption of TWDB's model subdivision rules designed to prevent colonias and (iii) enforcement of those rules by platting regulations.

Effective Date: September 1, 2013

Title 8. Acquisition, Sale, or Lease of Property

Senate Bill 985

Relating to authorizing broker agreements for the sale of real property by certain municipalities.

Adds Local Government Code, Section 253.014

Author: Zaffirini Sponsor: Isaac

Allows any home-rule municipality to sell "a tract of real property" without notice, hearing or auction, if it is listed on a multiple-listing service for at least 30 days under a brokerage contract. Allows sale to "a ready, willing, and able buyer who is produced by any broker using the

multiple-listing service and who submits the highest cash offer.

Effective Date: June 14, 2013

Title 12. Planning and Development

House Bill 139

Relating to the exercise of urban renewal powers by certain counties.

Amends Local Government Code, Section 374.902

Author: Raymond Sponsor: Zaffirini

Grants urban renewal powers to border counties with populations over 250,000, if exercised within a municipality's boundaries under an interlocal agreement with the municipality.

Effective Date: June 14, 2013

House Bill 1553

Relating to the replatting of a subdivision without vacating the preceding plat in certain municipalities.

Amends Local Government Code, Section 212.0146

Author: Rodriguez Sponsor: Uresti

Authorizes City of San Antonio and City of Dallas to approve replats amending, removing or violating platted restrictions (e.g., building setbacks) or public utility easements. Existing statute authorizes only City of Houston to approve such replats, so amendment reinforces the inference that except in Dallas, Houston and San Antonio, municipal replats may not remove or violate such platted restrictions.

Effective Date: May 18, 2013

House Bill 1966

Relating to a project that may be undertaken by certain development corporations in connection with infrastructure improvements necessary for municipal area development and revitalization.

Adds Local Government Code, Section 501.108

Author: Deshotel Sponsor: Williams

Allows certain coastal development corporations to undertake additional infrastructure projects, including streets and roads, rail spurs, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements, and related improvements; telecommunications, data, or Internet improvements; and facilities to "remediate, mitigate, or control erosion" along the Gulf of Mexico or the Gulf Intracoastal Waterway. Expires on September 1, 2017.

Effective Date: June 14, 2013

Senate Bill 385

Relating to authorizing assessments for water and energy improvements in regions designated by municipalities and counties; imposing a fee.

Adds Local Government Code, Chapter 399

Author: Carona Sponsor: Keffer

Authorizes municipalities and counties to finance improvements to decrease water or energy consumption or demand (including equipment that "uses energy technology to generate electricity, provide thermal energy, or regulate temperature") on "privately owned commercial or industrial real property or residential real property with five or more dwelling units." Requires owners to agree to contractual assessments secured by tax-like liens but forbids compulsion to participate. Contains elaborate provisions for "regions," programs, reports, third-party financing, direct public financing, issuance of bonds or notes, intergovernmental arrangements and related matters. (Similar to existing Local Government Code, Chapter 376).

Effective Date: June 14, 2013

NATURAL RESOURCES CODE

Title 2. Public Domain

House Bill 2571

Relating to the inspection of certain information regarding the production, transportation, sale and marketing of oil and gas from state land; imposing an administrative penalty.

Amends Texas Natural Resources Code Section 52.135 by adding Subsections (a-1), (a-2), (a-3), (e) and (f), and amending Subsection (c)

Author: Keffer Sponsor: Fraser

Supplements the procedural requirements for an oil and gas lessee of state lands when responding to a production request from the railroad commission, attorney general or the governor.

Effective Date: September 1, 2013

House Bill 3212

Relating to the Red River Boundary Compact and the creation of the Red River Boundary Commission.

Amends Texas Natural Resources Code Section 12.001; Adds Sections 12.051-.057

Author: Phillips Sponsor: Estes

Creates the Red River Boundary Commission. Provides that the governor appoint members to the commission and procedures for its operation. Purpose of the commission is to work with a similar commission from Oklahoma to study and potentially redraw the boundary line between Texas and Oklahoma to the Lake Texoma preconstruction survey of the south bank of the Red River prepared by the United States Army Corps of Engineers.

Effective Date: June 14, 2013

House Bill 3459

Relating to access to and protection of certain coastal areas.

Amends Natural Resources Code Sections 61.001, 61.016; Adds Natural Resources Code Section 61.0171

Author: Eiland Sponsor: Taylor

Adds definition of "meteorological event". Adds description of "line of vegetation". Permits the commissioner of the General Land Office to suspend action on conducting a line of vegetation determination for up to three years after a meteorological event. Requires that beach

will extend to a line 200 feet inland from the line of mean low tide during this time.

Effective Date: September 1, 2013

Title 3. Oil and Gas

Senate Bill 900

Relating to the amounts of the administrative, civil, and criminal penalties for violating certain statutes under the jurisdiction of, rules or orders adopted by, or licenses, permits, or certificates issued by the Railroad Commission of Texas.

Amends Natural Resources Code Sections 81.0531, 117.051, 117.053, and 117.054; Amends Utilities Code Sections 121.007, 121.204, 121.206, 121.302, 121.304, and 121.310

Author: Fraser Sponsor: Wu

Provides for increased civil and criminal penalties for violations of rules or orders adopted by the Railroad Commission relating to safety standards for pipelines or for causing or attempting to cause injury or destruction to a pipeline facility.

Effective Date: September 1, 2013

OCCUPATIONS CODE

Title 6. Regulation of Engineering, Architecture, Land Surveying and Related Practices

Senate Bill 204

Relating to the continuation and functions of the Texas Board of Professional Engineers; changing a fee.

Adds to and amends various sections of Occupations Code, Chapter 1001

Author: Nichols Sponsor: Price

Extends sunset period for the Board through September 1, 2025. Requires collection of a previously enacted license fee at the time a license is issued or renewed, prohibiting collection of the fee before the licensure

requirements are satisfied. Requires the Texas Board of Professional Engineers (Board) to adopt policies and guidelines regarding the examination process, and requires the Board to make such policies available on its website. Removes the requirement that the engineer-in-training examination be an eight-hour written exam. Requires fingerprinting for Department of Public Safety (DPS) and Federal Bureau of Investigation criminal background checks for new applicants and renewing applicants that have not previously provided fingerprints, for applications filed on or after January 1, 2014, and allows DPS to recover from applicants the cost of such background checks. Provides for a means by which the Board may suspend a licensee. Raises the maximum administrative penalty from \$3,000 to \$5,000. Authorizes the Board to issue cease and desist orders related to unlicensed or otherwise unauthorized activity.

Effective Date: September 1, 2013

Title 7. Practices and Professions Related to Real Property and Housing

House Bill 944

Relating to an exemption from license requirements for a limited number of sales of manufactured housing.

Adds Occupations Code, Section 1201.1025

Author: Riddle Sponsor: Carona

Creates an exemption from holding a retailer's license if an individual makes less than three sales of manufactured housing in a twelve month period. Permits the establishment of an exemption form.

Effective Date: September 1, 2013

House Bill 2911

Relating to the regulation of real estate inspectors; changing fees.

Adds to, amends, and repeals various sections of Occupations Code, Chapter 1102

Author: Kuempel Sponsor: Taylor

Revises the requirements for a real estate inspector license application and renewal. Requires applicants to provide fingerprints to obtain criminal history information. Provides the mechanism by which such criminal history check may be administered. Adds to the eligibility requirements of applicants, including continuing education, field work, insurance, and bonding.

Effective Date: September 1, 2013

Senate Bill 464

Relating to the dismissal of complaints against property tax professionals.

Amends Occupations Code, Section 1151.204

Author: Deuell Sponsor: Flynn

Specifies when a complaint made under the Property Taxation Professional Certification Act (Act) may be dismissed without a hearing, if the complaint has not been resolved by an appraisal review board or the like and the complaint: (1) does not credibly allege a violation of the Act; (2) challenges taxes or interest imposed for delinquency under Chapter 33 of the Tax Code; (3) challenges the appraised value of a property or the appraisal methodology; (4) challenges the grant or denial of a tax exemption; and (5) challenges a matter for which the Property Tax Code (Title 1, Tax Code) already provides for a remedy. Provides for an exception to the above for matters concerning the comptroller's regular appraisal district review, failure to comply with regulation or certification requirements under the Act, or a chief appraiser's failure to complete required training.

Effective Date: June 14, 2013

Senate Bill 546

Relating to continuing education requirements and a registration exemption for county tax assessor-collectors.

Adds Tax Code, Section 6.231 and Occupations Code, Section 1151.003; amends Occupations Code, Sections 1151.151 and 1151.160(d) and (g)

Author: Williams Sponsor: Hilderbran

Requires a county assessor-collector to complete 20 hours of continuing education annually, including 10 hours relating to property tax assessment and collection for those county assessor-collectors that assess or collect property taxes. Also requires successful completion of courses on ethics and constitutional/statutory duties, within 90 days of a county assessor-collector first taking office. Establishes administrative procedures regarding new continuing education requirements. Deems county assessor-collector's failure to satisfy continuing education requirements as grounds for removal for "incompetency" (as defined by Local Government Code Section 87.011(2)). Exempts county assessor-collectors and their employees from the Property Taxation Professional Certification Act (Occupations Code, Section 1151).

Effective Date: June 14, 2013

Title 8. Regulation of Environmental and Industrial Trades

Senate Bill 383

Relating to the repeal of certain provisions governing the sale and use of certain refrigerants.

Amends and repeals various sections of Occupations Code, Chapter 1302

Author: Carona Sponsor: Kuempel

Repeals portions of the Air Conditioning and Refrigeration Contractor License Law regarding refrigerants, in deference to overlapping Environmental Protection Agency regulatory standards.

Effective Date: June 14, 2013

Title 11. Regulation of Sales and Solicitation

House Bill 3038

Relating to licensing and regulation of auctioneers; authorizing a fee.

Adds to, amends, and repeals various sections of Occupations Code, Chapter 1802

Author: Anderson Sponsor: Carona

PROBATE CODE

Clarifies certain defined terms applicable to auctions and auctioneers. Provides that Chapter 1802 applies to sealed bid auctions and allows a licensed auctioneer to conduct auctions for real estate brokerage firms operated by a licensed real estate broker. Revises the composition and terms of service of the advisory board. Enlarges the payment limits to aggrieved parties.

Chapter IV. Execution and Revocation of Wills

House Bill 2380

Relating to a provision in a will or trust that would cause a forfeiture of or void an interest for bringing any court action, including contesting the will or trust.

Effective Date: June 14, 2013

Amends and repeals Probate Code, Section 64; amends Estates Code, Section 254.005; amends Property Code, Section 112.038

Title 13. Sports, Amusements, and Entertainment

Author: Davis Sponsor: Taylor

House Bill 333

Relating to requiring notice of a hotel's firearms policy and other guest policies; providing a criminal penalty.

Revises the law regarding a forfeiture clause in a will. Existing law states that such a clause is unenforceable if (1) there is just cause existed for bringing the action; and (2) the action was brought and maintained in good faith. As amended, the law provides that such a provision is enforceable unless a court finds that the person who brought an action contrary to the forfeiture clause establishes elements (1) and (2) as above stated.

Amends Occupations Code, Sections 2155.101-103

Effective Date: January 1, 2014 as to Probate Code and Estates Code; September 1, 2013 as to Property Code

Author: Guillen Sponsor: Hinojosa

Requires hotels to provide notice of firearms policy, which notice must be included on such hotel's website. Provides criminal penalty for failure to comply.

Effective Date: September 1, 2013

Chapter VIII. Proceedings During Administration

PENAL CODE

Title 7. Offenses Against Property

House Bill 789

Senate Bill 701

Relating to a defense to prosecution for criminal trespass.

Relating to the allowance in lieu of exempt property in the administration of a decedent's estate.

Amends Section 30.05, Penal Code

Amends Texas Probate Code Section 273 and the Texas Estate Code 353.053(b)

Author: Hegar Sponsor: Herrero

Author: King Sponsor: Rodriguez

Clarifies that employees and agents of municipally owned electric utilities and cooperatives are allowed an affirmative defense to criminal trespass.

Increases to \$45,000 (from \$15,000) the amount of cash payable to surviving a spouse and children in lieu of a homestead and to \$30,000 (from \$5,000) for other exempted property.

Effective Date: September 1, 2013

Effective Date: September 1, 2013 as to Probate Code amendment and January 1, 2014 as to Estates Code

PROPERTY CODE

Title 2. Conveyances

Senate Bill 887

Relating to certain correction instruments in the conveyance of real property.

Amends Subsection (a) and adds Subsection (a-1) of Property Code Section 5.028, and amends Subsection (b) and adds Subsection (c) to Property Code Section 5.030

Author: Uresti Sponsor: Orr

Enables a person with personal knowledge of relevant facts to prepare a correction instrument that makes a nonmaterial change to a recorded instrument, and adds "a reference to a plat or other plat information" as an item in a recorded instrument that may be corrected by a correction instrument. Adds to the errors that may be corrected by a correction instrument, including (1) a legal description omitted from the original instrument; and (2) an omitted call in a metes-and-bounds legal description that completes the description of the property. Clarifies that a correction instrument replaces and is a substitute for the original instrument, and as such is subject to the interest of a bona fide creditor without knowledge of the error in the original instrument.

Effective Date: September 1, 2013

Title 5. Exempt Property and Liens

House Bill 584

Relating to the posting of a notice of foreclosure sale on a county's Internet website.

Amends Property Code Section 51.002

Author: Rodriguez Sponsor: Rodriguez

Requires a county, if it maintains a county Internet website, to post on the website a copy of a notice filed under Subsection (b)(2) to be publicly available without charge or registration.

Effective Date: September 1, 2013

Senate Bill 109

Relating to a housing plan developed and certain housing information collected and reported by the Texas Department of Housing and Community Affairs.

Repeals Property Code Section 51.0022; Amends Government Code Section 2306.072, Subsection (C)

Author: West Sponsor: Dutton

Repeals Property Code Section 51.0022, which was enacted in the 82nd Legislative Session and required persons filing notices of foreclosure to submit certain information to the county clerk to be transmitted to the Texas Department of Housing and Community Affairs (TDHCA) to assist the agency in reporting on foreclosure activity. Requires TDHCA to continue reporting on foreclosure activity, but no longer directs how foreclosure information will be compiled.

Effective Date: June 14, 2013

Senate Bill 649

Relating to the exemption of certain property from seizure by creditors.

Amends Insurance Code Section 1108.052 and Property Code Sections 42.0021(a) and (b)

Author: Rodriguez Sponsor: Thompson

Expands application of Section 1108.951 from "contingent beneficiary" to "beneficiary." Adds Roth IRAs and inherited Roth IRAs to the list of property exempt from creditor's claims.

Effective Date: September 1, 2013

Senate Bill 848

Relating to assignment of rents to holders of certain security instruments in real property.

Amends Subdivisions (1), (3), (4), and (9) of the Property Code 64.001, amends Property Code Sections 64.051, 64.052, 64.053, Subsections (a) and (b) of Section 64.054, Subsections (a), (c),

(d), and (e) of Section 64.055, Section 64.058, and Subsections (a) and (d) of Section 64.060.

Author: Carona Sponsor: Davis

Expands the definition of “Assignor” from an owner of real property to any person who makes a security interest affecting real property. Specifically excludes consideration paid under a lease and oil and gas royalties from the definition of “Rent.” Clarifies the rules for determining an address for purposes of giving notice and procedural requirements relating to the turning over of collected rents by an assignor to the assignee (creditor).

Effective Date: June 14, 2013

Title 7. Condominiums

House Bill 2075

Relating to the operation of certain condominium unit owners’ associations.

Amends Property Code Section 82.002(c)

Author: Anchia Sponsor: West

Expands the definition of “Dedicator Instrument” to include any document governing the establishment, maintenance, or operation of a condominium regime. Establishes the applicable procedures to pledge future income of the association as well as the association’s lien rights for the purpose of borrowing money. Amends the association’s authority relating to, and the owner’s right to vote thereon, the setting of insurance deductibles, collection of fees related to the deductibles, and payment and application of insurance proceeds. Amends the procedure by which a redeeming owner, other than the association, can redeem the owner’s unit following a foreclosure sale of assessment lien. Requires a county clerk to file and index a recorded management certificate as a “Condominium Association Management Certificate” and requires each condominium unit owners’ association that recorded a management certificate before September 1, 2013 to record a new management certificate on or before January 1, 2014.

Effective Date: September 1, 2013

Title 8. Landlord and Tenant

House Bill 1086

Relating to interruption of electric service by a residential landlord.

Amends Property Code, Section 92.008(b) and (f); adds Property Code, Section 92.008(h)-(r)

Author: Rodriguez Sponsor: Eltife

Permits a landlord to interrupt electrical service to a residential tenant who fails to pay an electric bill if the landlord complies with certain notice requirements and if conspicuous notice of the right is given in a written lease agreement. Limits the interruption to certain situations, including when such an interruption could cause a person residing in the dwelling to become more seriously ill or when the tenant enters into written deferred payment plan.

Effective Date: September 1, 2013

House Bill 1772

Relating to the disconnection of electric or gas utility service.

Adds Property Code, Section 92.302; amends Utilities Code, Chapter 17; amends Utilities Code Chapter 104

Author: Turner Sponsor: Davis

Applies to a multifamily property with ten or more "dwellings" that is master-metered and does not have sub-meters. Requires the person responsible for paying electric or gas bills (the "customer") to provide written notice to each tenant or owner within five days after the customer receives notice that utility service to the property will be disconnected. Specifies that notice must include: (i) customer's contact information, (ii) description of the tenant's statutory remedies for utility cutoff; and (iii) specified language, in both English and Spanish. Requires notice to the municipality, if any. Requires certain electric providers and gas utilities to send notice ten days before disconnecting service to a non-sub-metered multifamily property.

Effective Date: January 1, 2014

Senate Bill 630

Relating to certain obligations of and limitations on residential landlords.

Adds Property Code, Section 92.024; amends Property Code, Section 92.331(a)

Author: Carona Sponsor: Naishtat
Requires a residential landlord to provide a tenant with a complete paper or electronic copy of the lease (1) not later than three business days after the lease is signed, and (2) within three business days after written request by a tenant. Provides that a landlord's failure to furnish the lease does not prevent the landlord from enforcing an action related to the non-payment of rent and only prevents enforcement of other actions until the landlord furnishes the lease as required. Prevents a landlord from retaliating against a tenant because the tenant establishes, attempts to establish, or participates in, a tenant organization.

Effective Date: January 1, 2014

Senate Bill 946

Relating to the right to terminate a lease and avoid liability by a victim of certain sexual offenses or stalking.

Amends Property Code, Section 92.0161

Author: Nelson Sponsor: Bohac

Permits a tenant of a residential lease to terminate the lease and vacate the leased premises prior to the end of the term if the tenant is a victim, or a parent or guardian of a victim, of stalking or of attempted sexual assault or abuse that occurred during the preceding six-month period at the leased premises. Provides that, in such a circumstance, the tenant is required to furnish the landlord with (1) a copy of a protective order other than a temporary ex parte order, or (2) documentation of the stalking from a licensed provider of health care or mental health services who examined the victim or an individual authorized under Chapter 420, Government Code, who provided services to the victim and a report from a law enforcement agency. Provides that, in order to exercise the

termination right, the tenant must provide to the landlord the required information concerning the stalking or attempted sexual assault or abuse and at least 30 days' notice of termination and the tenant must vacate the dwelling. Prohibits the landlord from disclosing the information furnished by the tenant except for a legitimate business purpose or as required by law.

Effective Date: January 1, 2014

Senate Bill 1120

Relating to a residential tenant's lease obligation after the loss of the leased premises resulting from a natural disaster.

Adds Property Code, Section 92.062

Author: West Sponsor: Anchia

Provides that, in the event of a natural disaster that renders premises uninhabitable (expressly including hurricane, tornado, flood, extended freeze, or widespread windstorm), a landlord who allows a residential tenant to move to other premises that the same landlord owns may not require the tenant to sign a lease with a term longer than the then-remaining term of the tenant's original lease.

Effective Date: January 1, 2014

Senate Bill 1268

Relating to recreational vehicles and recreational vehicle parks.

Adds Utilities Code, Section 184.036; amends various sections of Penal Code, Chapter 30, Property Code, Chapter 94, Utilities Code, Chapter 184, and Water Code, Chapters 13 and 49; repeals Property Code Sections 94.001(8) and 94.001(10)

Author: Lucio Sponsor: Guillen

Creates uniformity in the definition of a recreational vehicle park. Permits an operator of a recreational vehicle park to withhold certain utility services from a person occupying a recreational vehicle if such occupant is delinquent in paying for utility services provided by the operator until all delinquent amounts are paid. Prevents a district that provides

nonsubmetered master metered utility service to the recreational vehicle park from charging an administrative fee.

Effective Date: September 1, 2013

Title 9. Trusts

Senate Bill 778

Relating to trusts.

Amends Property Code, Section 113.053(f); amends Property Code, Sections 116.201 and 116.202

Author: Carona Sponsor: Clardy

Permits a financial institution, acting as a trustee, to purchase insurance from its affiliate under specific circumstances. Permits institution to receive a fee for the insurance product, provided that the fee is customary.

Provides that one-half of administration expenses be disbursed from trust income and one-half from trust principal unless a trustee determines that another amount be disbursed from income or principal. Existing law provides that one-half of expenses be disbursed from income and one-half from principal without considering trustee's judgment.

Effective Date: September 1, 2013

Senate Bill 1240

Relating to the partition of mineral interests of a charitable trust.

Adds Property Code, Chapter 124

Author: Duncan Sponsor: Keffer

Prohibits the order in a lawsuit or other judicial proceeding that would divest a charitable trust of an ownership of a mineral interest unless the trust has refused to execute a mineral lease that is fair and reasonable to the plaintiff or petitioner in such a proceeding.

Effective Date: June 14, 2013

Title 11. Restrictive Covenants

House Bill 35

Relating to the authority of a property owners' association to regulate the use of certain lots for residential purposes.

Adds Property Code, Section 209.015

Author: Menendez Sponsor: Deuell

Overrides restrictions forbidding the owner of a lot with a house on it from using an adjacent lot for residential purposes, if under common ownership. Allows improvements "customarily appurtenant to a residence" on the adjacent lot. Potentially allows recreational vehicle storage. Requires owner, upon sale, either to: (i) sell both lots together or (ii) restore the adjacent lot to its pre-existing condition so that it can be used as "a separate residence as originally platted." Restricts separate sale of the adjacent lot.

Effective Date: June 14, 2013

House Bill 503

Relating to the ability of a property owners' association to contract with an association board member or certain other persons or entities associated with the board member.

Amends Property Code, Section 209.002; adds Property Code, Section 209.0052

Author: Hernandez Sponsor: Garcia

Limits contracts between property owners' associations (POA's) and their board members (also related persons and entities). Contains an exception for contracts made during the "development period," as defined.

Effective Date: September 1, 2013

House Bill 680

Relating to provisions in the dedicatory instruments of property owners' association regarding display of flags.

Amends Property Code, Sections 202.001 and 202.011

Author: Burkett Sponsor: Patrick

Overrides anti-flagpole restrictions. Allows flagpoles which are either: (i) attached to a "residential structure" or (ii) not higher than 20 feet and located in the "front yard" of a residence.

Effective Date: June 14, 2013

House Bill 1824

Relating to the operation of master mixed-use property owners' associations.

Amends various sections of Property Code, Chapter 215

Author: Harper-Brown Sponsor: Hancock

Amends 2011 legislation regulating "master mixed-use property owners' associations" (narrowly-defined to include certain large associations like the one operating in Las Colinas). Exempts such associations from all provisions of Chapter 209, Property Code. Allows amendment of declarations by simple majority of eligible votes. Contains elaborate provisions for inspection of association books and records. Requires notice, an opportunity to cure and an opportunity for a hearing before certain enforcement actions may be filed. Requires associations to allow payment plans for assessments.

Effective Date: September 1, 2013

House Bill 3176

Relating to the appointment of a board member of a property owners' association to fill a vacancy.

Amends Property Code, Section 209.00593

Author: Bohac Sponsor: Taylor

Allows the board of a property owners' association to fill any vacancy on the board by appointing a person for the unexpired portion of the term. Filling a position with an expired term requires a vote by property owners.

Effective Date: June 14, 2013

House Bill 3800

Relating to the recording and indexing of property owners' association management certificates in the county real property records.

Amends Property Code, Section 209.004

Author: Coleman Sponsor: Hinojosa

Requires every property owners' association to file (and re-file) a "Property Owners' Association Management Certificate" between September 1, 2013 and January 1, 2014, to ensure that it is properly indexed. Requires county clerks to record and index certificates under that name.

Effective Date: September 1, 2013

Senate Bill 198

Relating to restrictive covenants regulating drought-resistant landscaping or water-conserving natural turf.

Amends Property Code, Section 202.007

Author: Watson Sponsor: Dukes

Overrides restrictions against drought-resistant landscaping or water-conserving natural turf. Allows a property owners' association to require submission of plans for approval, but approval may not be unreasonably denied.

Effective Date: September 1, 2013

**Title 12. Miscellaneous Shared
Real Property Interests**

Senate Bill 1372

Relating to timeshare owners' associations.

Adds Property Code Sections 221.081 through 221.090; amends various sections of Property Code, Section 221

Author: Hinojosa Sponsor: King

Provides for specific laws governing timeshare owners' associations. Permits association to be governed by a board of directors. Specifies powers of the board of directors. Provides for a period of developer control for the board of directors and specifies the length of time this

period is permissible. Addresses items such as removal of a board member, quorum, votes, open meetings, meeting notice, annual meeting of all members of the association. Requires the association to maintain a current list of timeshare owners and specifies how this list may be used. Creates action under DTPA for person who knowingly participates in a scheme of which is to transfer a timeshare interest to a transferee who does not have the ability, means, or intent to pay all assessments and taxes for the timeshare interest. Many provisions of the bill apply to timeshare plans regardless of the date on which the timeshare plan was created.

Effective Date: September 1, 2013

TAX CODE

Title 1. Property Tax Code

House Bill 97

Relating to the exemption from ad valorem taxation of part of the appraised value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization.

Adds Tax Code Sections 11.132 and 26.1127; Amends Tax Code Sections 11.42(c), 11.43 (c) and (k), 11.431(a), 26.10(b), and 31.031(a)

Author: Perry Sponsor: Van de Putte

Provides an exemption from taxation of a percentage of the appraised value of the residence homestead of a disabled veteran, or surviving spouse of a disabled veteran, equal to the disabled veteran's disability rating, if the residence homestead was donated to the disabled veteran by a charitable organization. Provides the method of calculating taxes on donated residence homestead of a disabled veteran or surviving spouse of a disabled veteran.

Effective Date: January 1, 2014, if constitutional amendment is approved by voters

House Bill 241

Relating to the notice provided by the chief appraiser of an appraisal district of the

availability of agreement forms authorizing certain electronic communications.

Amends Tax Code Section 1.085(h)

Author: Otto Sponsor: Hegar

Limits the requirement that the chief appraiser provide notice of availability of agreement forms authorizing electronic communications if an appraisal district is located in a county with a population of more than 200,000, or if the chief appraiser has authorized electronic communication and the appraisal district has implemented a system that allows electronic communication.

Effective Date: September 1, 2013

House Bill 242

Relating to the requirement that certain ad valorem tax-related notices be delivered to a property owner by certified mail.

Amends Tax Code Section 1.07(d)

Author: Otto Sponsor: Hegar
Adds requirement that notices required under Tax Code Sections 23.46(c) (Additional Taxation), 23.54(e) (Application for Appraisal), 23.541(c) (Late Application for Appraisal as Agricultural Land), 23.55(e) (Change of Use of Land), and 23.76(e) (Change of Use of Land) be sent by certified mail.

Effective Date: January 1, 2014

House Bill 294

Relating to the exemption from ad valorem taxation of certain property owned by a charitable organization and used in providing housing and related services to certain homeless individuals.

Amends Tax Code Section 11.18

Author: Rodriguez Sponsor: Watson

Broadens tax exemption to apply to property and not only property improvements or buildings. Increases the length of time requirement that a charitable organization must be in existence for the exemption to apply from 10 years to 12

years. Revises the single campus requirement to include property located on or consisting of a single campus in (instead of owned by) a municipality with a population of more than 750,000 and less than 850,000, or within the extraterritorial jurisdiction of such municipality.

Effective Date: January 1, 2014

House Bill 326

Relating to eligibility to serve on the appraisal review board of an appraisal district.

Amends Tax Code Sections 6.412(d) and (e); Repeals Tax Code Section 6.412(f)

Author: Dutton Sponsor: Huffman

Restricts eligibility for service on appraisal review board in counties with a population of more than 100,000 if person has served for all or part of three consecutive terms as a board member on an appraisal review board. Restricts eligibility to serve on the appraisal review board of an appraisal district in a county having a population of more than 100,000 if person has served as a former officer or former employee of the appraisal district. Eliminates distinction of appraisal review board term limits for counties having a population of 100,000 or less and term limits for auxiliary board members. Repeals Tax Code Section 6.412(f) related to references to auxiliary board members in Section 6.412.

Effective Date: June 14, 2013

House Bill 561

Relating to an exemption for land owned by a school from the additional tax imposed on the change of use of land appraised for ad valorem tax purposes as qualified open-space land.

Adds Tax Code Section 23.55(q)

Author: Workman Sponsor: Seliger

Provides that sanctions from the change of use of land will not apply to land owned by a school, if the land is converted within five (5) years by the school to a use eligible for an exemption under Tax Code Section 11.21.

Effective Date: June 14, 2013

House Bill 585

Relating to procedural requirements under the Property Tax Code.

Adds Tax Code Sections 5.103, 6.035(a-1), 6.0501, 21.09, 22.01, 23.23(g), and 41.45(n); Amends Tax Code Sections 5.041, 6.05(c) and (d), 6.052, 6.41, 6.411(c-1), 22.24(e), 23.02, 23.129, 31.11, 33.48(a), 41A.03(a), 41.43, 41.66, 42.21, 42.23, and 42.29(a); Repeals Tax Code Section 41A.031

Author: Villarreal Sponsor: Eltife

Provides that the Comptroller shall prepare model hearing procedures for appraisal review boards to include: (1) duties of an appraisal review board; (2) process, scheduling and notices for hearings; (3) parties' rights during hearings; (4) prohibited communications; (5) conflicts of interest; and (6) other matters related to fair and efficient hearings. Provides requirements to serve on an appraisal district board. Provides eligibility requirements to serve as chief appraiser of an appraisal district. Provides for the appointment of a chief appraiser by the Comptroller. Provides additional grounds for removal from an appraisal review board, including prohibited communications. Provides that certain prohibited communications shall be a Class A misdemeanor.

Provides that the appraisal district has the burden of proof to establish the value of the property in a protest hearing brought under Tax Code Section 41.41 if (1) the appraised value was lowered, (2) the appraised value was not established as a result of a written agreement, or (3) if the property owner provides required information at least 14 days before the hearing. Provides that the property owner has no duty to provide information in a protest hearing authorized under Tax Code Section 41.41. Provides that a property owner does not waive the right to appear at a protest hearing by submitting an affidavit to the appraisal review board. Provides that when the appraisal review board may consider an affidavit submitted to the appraisal review board. Provides that procedures for scheduling and postponement of protest hearings and notice requirements.

Provides that petitions for judicial review by a district court of protests, determinations of an appraisal review board, and an order of the comptroller may include multiple properties that would typically sell as a single property and that petitions may be amended to include additional properties that would typically sell as a single property. Limits defenses to be claimed, such as plea to the jurisdiction or failure to exhaust the plaintiff's administration remedies, even if the plaintiff is not correctly identified as the owner, or if the property is not correctly described, so long as the property was the subject of an appraisal review board.

Provides that an application for refund is presumed denied if there is no response from the tax collector on or before 90 days after the refund application is filed. Provides the right for a taxpayer to file suit to collect the refund.

Provides application procedures for allocation, including creation of an allocation application form by the Comptroller, timelines for submittal of application, procedure of submittal of a late application, penalties, and notice requirements related to the same.

Provides continuing education requirements for a chief appraiser of an appraisal district including required courses and professional ethics courses. Provides requirements for members of the tax appraisal boards to complete a statement subsequent to the completion of required training course instruction, as outlined by the Comptroller, that the members will comply with the course requirements when conducting hearings.

Removes the word "natural" from Tax Code Section 23.02 Reappraisal of Property Damaged in Disaster Area. Provides that replacement structures shall not be considered new improvements even if the square footage exceeds the replaced structure or if the exterior of the replacement structure is of higher quality construction or composition.

Provides that a secured party, with the consent of the property owner, may render for taxation any property of the property owner in which the secured party has a security interest. The secured party may rely on information provided by the

property owner and is not liable for inaccurate information provided by the property owner.

Effective Date: June 14, 2013, except for certain sections which take effect January 1, 2014

House Bill 699

Relating to the location of certain public sales of real property.

Amends Civil Practice and Remedies Code Section 34.041, Property Code Section 51.002(h), and Tax Code Section 34.01(r)

Author: Davis

Sponsor: Taylor

Provides that the commissioners court of a county may designate an area other than an area at the county courthouse where public sales of real property will take place that is in a public place within a reasonable proximity of the county courthouse and in a location as accessible to the public as the courthouse door. Provides the commissioners court shall record the designated area in the real property records of the county. Except for the public sale of real property required by court order or other law to be made at a place other than the courthouse door, a sale must be held in the designated area if the sale is held on or after the 90th day after the designation is recorded. Provides that a designation by a commissioners court of area for public sales of real property is not a ground for challenging or invalidating any sale.

Effective Date: October 1, 2013

House Bill 709

Relating to ad valorem tax payments and refunds.

Amends Tax Code Sections 26.15(g), 31.031(a), and 31.11(b)

Author: Isaac

Sponsor: Deuell

Provides that a taxing unit that determines a taxpayer is delinquent in ad valorem tax payments for a tax year other than the tax year for which liability for a refund due to overpayment or erroneous payment arises may apply the amount of the refund to the payment of the delinquent taxes. Removes the requirement

in Tax Code Section 31.031 regarding installment payments of certain residence homestead taxes that the individual must be either disabled, or at least 65 years of age, or the unmarried surviving spouse of a disabled veteran.

Effective Date: January 1, 2014

House Bill 1287

Relating to the contents of an application by certain persons for an exemption from ad valorem taxation of the person's residence homestead.

Amends Tax Code Section 11.43

Author: Hilderbran Sponsor: Estes

Removes requirements in application for exemption from ad valorem taxation of a person's residence homestead requiring the provision of vehicle registration receipts or utility bills that correspond with the address on the applicant's driver's license or state-issued personal identification certificate. Provides a chief appraiser may waive the requirement that the address of the property for which the exemption is claimed correspond to the address listed on the driver's license or state-issued personal identification certificate provided by the applicant if the applicant is an active duty member of the armed services of the United States, the spouse of an active duty member, a peace officer, a federal or state judge, or the spouse of a federal or state judge.

Effective Date: September 1, 2013

House Bill 1597

Relating to installment payments of ad valorem taxes.

Amends Tax Code Sections 31.031, 33.02, and 33.04; Adds Property Code Section 51.0011

Author: Gonzalez Sponsor: Hinojosa

Changes the due date for the first installment under a payment plan for delinquent taxes on the homestead of the disabled, elderly, and disabled veterans to March 1.

Requires the collector for a taxing unit to enter into a payment plan with a person delinquent in the payment of the tax on a residence homestead if the person has not entered into an installment agreement in the preceding 24 months.

Provides that a debtor is not in default under a deed of trust or other contract lien on real property used as the debtor's residence for the delinquent payment of ad valorem taxes if (1) the debtor gave notice to the mortgage servicer of the intent to enter into an installment agreement with the taxing unit for the payment of the taxes at least 10 days before the date the debtor entered into the agreement, and (2) the property is protected from seizure and sale and a suit may not be filed to collect a delinquent tax on the property. Provides that a mortgage servicer who receives a notice of the intent to enter into such installment agreement and gives the debtor notice that the mortgage servicer intends to accelerate the note securing the deed of trust or other contract lien as a result of the delinquency of the taxes must rescind the notice if the debtor enters into the agreement not later than the 30th day after the date the debtor delivers the notice. Provides requirements and

terms of the installment agreement. Provides the form of notice of delinquency to be provided to by the collector for a taxing unit.

Effective Date: September 1, 2013

House Bill 1897

Relating to the exemption from ad valorem taxation of pollution control property.

Amends Tax Code Sections 11.31 and 42.43; Adds Tax Code Section 11.311; Amends Government Code Section 403.302(d)

Author: Eiland Sponsor: Carona

Provides that a person is entitled to an exemption from taxation of the real and personal property the person owns that is located on or in close proximity to a landfill and is used to collect, compress, transport, process and deliver the gas generated by the landfill into a natural gas pipeline or methane fueling station. Provides that this exemption expires December 31, 2015. Provides deadline for provision of determination

letter to person seeking exemption. Provides procedures to obtain refund resulting from the final determination of an appeal.

Effective Date: September 1, 2013

House Bill 1913

Relating to the waiver of penalties and interest on certain delinquent ad valorem taxes.

Amends Tax Code Sections 33.011 and 33.04

Author: Bohac Sponsor: Williams

Provides a governing body of a taxing unit may waive penalties and interest on a delinquent tax that relates to a date preceding the date on which the property owner acquires the property if (1) the tax is paid not later than the 181st day after the date the property owner receives the prescribed notice of the delinquent tax, and (2) the delinquency is the result of errors associated with the property being added to the appraisal roll, or erroneously exempted property or appraised value of property. Provides waiver of penalties and interest on delinquent tax if the taxpayer submits evidence showing payment was delivered before the delinquency date. Provides form of notice of delinquency.

Effective Date: September 1, 2013

House Bill 2712

Relating to the exemption from ad valorem taxation of energy storage systems used for the control of air pollution in a nonattainment area.

Adds Tax Code Section 11.315; Amends Tax Code Sections 11.43 and 26.012(6)

Author: Perez Sponsor: Taylor

Provides that a person is entitled to an exemption from taxation by a taxing unit of an energy storage system owned by the person if (1) the exemption is adopted by the governing body of the taxing unit, and (2) the energy storage system meets all applicable requirements, rules, and regulations.

Effective Date: January 1, 2014

House Bill 2792

Relating to the circumstances under which an appraisal review board hearing shall be closed to the public.

Amends Tax Code Section 41.66

Author: Elkins Sponsor: Hegar

Provides that on a joint motion by the property owner and chief appraiser, the appraisal review board shall conduct a hearing closed to the public if either the property owner or chief appraiser intends to disclose proprietary or confidential information at the hearing.

Effective Date: June 14, 2013

House Bill 3438

Relating to the eligibility of a person to serve on the appraisal review board of an appraisal district.

Amends Tax Code Section 6.412(d)

Author: Otto Sponsor: Lucio

Provides that a person is ineligible to serve on the appraisal review board of an appraisal district established for a county having a population of more than 100,000 if the person has appeared before the appraisal review board for compensation during the two-year period preceding the date the person is appointed (under prior law a person who has ever appeared in such capacity was ineligible to serve).

Effective Date: September 1, 2013

House Bill 3439

Relating to the representation of a property owner by an agent in a property tax matter.

Amends Tax Code Sections 1.11(b) and 1.111 (c) and (i)

Author: Otto Sponsor: Lucio

Provides that a written request filed with the appraisal district remains in effect until revoked by the owner or the owner's designated agent. Provides that a designated agent revoking such designation must send notice of the revocation

by certified mail to the property owner at the property owner's last known address. Deletes the last sentence of Section 1.111(i) that provides if an appraisal review board designates a time and place for appearance before a hearing, an agency authorization is considered to be filed at or before the hearing if a copy of the authorization is filed at the time and place designated by the board.

Effective Date: September 1, 2013

House Bill 3613

Relating to the release of delinquent tax liens on manufactured homes.

Amends Tax Code Section 32.015(a); Amends Occupations Code Section 1201.219

Author: Elkins Sponsor: Lucio

Provides that if no suit to collect a personal property tax lien has been filed and the lien has been delinquent for more than four years, the tax lien shall be removed from the title records of a manufactured home. Provides the process by which a tax collector files a tax lien release on a manufactured home where the tax lien is delinquent more than four years and no suit has been timely filed.

Effective Date: September 1, 2013

Senate Bill 163

Relating to an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed in action.

Adds Tax Code Section 11.132; Amends Tax Code Sections 11.42, 11.431, 26.10, and 26.112; Amends Government Code Section 403.302

Author: Van de Putte Sponsor: Turner

Entitles the surviving spouse of a member of the armed services who is killed in action to an exemption from taxation of the total appraised value of the homestead and continues that exemption for subsequent years onto subsequently owned homestead, at the level of the initial exemption, so long as the surviving

spouse does not remarry. Removes the property from consideration as taxable property for purposes of determining the valuation of property in a school district.

Effective Date: January 1, 2014, if constitutional amendment is approved by voters

Senate Bill 247

Relating to the transfer of an ad valorem tax lien; providing an administrative penalty.

Amends Finance Code Sections 351.0021, 351.003, 351.051, and 351.054; Adds Finance Code Sections 351.0022 and 351.0023; Amends Tax Code Sections 32.06 and 32.065; Repeals Tax Code Section 32.06(c-1)

Author: Carona Sponsor: Miller

Precludes a property owner from waiving any limit or requirement imposed on a property tax lender which is not specifically permitted. Imposes certain advertising restrictions on property tax lenders including a notice that installment payments are available at the local tax assessor-collector, a disclosure of the rate or charge in any advertisement that makes references to a rate or charge, and a disclosure of certain repayment terms if the advertisement includes reference to certain repayment terms. Clarifies the prohibitions against property tax lien transfers by a person to unlicensed property tax lien transferees as to lineal relationship. Authorizes the Finance Commission to impose administrative penalties to enforce the advertisement restrictions. Amends the "transferee" definition to include certain licensed persons or successive owners of the tax lien. Prohibits a person 65 years of age or older from transferring a tax lien on homestead. Requires the Finance Commission to adopt rules on the manner and form that lenders must use to obtain payoff information from a transferee. Prohibits a tax lien transfer for properties financed with a grant or below market rate loan provided by a governmental program or nonprofit organization. Voids any agreement that purports to create a lien for the payment of taxes that are not delinquent or due at the time the owner executes the sworn document filed with the county tax collector.

Effective Date: May 29, 2013

Senate Bill 1224

Relating to the use by a property owner of a common or contract carrier to send a payment, report, application, statement, or other document or paper to a taxing unit or taxing official.

Amends Tax Code Section 1.08

Author: Taylor Sponsor: Bonnen

Clarifies that a property tax payment mailed by first class mail or common or contract carrier is timely paid if the postage stamp bears a receipt mark indicating a date earlier than the specified due date.

Effective Date: June 14, 2013

Senate Bill 1255

Relating to binding arbitration of an appraisal review board order determining a protest of an unequal appraisal of the owner's property.

Amends Tax Code Section 41A.01; Adds Tax Code Section 41A.06(c)

Author: Patrick Sponsor: Murphy

Requires the arbitrator to complete a training program on property tax law before conducting any hearing on an arbitration related to the appeal of an appraisal review board order. Mandates the program itself to emphasize the requirements regarding the equal and uniform appraisal of property among other training requirements.

Effective Date: June 14, 2013

Senate Bill 1256

Relating to the requirements for a sale to be considered a comparable sale for ad valorem tax purposes.

Adds Tax Code Section 23.013(b-1)

Author: Patrick Sponsor: Bohac

Disqualifies a sale as a comparable sale unless the sale occurred within 36 months of the date that the market value of the subject property is to be determined. Applies the foregoing rule only

to residential property in a county with a population of more than 150,000.

Effective Date: January 1, 2014

Senate Bill 1508

Relating to the rendition of certain property for ad valorem tax purposes.

Adds Tax Code Sections 22.01(c-1), (c-2), (c-3), and (d-1); Amends Tax Code Section 22.24(e)

Author: Hegar Sponsor: Workman

Defines "secured party" and "security interest" by giving those defined meanings found in the Business & Commerce Code. Allows a secured party to render the valuation for taxation, with the consent of the property owner, when the historical cost when new is more than \$50,000. Removes liability from the secured party for information provided by the owner or obtaining certain information untimely. Allows the secured party to rely on the information provided by the property owner with respect to the accuracy of the information, the appraisal district to which the rendition statement must be filed, and the compliance with any provisions of this chapter that require the property owner to supply additional information.

Effective Date: January 1, 2014

Title 3. Local Taxation

House Bill 3390

Relating to the Texas Economic Development Act; imposing a penalty.

Amends and adds various sections of Tax Code Chapter 313; Amends Education Code Sections 42.2515(a) and 42.302(e)

Author: Hilderbran Sponsor: Deuell

Extensively amends provisions relating to qualifications for the grant of ad valorem tax incentives to capital intensive investments made by enterprises in Texas. Provides implementation and oversight by the comptroller. Adds a penalty for failure to comply with job-creation requirements of a grant made pursuant to the Act.

Effective Date: January 1, 2014

Senate Bill 1719

Relating to the construction, remodeling, or rehabilitation of certain hotel projects.

Amends Government Code Sections 2303.003 and 2303.5055; Amends Tax Code Sections 151.429, 351.001, and 351.102

Author: Rodriguez Sponsor: Moody

Expands the definition of a “qualified hotel project” under the Texas Enterprise Zone Act. Excludes from rebate certain sales tax refunds for qualified hotel projects proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored local government corporation created under the Texas Transportation Corporation Act that is within 3,000 feet of the property line of a convention center owned by such a municipality. Expands “convention center facilities or “convention center complex” to include a hotel proposed to be constructed, remodeled, or rehabilitated by a municipality or a nonprofit municipally sponsored local government corporation that is within 3,000 feet of the property line of a convention center owned by a municipality having a population of more than 500,000 and that borders the United Mexican States. Allows a municipality having a population of more than 500,000 and that borders the United Mexican States to pledge revenue derived from hotel occupancy taxes to pay bonds issued for projects falling within the qualifications of the applicable provisions.

Effective Date: June 14, 2013

TRANSPORTATION CODE

Title 6. Roadways

House Bill 341

Relating to the exclusion of certain mineral interests from the property interests that may be condemned by a regional tollway authority.

Adds 366.165(d), Transportation Code

Author: Pitts Sponsor: Nichols

Requires a condemning authority to exclude from the interest to be condemned all the oil, gas, and sulphur beneath the real property, and to exclude any right of ingress or egress to or from the surface of the land to explore, develop, drill, or mine that real property.

Effective Date: June 14, 2013

Senate Bill 1487

Relating to the abandonment of a county road.

Amends 251.057 (b), Transportation Code.

Author: Watson Sponsor: Fletcher

Includes a cemetery road as a county road that may be declared abandoned after 20 years of enclosed fencing by an adjoining property owner, unless, after the 20 years, an adjoining property owner files an affidavit that provides for reasonable access to the cemetery pursuant to Health & Safety Code Sec. 711.92.

Effective Date: June 14, 2013

Title 7. Vehicles and Traffic

House Bill 1931

Relating to compensation of property owners whose property is damaged as a result of a pursuit involving a law enforcement agency

Amends Section 683.015, Transportation Code

Author: Guillen Sponsor: Estes

Adds the ability to compensate property owners whose property was damaged as a result of a pursuit involving a law enforcement agency to collect funds from a county whose population is less than 150,000.

Effective Date: September 1, 2013

UTILITIES CODE

Title 2. Public Utility Regulatory Act

House Bill 1600

Relating to the continuation and functions of the Public Utility Commission of Texas, to the

transfer of certain functions from the Texas Commission on Environmental Quality to the Public Utility Commission of Texas, to the rates for water service, and to the functions of the Office of Public Utility Counsel; authorizing a fee.

Amends Utilities Code, various chapters and sections; repeals Utilities Code, Section 64.003; amends and adds Water Code, various chapters and sections; amends Local Government Code, Section 552.047; amends Special District Local Laws Code, various chapters and sections.

Author: Cook Sponsor: Nichols

Reauthorizes Public Utility Commission (PUC), extending its "sunset" until September 1, 2023. Transfers authority over water and sewer rates, services and certificates of convenience and necessity to PUC from the Texas Commission on Environmental Quality (effective September 1, 2014). Authorizes Office of Public Utility Counsel to represent interests of residential and small commercial customers in water and sewer cases (effective September 1, 2013). Classifies

water utilities by number of connections and prescribes different rate review procedures. Contains provisions for emergency cease-and-desist orders to electric industry participants and for certificates for operating authority. Strengthens PUC oversight of ERCOT and similar entities, including their system administration fees.

Effective Date: September 1, 2013

Title 3. Gas Regulation

Senate Bill 900

Relating to the amounts of the administrative, civil, and criminal penalties for violating certain statutes under the jurisdiction of, rules or orders adopted by, or licenses, permits, or certificates issued by the Railroad Commission of Texas.

Amends Natural Resources Code Sections 81.0531, 117.051, 117.053, and 117.054; Amends Utilities Code Sections 121.007, 121.204, 121.206, 121.302, 121.304, and 121.310

Author: Fraser Sponsor: Wu

Provides for increased civil and criminal penalties for violations of rules or orders adopted by Railroad Commission relating to safety standards for pipelines or for causing or attempting to cause injury or destruction to a pipeline facility.

Effective Date: September 1, 2013

Title 4. Delivery of Utility

Senate Bill 349

Relating to standards for power lines.

Amends Utilities Code, Sections 181.041 and 181.045

Author: Nichols Sponsor: Creighton

Exempts "distribution" power lines (under 60,000 volts) from a 22-foot minimum clearance requirement. Appears to be a legislative response to the Texas Supreme Court's opinion in *Traxler v. Entergy Gulf States, Inc.*, 376 S.W.3d 742, 748 (Tex. 2012).

Effective Date: May 18, 2013

WATER CODE

Title 2. Water Administration

House Bill 4

Relating to the administration of the Texas Water Development Board and the funding of water projects by the board and other entities; authorizing the issuance of revenue.

Amends and adds numerous sections to the Water Code, Chapters 6, 15, 17, and 49

Author: Ritter Sponsor: Fraser

Reduces membership of Texas Water Development Board (TWDB) from six to three, sets qualifications and disqualifies incumbents. Creates State Water Implementation Fund for Texas (SWIF) and State Water Implementation Revenue Fund for Texas (SWIRFT) to function as a water infrastructure bank (or revolving fund) making direct loans or enhancing revenue

bonds. Sets up an advisory committee appointed by Comptroller, Speaker and Lieutenant Governor. Funding is contingent upon passage of Senate Joint Resolution 1 in statewide election on November 5, 2013.

Effective Date: September 1, 2013

House Bill 252

Relating to water shortage reporting by water utilities and providers of wholesale water service.

Adds Water Code Chapter 13, Section 13.148

Author: Larson Sponsor: Hegar

Requires retail public utilities and wholesale water suppliers to notify Texas Commission on Environmental Quality (TCEQ) when less than 180 days of water supply are left.

Effective Date: September 1, 2013

House Bill 677

Relating to the regulation and enforcement of dam safety by the Texas Commission on Environmental Quality.

Amends Water Code, Section 12.052

Author: Geren Sponsor: Eltife

Increases the population of counties (from 215,000 to 350,000) in which some private dam owners are exempt from dam-safety requirements. Repeals year 2015 expiration date on a related exemption.

Effective Date: September 1, 2013

House Bill 1079

Relating to procedural requirements for action by the TCEQ on applications for production area authorizations.

Amends Water Code, Section 27.0513

Author: Smith Sponsor: Hancock

Requires permit applicant for an injection well for uranium mining to provide groundwater

quality data to TCEQ. Allows contested hearings for restoration of ground water quality. Contains other provisions.

Effective Date: June 14, 2013

House Bill 1461

Relating to customer notification of water loss by a retail public utility.

Adds Water Code, Chapter 13, Section 13.148.

Author: Aycock Sponsor: Fraser

Requires TCEQ to adopt rules to require retail public utilities to report water loss data to their customers.

Effective Date: September 1, 2013

Senate Bill 567

Relating to rates for water service, and to the transfer of functions relating to the economic regulation of water and sewer service from the Texas Commission on Environmental Quality to the Public Utility Commission of Texas, and to the duties of the Office of Public Utility Counsel regarding the economic regulation of water and sewer service.

Amends Water Code Chapters 5, 11, 12, and 13, various sections; amends Local Government Code, Chapter 552, various sections; amends Special District Local Laws Code, various chapters.

Author: Watson Sponsor: Geren

Transfers TCEQ's responsibilities for regulating water and sewer rates, services and certificates of convenience and necessity to the Public Utility Commission (PUC). Provides for the Office of Public Utility Counsel. Allows concurrent jurisdiction between TCEQ and PUC on some matters. Establishes three classes of water utilities, with different review procedures. Provides for transfer of pending matters, files, personnel and related issues.

Effective Date: September 1, 2013

Senate Bill 655

Relating to the exercise of the power of eminent domain by certain authorized entities.

Adds Special District Local Laws Code, Section 1.004; adds Water Code, Section 1.005

Author: Birdwell Sponsor: King
Limits eminent domain power of special districts to acquisitions for "public use" in accordance with Art. 1, Sec. 17 of the Texas Constitution.

Effective Date: May 18, 2013

Senate Bill 1532

Relating to the power of the Texas Commission on Environmental Quality to authorize certain injection wells that transect or terminate in the Edwards Aquifer.

Adds Water Code, Section 27.0516

Author: Zaffirini Sponsor: Rodriquez

Limits TCEQ authority to permit injection wells that transect or terminate in the Edwards Aquifer. Requires any injection well to be at least three miles from the closest outlet of Barton Springs. Provides definitions for the Edwards Aquifer and makes other provisions for injection wells.

Effective Date: September 1, 2013

Title 4. General Law Districts

House Bill 752

Relating to the types of entities that are considered municipal water suppliers for purposes of the law governing the effect of the subdivision of certain land on certain irrigation water rights.

Amends Water Code, Section 49.501

Author: Longoria Sponsor: Hinojosa

Clarifies that a special utility district converted from a water supply corporation is covered by existing law governing conversion of irrigation water rights to municipal use in connection with subdivisions.

Effective Date: June 14, 2013

House Bill 1324

Relating to exclusion of land from certain water districts that fail to provide service to the land; clarifying and limiting the authority of those districts with outstanding bonds payable from ad valorem taxes to impose taxes on excluded land; providing for a financial review.

Amends Water Code, Sections 49.3076, 49.3077, 49.3078, 49.312; repeals Water Code, Section 49.3076

Author: Davis Sponsor: Taylor

Changes criteria and procedures for excluding land from a water district when the district is not providing retail utility service to the land. Provides for service contracts, payment of outstanding bonded indebtedness, continued taxation and review by TCEQ.

Effective Date: September 1, 2013

House Bill 2362

Relating to the efficiency review of river authorities.

Adds Water Code, Section 49.1991; amends Local Government Code, Section 322.0171

Author: Keffer Sponsor: Birdwell

Allows the Legislative Budget Board to conduct efficiency reviews of river authorities and specifies that reviews of the Lower Colorado River Authority and the Brazos River Authority would be done before others. Protects some drafts and information from public disclosure.

Effective Date: September 1, 2013

House Bill 2704

Relating to bids for construction contracts for certain conservation and reclamation districts.

Amends Water Code, Section 49.272; adds Water Code, Section 49.2731

Author: Callegari Sponsor: Hegar

Allows a change order to increase a water district construction contract by 25% (up from 10%). Provides for electronic bids.

Effective Date: June 14, 2013

Senate Bill 447

Relating to annual and special meeting of and election procedures for members of boards of directors for water supply or sewer service corporation.

Amends Water Code, Chapter 67, various sections.

Author: Fraser Sponsor: King

Modifies requirements for candidates for director of retail water or sewer service corporations. Adds provisions for election of unopposed candidates and prohibits coercion, or intimidation.

Effective Date: May 18, 2013

Senate Bill 611

Relating to the irrigation powers and functions of certain water districts; providing authority for a district by rule to change fees; clarifying a district's authority to impose certain assessments.

Amends Water Code, Chapters 51, 55, and 58, various sections; repeals Water Code, Section 58.137

Author: Lucio Sponsor: Lucio III

Affects water control and improvement districts, water improvement districts, and irrigation districts. Gives some water projects priority over local fish and wildlife regulations and waives governmental immunity for land acquisition. Makes extensive changes affecting irrigation, including rights to receive water, contracts, assessments, liens, expenses, rates and petitions to TCEQ.

Effective Date: September 1, 2013

Senate Bill 902

Relating to operation, powers, and duties of certain water districts.

Amends Health and Safety Code, Section 388.005; amends Local Government Code, Sections 375.161 and Section 552.014; amends Water Code Chapters 49, 51 and 54, various sections; repeals Water Code, Section 49.103(g).

Author: Fraser Sponsor: Callegari

Omnibus-type water district bill, including changes relating to: (i) electricity and conservation; (ii) municipal management district taxes and fees on residential properties; (iii) city-district contracts and payment methods; (iv) tax assessor/collectors; (v) meeting notices; (vi) elections; (vii) impact fees, including an exemption for stormwater detention, retention and conveyance charges; (viii) advertising and bidding for contracts, including a \$75,000 increased threshold amount for mandatory advertising; (ix) fire departments; (x) recreational facilities; (xi) director qualifications and terms of office; (xii) substitution of taxable land in a district; and (xiii) other water district matters.

Effective Date: September 1, 2013

END OF REPORT

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