

## TCCE Legislative Update Part II

### HIGHER EDUCATION:

**HB 66** by Ryan Guillen (D-Rio Grande City) and Judith Zaffirini (D-Laredo) provides that if a student appointed to receive a **Texas Armed Services Scholarship** fails to maintain eligibility, the elected official who appointed the student is allowed to appoint another student to receive any available funds designated for the student who is no longer eligible. *It was signed by the governor on May 29, 2017 and takes effect on September 1, 2018. (SAME AS SB 49)*

**HB 493** by Mary Ann Perez (D-El Paso) and Donna Campbell (R-New Braunfels) requires the Texas Workforce Commission to annually report to the governor and legislature information related to the **College Credit for Heroes** program including the number of academic or workforce education semester credit hours awarded under the program and applied toward a degree or certification program at an institution of higher education during the most recent academic year, disaggregated by:

- the subject area for which the credit hours are awarded; and
- the number of transfer credit hours awarded toward a degree or certification at an institution of higher education.

*It was signed by the governor on May 29, 2017 and takes effect on January 1, 2018.*

**HB 655** by Travis Clardy (R-Nacogdoches) and Judith Zaffirini (D-Laredo) requires junior college students to file a **degree plan** by the end of the second semester or term in which the student earns a cumulative total of 30 semester credit hours. *It was signed by the governor on May 29, 2017 and took immediate effect.*

**HB 846** by John Raney (R-Bryan) and Jose Menendez (D-San Antonio) prohibits institutions of higher education (including private institutions) from imposing additional fees, obligations or burdens regarding payment or registration on **Hazelwood students**. It requires institutions of higher education to allow a Hazelwood student to defer payment of tuition and fees if the receipt of military-related financial assistance awarded to the student is delayed by less than 60 days. *It was signed by the governor on June 15, 2017 and takes effect September 1, 2017.*

**HB 928** by James White (R-Hillister) and Carlos Uresti (D-San Antonio) requires the Texas Department of Family and Protective Services to work with school districts to identify **foster care students** and assist them with:

- completing financial aid applications;
- arranging and accompanying the child on campus visits;
- assisting the child in researching and applying for private or institution-sponsored scholarships;
- identifying whether the child is a candidate for appointment to a military academy;

- assisting the child in registering and preparing for college entrance examinations, including, subject to the availability of funds, arranging for the payment of any examination fees; and
- coordinating contact between the child and a liaison officer for students who were formerly in the department's conservatorship.

*It was signed by the governor on June 1, 2017 and took immediate effect.*

**HB 961** by Justin Rodriguez (D-San Antonio) and Kel Seliger (R-Amarillo) provides for the election of **junior college district trustees** by a plurality vote if the board of trustees adopts a resolution at least 180 days before the election that a candidate must receive a plurality of the votes cast at the upcoming and subsequent election(s) until rescinded by resolution. **It was VETOED by the governor.**

**HB 1117** by John Wray (R-Waxahachie) and Judith Zaffirini (D-Laredo) expands eligibility for the **Texas Armed Services Scholarship Program** to include a student enrolled in an undergraduate officer commissioning program such as the United States Marine Corps Platoon Leaders Class (current law requires the student to be enrolled in a Reserve Officers' Training Corps program). *It was signed by the governor on May 29, 2017 and took immediate effect.*

**HB 1638** by Ryan Guillen (D-Rio Grande City) and Royce West (D-Dallas) requires the Texas Education Agency and the Texas Higher Education Coordinating Board to jointly develop **statewide goals for dual credit programs**, including early college high school programs, career and technical education dual credit programs, and joint high school and college credit programs to provide uniform standards for evaluation the programs. *It was signed by the governor on May 23, 2017 and took immediate effect.*

**HB 2223** by Helen Giddings (D-Dallas) and Judith Zaffirini (D-Laredo) requires institutions of higher education to develop and implement for developmental coursework (other than adult basic education or basic academic skills education) a **co-requisite model**, where students enroll simultaneously in a **developmental education** course and the gateway course of the same subject matter during the same semester. If a student fails to satisfactorily complete a freshman-level course, the institution of higher education is required to:

- review the plan developed for the student and, if necessary, work with the student to revise the plan; and
- offer the student a range of competency-based education programs to assist the student in becoming ready to perform freshman-level academic coursework in the applicable subject area.

*It was signed by the governor on June 15, 2017 and took immediate effect.*

**HB 2895** by Four Price (R-Amarillo) and Kel Seliger (R-Amarillo) requires institutions of higher education put a conspicuous link on the institution's Internet website home page directing students to **mental health resources**. *It was signed by the governor on May 29, 2017 and takes effect on September 1, 2017.*

**HB 3808** by Travis Clardy (R-Nacogdoches) and Jose Menendez (D-San Antonio) adds licensed marriage and family therapists to the **student loan repayment** program for **mental health professionals**. If funds are available in any fiscal year after grants are made to all other eligible mental health professionals, any unused funds can be awarded for repayment assistance to licensed marriage and family therapists. It also adds a definition of “practice of psychology” into Section 501 of the Occupations Code. *It was signed by the governor on June 15, 2017 and takes effect on September 1, 2017.*

**SB 49** by Judith Zaffirini (D-Laredo) and Ryan Guillen (D-Rio Grande City) provides that if a student appointed to receive a **Texas Armed Services Scholarship** fails to maintain eligibility, the elected official who appointed the student is allowed to appoint another student to receive any available funds designated for the student who is no longer eligible. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017. (SAME AS HB 66)*

**SB 331** by Royce West (D-Dallas) and Toni Rose (D-Dallas) allows the Texas Higher Education Coordinating Board to temporarily (two years with optional renewal twice – instead of once) allow a private or independent college of higher education that no longer holds an accreditation but is actively working toward accreditation to participate in the **Tuition Equalization Grant Program**. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**SB 537** by Juan “Chuy” Hinojosa (D-McAllen) and J.M. Lozano (R-Kingsville) requires institutions of higher education to include for each course in its course catalog a description and the amount of any **special course fee** charged specifically for the course, including an online access fee or lab fee. *It was signed by the governor on June 9, 2017 and took immediate effect.*

**SB 887** by Kel Seliger (R-Amarillo) and Travis Clardy (R-Nacogdoches) requires institutions that participate in a **student loan program** to provide students that receive a loan an estimate of the total amount of education loans previously received by the student, an estimate of the total payoff amount, and an estimate of the monthly repayment amount applicable to the student. *It was signed by the governor on June 27, 2017 and took immediate effect.*

**SB 1066** by Charles Schwertner (R-Georgetown) and J.M. Lozano (R-Kingsville) requires an institution of higher education that completes preliminary planning for a new doctor of medicine (M.D.) or doctor of osteopathic medicine (D.O.) degree program to provide the Texas Higher Education Coordinating Board a specific plan regarding the addition of first-year residency positions for the **graduate medical education** program to be offered in connection with the new degree program. *It was signed by the governor on June 12, 2017 and took immediate effect.*

**SB 1091** by Kel Seliger (R-Amarillo) and Donna Howard (D-Austin) requires **dual credit courses** to be:

- In the core curriculum of the public institution of higher education providing college credit;
- A career and technical education course; or
- A foreign language course.

It clarifies that these requirements do not apply to a dual credit course offered as part of the early college education program. *It was signed by the governor on June 12, 2017 and took immediate effect.*

**SB 1123** by Judith Zaffirini (D-Laredo) and Travis Clardy (R-Nacogdoches) clarifies conditions for **adopted and former foster care students** to receive tuition and fee exemptions. *It was signed by the governor on June 12, 2017 and took immediate effect.*

**SB 1367** by Jose Menendez (D-San Antonio) and Donna Howard (D-Austin) authorizes the adoption and implementation of policies and training regarding the use of **epinephrine auto-injectors** at public institutions of higher education by personnel or volunteers who are authorized and trained to administer epinephrine auto-injectors to persons reasonably believed to be experiencing anaphylaxis. It authorizes a physician to prescribe and a pharmacist to dispense an epinephrine auto-injector to an institution of higher education. *It was signed by the governor on May 27, 2017 and takes effect September 1, 2017.*

**SB 1781** by Royce West (D-Dallas) and Mary Gonzalez (D-El Paso) increases regulation of degree-granting postsecondary **career schools and colleges** by the Texas Higher Education Coordinating Board. It allows the board to maintain a **repository for student academic records** from closed institutions. It authorizes an administrative penalty of between \$100 and \$500 to be charged to an institution for each student whose academic record was not maintained or whose **personally identifiable information** was not protected. And, it requires the Coordinating Board, in consultation with the Texas Workforce Commission, the Texas Veterans Commission, and institutions of higher education to promote the purposes of the **College Credit for Heroes** program by:

- Developing standardized curricula within degree and certificate programs commonly offered by institutions of higher education toward which qualified veterans or military service members may be awarded appropriate academic credit for experience, education, and training earned during military service; and
- Requiring the transferability between institutions of higher education of course credit for curricula developed that is awarded to qualified veterans or military service members.

*It was signed by the governor on June 15, 2017 and takes effect September 1, 2017; however, it only takes effect if a specific appropriation for implementation is provided in the general appropriations act.*

**SB 1782** by Royce West (D-Dallas) and Travis Clardy (R-Nacogdoches) requires the Texas Higher Education Coordinating Board to include in **formula funding** the first 15 additional semester credit hours earned by a student who has **re-enrolled** at the institution **following a break** in enrollment covering the 24-month period preceding the

first class day of the initial semester or other academic term of the student's enrollment; and successfully completed at least 50 semester credit hours of course work at the institution before that break in enrollment. It also allows a student in those circumstances to drop one additional course. And, it allows formula funding for the returning student for any course taken up to three times by a student who reenrolls at an institution of higher education following a break in enrollment. *It was signed by the governor on June 15, 2017 and took immediate effect.*

**SB 1799** by Royce West (D-Dallas) and Travis Clardy (R-Nacogdoches) makes changes to the student loan default prevention and **financial aid literacy pilot program**. It:

- Requires the Texas Guaranteed Student Loan Corporation to administer the pilot program under an agreement with the Texas Higher Education Coordinating Board;
- Requires the corporation to submit a copy of the annual report required to be sent to the U.S. Department of Education to the governor and the legislature; and
- Removes career schools and colleges from the pilot program.

*It was signed by the governor on June 15, 2017 and took immediate effect.*

**SB 1813** by Dawn Buckingham (R-Lakeway) and Chris Turner (D-Arlington) includes private and independent institutions of higher education and high school counselors to the membership of the advisory committee assisting the Texas Higher Education Coordinating Board in adopting **common admission application forms**. *It was signed by the governor on June 15, 2017 and took immediate effect.*

**SB 2118** by Kel Seliger (R-Amarillo) and Sarah Davis (R-Houston) allows the Texas Higher Education Coordinating Board to authorize **junior colleges to offer baccalaureate degree** programs in nursing, applied science, applied technology and early childhood education where there is a demonstrated workforce need. It requires the board to authorize a baccalaureate degree program in the field of dental hygiene at a public junior college that has piloted that program. *It was signed by the governor on June 12, 2017 and took immediate effect.*

## **HUMAN RESOURCES/EMPLOYMENT:**

**HB 88** by Armando "Mando" Martinez (D-Weslaco) and Gina Hinojosa (D-Austin) makes it an unlawful employment practice if an employer does not treat **foster children** as biological or adopted children when administering a leave policy which permits employees to take **leave to care for sick children**. *It was signed by the governor on May 26, 2017 and takes effect on September 1, 2017.*

**HB 91** by James White (R-Hillister) and Joan Huffman (R-Houston) requires **occupational licensing** authorities to review each license issued by the authority that has an eligibility requirement related to an applicant's **criminal history** and make a recommendation regarding whether the requirement should be retained, modified or repealed; and requires a report on the recommendation to be sent to the governor and legislature. *It was signed by the governor on June 12, 2017 and took immediate effect.*

**HB 1432** by Hubert Vo (D-Houston) and Eddie Lucio, Jr. (D-Brownsville) allows the Texas Workforce Commission to cash **a warrant in connection with unpaid unemployment insurance taxes** and prohibits a person from placing any restriction or condition purporting to limit the amount of contributions, penalties, or interest owed to the commission by an employer. *It was signed by the governor on May 28, 2017 and took immediate effect.*

**HB 1433** by Hubert Vo (D-Houston) and Eddie Lucio, Jr. (D-Brownsville) suspends the statute of limitations during a pending judicial proceeding involving an **unemployment compensation claim**. **It was VETOED by the governor.**

**HB 2443** by Mary Gonzalez (D-El Paso) and Judith Zaffirini (D-Laredo) allows **wage claims** to be filed electronically. *It was signed by the governor on June 9, 2017 and takes effect September 1, 2017.*

**SB 588** by Eddie Lucio, Jr. (D-Brownsville) and Cesar Blanco (D-El Paso) requires the Texas Veterans Commission to make available on its Internet website a list of each private employer that has adopted a **veteran's employment preference** policy. *It was signed by the governor on June 1, 2017 and takes effect September 1, 2017.*

## **INSURANCE:**

**HB 1073** by John Smithee (R-Amarillo) and Brandon Creighton (R-Conroe) authorizes the Texas Department of Insurance to issue a provisional permit to **life insurance agents** if the certifying agent certifies that the applicant has completed training and passed the required examination. *It was signed by the governor on May 26, 2017 and takes effect September 1, 2017.*

**HB 1187** by Giovanni Capriglione (R-Keller) and Jane Nelson (R-Flower Mound) allows a **captive insurance company** to provide credit life and credit disability insurance offered as a part of the operational risks of an affiliate. *It was signed by the governor on May 29, 2017 and takes effect September 1, 2017.*

**HB 1197** by Dennis Paul (R-Webster) and Brandon Creighton (R-Conroe) requires insurers to provide 40 hours of training within 30 days (instead of 15 days) for **temporary insurance agent license** applicants. *It was signed by the governor on May 26, 2017 and took immediate effect.*

**HB 1298** by John Frullo (R-Lubbock) and Kelly Hancock (R-North Richland Hills) defines **commercial property insurance** for purposes of insurance rates and policy forms as insurance coverage against loss caused by or resulting from loss, damage, or commercial property insurance policy including:

- commercial fire or allied lines;
- commercial inland marine insurance;
- commercial crime coverage;

- boiler and machinery insurance other than explosion;
- glass insurance; and
- insurance covering other perils or providing other coverages or other lines of first party property insurance as authorized by the commissioner.

*It was signed by the governor on May 29, 2018 and took immediate effect.*

**HB 1559** by John Frullo (R-Lubbock) and Kelly Hancock (R-North Richland Hills) exempts agents of industrial insured purchasers from the diligent search requirement needed to issue **surplus lines insurance**. It defines industrial insureds as a person who purchases commercial insurance who employs or retains a qualified risk manager; and either has paid aggregate nationwide commercial property and casualty insurance premiums of more than \$25,000 in the last year; or employs at least 25 full-time employees. *It was signed by the governor on May 23, 2017 and takes effect September 1, 2017.*

**HB 1774** by Greg Bonnen (R-Friendswood) and Kelly Hancock (R-North Richland Hills) reforms the **hailstorm litigation** process. It applies to claims arising from losses caused by a violent act of nature, including an earthquake or earth tremor, wildfire, flood, tornado, lightning, hurricane, hail, wind, snow, or rain. It:

- allows the award of prejudgment interest on the amount of the claim
- lowers interest penalty on a late payment;
- requires 60-days written notice before filing a suit stating the acts or omissions giving rise to the claim; the specific amount alleged to be owed by the insurer on the claim; and the amount of reasonable and necessary attorney's fees incurred by the claimant;
- gives insurers the right to inspect the property;
- provides immunity for an agent if the insurer accepts liability;
- limits attorney's fees; and
- does not apply to actions arising under policies issued by the Texas Windstorm Insurance Association.

*It was signed by the governor on May 26, 2017 and takes effect September 1, 2017.*

**HB 1944** by Jim Murphy (R-Houston) and Bryan Hughes (R-Mineola) makes several changes to **captive insurance companies** including:

- adding captive exchange in the definition of captive insurance company
- allowing a captive insurance company to cede risks to or take credit for reserves on risks ceded to a non-affiliated reinsurer;
- allowing a captive exchange to be formed and operate as a captive insurance company;
- setting subscriber and attorney in fact requirements;
- requiring a captive exchange to file a subscriber declaration with the Texas Department of Insurance that includes the amount of the captive exchange's initial surplus;
- allowing a captive insurance company to issue life insurance if it insures employee benefits; and
- making information related to a captive insurance company filed with the Commissioner of Insurance confidential.

*It was signed by the governor on June 15, 2017 and took immediate effect.*

**HB 2437** by Larry Phillips (R-Sherman) and Kelly Hancock (R-North Richland Hills) clarifies that reports related to information involving a **solvency examination** of an insurance carrier is confidential and exempt from disclosure. *It was signed by the governor on May 26, 2017 and took immediate effect.*

**HB 2492** by John Frullo (R-Lubbock) and Judith Zaffirini (D-Laredo) allows property and casualty insurance companies with adequate capital and surplus to apply to the Texas Department of Insurance for designation as a **domestic surplus lines insurer**. *It was signed by the governor on June 15, 2017 and took immediate effect.*

**HB 2542** by Rodney Anderson (R-Grand Prairie) and Larry Taylor (R-Friendswood) requires notification by the Insurance Commissioner to each insurer for which an **insurance agent that has been placed under supervision** or conservatorship holds an appointment. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**HB 3018** by Dade Phelan (R-Port Neches) and Brandon Creighton (R-Conroe) provides that a **nonresident agent** may not sell a Texas **windstorm and hail insurance** policy unless the nonresident agent's state of residence has reciprocity for Texas agents. *It was signed by the governor on June 15, 2017 and takes effect on January 1, 2018.*

**HB 3496** by Hugh Shine (R-Temple) and Lois Kolkhorst (R-Brenham) exempts fronting insurers from statutes applying to **farm mutual insurance companies**. And, it allows form mutual insurance companies to provide in its constitution or bylaws that a policyholder can vote electronically or by mail without making a personal appearance at a policyholders' meeting. *It was signed by the governor on June 15, 2017 and takes effect on September 1, 2017.*

**HB 3803** by Wayne Faircloth (R-Dickinson) and Judith Zaffirini (D-Laredo) clarifies the circumstances when **Texas-domiciled life, health, and accident insurers** can make **investments** in real property. *It was signed by the governor on June 15, 2017 and takes effect on September 1, 2017.*

**SB 417** by Kirk Watson (D-Austin) and Eddie Lucio, III (D-Brownsville) requires **renewal insurance policies** to provide prominent language outlining the material changes in the policy provisions between the original and the renewed policy, and be provided at least 30 days before the renewal date. *It was signed by the governor on May 22, 2017 and takes effect on September 1, 2017.*

**SB 561** by Kelly Hancock (R-North Richland Hills) and John Smithee (R-Amarillo) institutes procedures insurers must follow regarding the handling of **unclaimed life insurance and annuity contract proceeds**. It requires insurers to compare their in-force life insurance policies, annuity contracts, and retained asset accounts against a



Death Master File at least semiannually to identify potential Death Master File matches. It requires insurers within 90 days of a match to:

- complete a documented good faith effort to confirm the death of the insured or retained asset account holder against other available records and information;
- review the insurer's records to determine whether the deceased individual had purchased or was otherwise covered by any of the insurer's other products; and
- determine whether proceeds may be due in accordance with the applicable policy or contract or terms governing the applicable account.

After an insurer determines that proceeds may be due to a beneficiary, the insurer is required to:

- complete a documented good faith effort to locate and contact each beneficiary or other authorized representative on the relevant policy, contract, or account; and
- provide to the beneficiary or authorized representative the appropriate claim forms, instructions, or information to make a claim.

The proceeds of a policy are considered to be unclaimed after three years if the insurer fails after a good faith effort to locate a beneficiary. Unclaimed proceeds must be delivered to the comptroller. *It was signed by the governor on May 19, 2017 and takes effect on September 1, 2017.*

**SB 718** by Brandon Creighton (R-Conroe) and Rodney Anderson (R-Grand Prairie) exempts **insurance adjusters** from regulation if they are employed by an insurer or an affiliate of the insurer who adjusts a loss not to exceed \$500, or authorizes a payment on a claim for a loss for which there is a specified coverage limit of \$500 or less, arising from a first-party claim under a property and casualty insurance policy. *It was signed by the governor on May 27, 2017 and takes effect on September 1, 2017.*

**SB 1012** by Brandon Creighton (R-Conroe) and Dennis Paul (R-Webster) removes the requirement for an insurer to notify the Commissioner of Insurance if a penalty, forfeiture, or sanction on the insurer is issued to the insurer for a **violation of the insurance laws of another state**. *It was signed by the governor on May 19, 2017 and takes effect on September 1, 2017.*

**SB 1070** by Kelly Hancock (R-North Richland Hills) and John Frullo (R-Lubbock) adds life, health and accident insurance companies to the list of insurers that can provide reinsurance on any line of insurance in which the insurer is authorized to engage. And, it makes other requirements on **reinsurance contracts**. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**SB 1073** by Kelly Hancock (R-North Richland Hills) and John Smithee (R-Amarillo) clarifies when an insurer has to file an **enterprise risk report** with Texas Department of Insurance. *It was signed by the governor on May 22, 2017 and took immediate effect.*

**SB 1406** by Brandon Creighton (R-Conroe) and John Smithee (R-Amarillo) authorizes the Commissioner of Insurance to request a state **innovation waiver** for small employer health benefit plans of the actuarial value requirements and related levels of health plan coverage requirements set by the U.S. Secretary of Health and Human Services. *It was signed by the governor on May 23, 2017 and took immediate effect.*

**SB 1450** by Larry Taylor (R-Friendswood) and Greg Bonnen (R-Friendswood) allows the Commissioner of Insurance to adopt a rule to require compliance with a rule, regulation, directive, or **standard adopted by the National Association of Insurance Commissioners** (NAIC) only if:

- the commissioner finds the rule is technical or nonsubstantive in nature or necessary to preserve the department's accreditation; and
- before the adoption of the rule, the commissioner provides the standing committees of the Senate and House of representatives with primary jurisdiction over the department with written notice of the commissioner's intent to adopt the rule.

The commissioner is prohibited from adopting or enforcing a rule that implements an interstate, national or international agreement that:

- infringes on the authority of the state to regulate insurance in the state; and
- was not approved by the legislature.

It requires the commissioner to adopt rules requiring an insurer that cancels a **personal automobile insurance policy** that provides comprehensive or collision physical damage coverage for an automobile that is subject to a purchase money lien to notify the lienholder, if known, that the coverage will be canceled. *It was signed by the governor on June 12, 2017 and took immediate effect.*

**SB 1490** by Judith Zaffirini (D-Laredo) and Mary Ann Perez (D-Houston) requires the **premium surcharge** assessed against an **insured convicted of driving under the influence** to be stated in the insurer's rating plan instead of prescribed by the Department of Insurance. *It was signed by the governor on May 28, 2017 and takes effect on September 1, 2017.*

## **INTERNET:**

**SB 79** by Jane Nelson (R-Flower Mound) and Giovanni Capriglione (R-Keller) allows state agencies to respond to **public information requests** with an Internet address where requested information may already exist if the requesting party agrees. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

## **PRIVACY:**

**HB 8** by Giovanni Capriglione (R-Keller) and Jane Nelson (R-Flower Mound) is the **Texas Cybersecurity Act**, and it makes several changes regarding cybersecurity for state information resources. Specifically:

**Sunset Review of Agency Cybersecurity Practices** – It requires the Sunset Advisory Commission to assess state agency cybersecurity practices as part of its review using confidential information available from the Department of Information Resources or any other appropriate state agency.

**Confidentiality of Network Security Deliberations** – It exempts governmental bodies (not just the Department of Information Resources) from open meetings requirements when deliberating network security information, and requires state agencies to redact information exempted from public disclosure when posting a contract on an Internet website.

**Information Sharing and Analysis Center** – It requires the Department of Information Resources (DIR) to establish an Information Sharing and Analysis Center to provide a forum for state agencies to share information regarding cybersecurity threats, best practices and remediation strategies. It requires DIR to appoint state agency representatives to assist the center, and requires DIR to provide administrative support to the center (using funds other than funds appropriated to the department in the general appropriations act).

**Cybersecurity Training** – It requires DIR to provide mandatory guidelines to state agencies regarding continuing education requirements for cybersecurity training that must be completed by all information resources employees in state agencies.

**State Agency Vulnerability Reports** – It requires (instead of allows) the information resources manager of state agencies to prepare a biennial report assessing the extent to which a computer, computer program, computer network, computer system, printer, interface to a computer system, including mobile and peripheral devices, computer software, or data processing of the agency is vulnerable to unauthorized access or harm; and prepare a summary of the agency's vulnerability report.

**Data Breach Reporting** – It amends data breach laws and requires 48-hour notice to DIR after the discovery of a breach, suspected breach or unauthorized exposure, and if the breach involves election data, notify the Secretary of State.

**State Agency Director Sign-Off On Information Security Plans** – It requires state agencies' information security plans to include a written acknowledgement that the executive director or other head of the agency, the chief financial officer, and each executive manager are aware of the risks revealed during the preparation of the agency's information security plan.

**Information Security Assessments** – It requires state agencies, at least every two years, to conduct an information security assessment of the agency's information resources systems, network systems, digital data storage systems, digital data security measures, and information resources vulnerabilities and send the report to DIR, the governor, the lieutenant governor and the speaker.

**DIR Risks and Incidents Plan** – It requires DIR to develop a plan to address cybersecurity risks and incidents in the state and allows them to enter into an agreement with a national organization, including the National Cybersecurity Preparedness Consortium, to support their efforts in implementing the components of the plan for which the department lacks internal resources including:

- (1) providing fee reimbursement for appropriate industry-recognized certification examinations for and training to state agencies preparing for and responding to cybersecurity risks and incidents;
- (2) developing and maintaining a cybersecurity risks and incidents curriculum using existing programs and models for training state agencies;
- (3) delivering to state agency personnel with access to state agency networks routine training related to appropriately protecting and maintaining information technology systems and devices, implementing cybersecurity best practices, and mitigating cybersecurity risks and vulnerabilities;
- (4) providing technical assistance services to support preparedness for and response to cybersecurity risks and incidents;
- (5) conducting cybersecurity training and simulation exercises for state agencies to encourage coordination in defending against and responding to cybersecurity risks and incidents;

- (6) assisting state agencies in developing cybersecurity information-sharing programs to disseminate information related to cybersecurity risks and incidents; and
- (7) incorporating cybersecurity risk and incident prevention and response methods into existing state emergency plans, including continuity of operation plans and incident response plans;

**State Agency Information Security Plans** – It requires state agency information security plans to include:

- (1) procedures for reducing the agency's level of exposure with regard to information that alone or in conjunction with other information identifies an individual maintained on a legacy system of the agency;
- (2) the best value approach for modernizing, replacing, renewing, or disposing of a legacy system that maintains information critical to the agency's responsibilities;
- (3) analysis of the percentage of state agency personnel in information technology, cybersecurity, or other cyber-related positions who currently hold the appropriate industry-recognized certifications as identified by the National Initiative for Cybersecurity Education;
- (4) the level of preparedness of state agency cyber personnel and potential personnel who do not hold the appropriate industry-recognized certifications to successfully complete the industry-recognized certification examinations; and
- (5) a strategy for mitigating any workforce-related discrepancy in information technology, cybersecurity, or other cyber-related positions with the appropriate training and industry-recognized certifications;

**Study on Cyber Attacks on Election Infrastructure** – It requires the Secretary of State to conduct a study regarding cyber attacks on election infrastructure and prepare a public summary report that does not contain any information that could compromise an election, and a confidential report on findings and vulnerabilities that is exempt from public disclosure and provide the reports to legislative committees with election-related jurisdiction.

**Senate and House Select Committees on Cybersecurity** – It requires the lieutenant governor to establish the Senate Select Committee on Cybersecurity and the speaker to establish the House Select Committee on Cybersecurity to jointly or separately study cybersecurity in the state; the information security plans of each state agency; and the risks and vulnerabilities of state agency cybersecurity and to report their findings to the 2019 legislature.

**Digital Data Storage** – It requires DIR and the Texas State Library and Archives Commission to conduct a study on state agency digital data storage and records management that examines critical areas.

*It was signed by the governor on June 12, 2017 and takes effect on September 1, 2017.*

**HB 9** by Giovanni Capriglione (R-Keller) and Van Taylor (R-Plano) prohibits **cybercrime** and makes it a Third Degree felony for a person, other than a network provider or online service provider acting for a legitimate business purpose, to intentionally interrupt or suspend access to a computer system or computer network without the effective consent of the owner.

**Ransomware** - It makes it a Class C misdemeanor for a person to intentionally alter data as it transmits between two computers in a computer network or computer system through deception and without a legitimate business purpose; or intentionally introduces

ransomware onto a computer, computer network, or computer system through deception and without a legitimate business purpose. If it is shown at trial that a defendant acted with the intent to defraud or harm another an offense is:

- (1) a Class C misdemeanor if the aggregate amount involved is less than \$100 or cannot be determined;
- (2) a Class B misdemeanor if the aggregate amount involved is between \$100 and \$750;
- (3) a Class A misdemeanor if the aggregate amount involved is between \$750 and \$2,500;
- (4) a state jail felony if the aggregate amount involved is \$2,500-\$30,000;
- (5) a Third Degree felony if the aggregate amount involved is \$30,000-\$150,000;
- (6) a Second Degree felony if the aggregate amount involved is \$150,000-\$300,000; and
- (7) a First Degree felony if the aggregate amount involved is \$300,000 or more.

**Restricting Access to Privileged Information** - If it is shown at trial that the defendant knowingly restricted a victim's access to privileged information, an offense is:

- (1) a state jail felony if the value of the aggregate amount involved is less than \$2,500;
- (2) a Third Degree felony if the value of the aggregate amount involved is \$2,500-\$30,000, or a client or patient of a victim suffered harm attributable to the offense;
- (3) a Second Degree felony if the value of the aggregate amount involved is \$30,000-\$150,000, or a client or patient of a victim suffered bodily injury attributable to the offense; and
- (4) a First Degree felony if the value of the aggregate amount involved is \$150,000 or more; or a client or patient of a victim suffered serious bodily injury or death attributable to the offense.

**Unlawful Decryption** - It establishes an offense of unlawful decryption for intentionally decrypting encrypted private information through deception without a legitimate business purpose with penalties ranging from a Class C misdemeanor to a First Degree Felony depending on the value of the aggregate amount involved. *It was signed by the governor on June 12, 2017 and takes effect on September 1, 2017.*

**HB 1424** by Jim Murphy (R-Houston) and Brian Birdwell (R-Granbury) prohibits the operation of an **unmanned aircraft** over a **correctional or detention facility** unless the operator is under the direction or on behalf of the federal or state government, a governmental entity, a law enforcement agency or a person acting on their behalf. It prohibits the operation of an unmanned aircraft over a **sports venue** that has a seating capacity of 30,000 or more and is primarily used for one or more professional or amateur sports or athletics events unless the unmanned aircraft is higher than 400 feet above ground level. There is an exception for law enforcement, owners of the venue or their agents, and persons with prior written consent. *It was signed by the governor on June 15, 2017 and takes effect on September 1, 2017.*

**HB 1643** by Drew Springer (R-Muenster) and Kel Seliger (R-Amarillo) adds a concentrated **animal feeding operation**; a structure used as part of a system to provide wired or wireless **telecommunications services**; and an **oil or gas drilling site** to the definition of "critical infrastructure facility" over which an **unmanned aircraft**

is prohibited. It prohibits a political subdivision from adopting or enforcing any ordinance, order, or other similar measure regarding the operation of an unmanned aircraft except:

- during a special event,
- for the political subdivision's use, or
- near a facility owned by the political subdivision if the political subdivision applies for and receives Federal Aviation Administration authorization.

*It was signed by the governor on June 15, 2017 and takes effect on September 1, 2017.*

**HB 1810** by Tony Dale (R-Cedar Park) and Dawn Buckingham (R-Lakeway) makes it an offense for a person to knowingly possess, accesses with intent to view, or promotes **lewd visual material depicting a child**. Offenses range from a state jail felony for a first offense to a second degree felony for previous convictions. It provides that it is not a defense to prosecution that the depicted child consented to the creation of the visual material. *It was signed by the governor on June 1, 2017 and takes effect on September 1, 2017.*

**HB 1861** by Gary Elkins (R-Houston) and Kirk Watson (D-Austin) makes confidential information directly arising from a governmental body's routine efforts to prevent, detect, investigate or mitigate a **computer security incident**, including information contained in or derived from an information security log. It clarifies that it does not affect the notification requirements related to a security breach. It requires state agencies to redact from a contract that is posted on the agency's Internet website, information that is made confidential by law or excepted from required public disclosure. *It was signed by the governor on June 12, 2017 and takes effect on September 1, 2017.*

**HB 2413** by Cindy Burkett (R-Sunnyvale) and Eddie Lucio, Jr. (D-Brownsville) includes in the definition of "**student information**" for career school and college students identifying information regarding a student that is in the possession of the Texas Workforce Commission, a career school or college or other school, educational institution, or business entity from which the commission receives or regarding which the commission reviews, information through its administration or enforcement duties. It clarifies that a person commits an offense if the person solicits, discloses, receives, or uses, or authorizes, permits, participates in, or acquiesces in another person's use of student information unless permitted by Subchapter F, Chapter 301 of the Labor Code of 34 C.F.R Part 99, Subpart D, or commission rule. *It was signed by the governor on June 12, 2017 and takes effect on September 1, 2017.*

**SB 705** by Brian Birdwell (R-Granbury) and Four Price (R-Amarillo) exempts from disclosure under public records **personal information** of an **applicant for an appointment by the governor** including the applicant's home address and telephone number and social security number. *It was signed by the governor on May 29, 2017 and took immediate effect.*

**SB 840** by Judith Zaffirini (D-Laredo) and Armando “Mando” Martinez (D-Weslaco) allows **unmanned aircraft** to capture images of real property if the image is captured:

- by a telecommunications provider to maintain system reliability and integrity;
- of persons or real property within 25 miles of the U.S. border except for the purpose of ensuring border security; or
- by an employee of an insurance company in connection with underwriting, rating or claims adjustment and the operator has authorization from the Federal Aviation Administration.

*It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**SB 1910** by Judith Zaffirini (D-Laredo) and Giovanni Capriglione (R-Keller) institutes several **data security requirements for state agencies** including:

**Cybersecurity Preventive and Recovery Recommendations** – It requires the Department of Information Resources (DIR) to report to the governor and the legislature every two years identifying preventive and recovery efforts the state can undertake to improve cybersecurity including:

- (1) an assessment of the resources available to address the operational and financial impacts of a cybersecurity event;
- (2) a review of existing statutes regarding cybersecurity and information resources technologies;
- (3) recommendations for legislative action to increase the state’s cybersecurity and protect against adverse impacts from a cybersecurity event;
- (4) an evaluation of the costs and benefits of cybersecurity insurance; and
- (5) an evaluation of tertiary disaster recovery options.

Confidential information in the report can be redacted or withheld by the department or a recipient of the report without approval from the attorney general.

**Cybersecurity Emergency Funding** – It allows DIR to request funding to manage the operational and financial impacts from a cybersecurity event from the governor or the Legislative Budget Board.

**Assessment of Major Information Resources Projects** – It requires state agencies proposing to spend appropriated funds for a major information resources project to conduct an execution capability assessment to:

- determine the agency’s capability for implementing the project;
- reduce the agency’s financial risk in implementing the project; and
- increase the probability of the agency’s successful implementation of the project.

It requires state agencies to submit a detailed report that identifies the agency’s organizational strengths and weaknesses that will be addressed before the agency initially spends appropriated funds for a major information resources project to DIR, the Quality Assurance Team, and the Legislative Budget Board. It allows state agencies to contract with an independent third party to conduct the assessment.

**Data Security Audits** – It requires DIR to select a portion of the information security plans submitted by state agencies to be audited by the department.

**Designated Information Security Officer** – It requires state agencies to designate an information security officer who:

- reports to the agency’s executive-level management;
- has authority over information security for the entire agency;
- possesses the training and experience required to perform the duties required by DIR rules; and

- to the extent feasible, has information security duties as the officer's primary duties.

**Websites and Mobile Apps** - It requires state agencies implementing an Internet website or mobile application that processes personally identifiable or confidential information to submit a biennial data security plan to DIR to establish planned beta testing the website or application and subject the website or application to a vulnerability and penetration test. DIR is required to review the plans and make recommendations for changes to the plan. It requires institutions of higher education to adopt and implement a policy for Internet website and mobile applications security procedures and requires the website/app developer to submit information describing the architecture of the website/app; the authentication mechanism; and the administrator-level access to data included in the website/app. And the website/app must be subjected to a vulnerability and penetration test conducted by an independent third party. The plans must be submitted to DIR for review and recommendations of changes. *It was signed by the governor on June 12, 2017 and takes effect on September 1, 2017.*

## **PROCUREMENT:**

**HB 89** by Phil King (R-Weatherford) and Brandon Creighton (R-Conroe) prohibits governmental entities from entering into contracts for goods or services with **companies that boycott Israel**. *It was signed by the governor on May 2, 2017 and takes effect on September 1, 2017.*

**HB 501** by Giovanni Capriglione (R-Keller) and Van Taylor (R-Plano) requires **elected officials to disclose** as part of their personal financial statement **contracts for goods or services** that they, their spouse, or their dependent child has with a **governmental entity** if the aggregate value exceeds \$10,000 in a year. *It was signed by the governor on June 6, 2017 and takes effect on January 8, 2019.*

**HB 1116** by Kyle Kacal (R-College Station) and Dawn Buckingham (R-Lakeway) repeals Section 2155.086 of the Government Code giving the Comptroller oversight over telecommunications contracts; and 2155.087 abolishing the **Statewide Procurement Advisory Council**. *It was signed by the governor on May 26, 2017 and takes effect on September 1, 2017.*

**HB 3275** by Giovanni Capriglione (R-Keller) and Donna Campbell (R-New Braunfels) requires the Quality Assurance Team to monitor **major information resources projects** for the entire life cycle of the project and requires the Department of Information Resources to develop performance indicators that consider applicable information technology industry standards the team is required to monitor. If the team determines that a major information resources project is not likely to achieve the performance objectives for the project, the team is required to place the project on a list for more intense monitoring by the team. It requires DIR to create and maintain on its Internet website a user-friendly data visualization tool that provides an analysis and visual representation of the performance indicators developed for each major information resources project. It requires the Quality Assurance Team's annual report to include the current status of each major information resources project and information



regarding its performance indicators. *It was signed by the governor on June 15, 2017 and takes effect on September 1, 2018.*

**SB 252** by Van Taylor (R-Plano) and Sarah Davis (R-Houston) is the Terror State Contracting Divestiture Act. It prohibits a governmental entity from contracting with a business that has contracts with or provides supplies or services to a **foreign terrorist organization**. *It was signed by the governor on May 27, 2017 and takes effect on September 1, 2017.*

**SB 253** by Van Taylor (R-Plano) and Sarah Davis (R-Houston) is the Terror State Divestiture Act. It expands **Iranian and Sudanese divestiture** standards to encompass all state and local retirement funds and other investments of public money. *It was signed by the governor on May 23, 2017 and took immediate effect.*

**SB 255** by Judith Zaffirini (D-Laredo) and Ron Simmons (R-Carrollton) makes several changes regarding **purchasing and contract management training**.

**Training Program Reports** – It requires state agencies that spend more than \$5,000 for a training or education program for any individual administrator or employee to report that information to the Legislative Budget Board that includes a list of the administrators and employees participating in a training or education program; the amount spent on each administrator or employee; and the certification earned by each administrator or employee through the training or education program.

**Training For State Agencies Provided by the Comptroller** - It requires the comptroller to develop training on purchasing and contract management for state agency employees. Each state agency is required to annually estimate the number of employees requiring purchasing or contract management training and report the anticipated needs to the comptroller. Based on the information received, the comptroller is required to maintain a regular schedule of classes to accommodate state agency needs. It allows the comptroller to use staff or contract with a public or private entity to conduct the training. Training provided by the comptroller must include instruction in:

- negotiation methods;
- writing specifications;
- the criteria for determining which product or service offers the best value for the state;
- developing evaluation criteria;
- formal and informal bidding methods;
- complex negotiations; and
- any other process and issues that the comptroller considers appropriate for purchasing training.

It requires the comptroller to certify a state agency employee as a state agency purchaser when the employee has completed the required training and passed a written examination.

**Training Provided by Agencies** – It allows a state agency, in consultation with the comptroller, to develop agency-specific purchasing and contract management training programs to be administered by the agency. Employees that participate in agency-specific training are still subject to any other applicable certification requirements including written or oral examinations administered by the comptroller.

**Information Resources Technologies** – State agency personnel directly involved in contract negotiations for the purchase of information resources technologies are required to complete the training developed by the Department of Information Resources. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**SB 261** by Judith Zaffirini (D-Laredo) and Ryan Guillen (D-Rio Grande City) exempts **bulk purchase of information technology commodity items** intended for use by more than one state agency from Section 2157.068 (e-1), which prohibits state agencies from entering into a contract to purchase a commodity item if the value of the contract exceeds \$1 million. *It was signed by the governor on May 29, 2017 and took immediate effect.*

**SB 262** by Judith Zaffirini (D-Laredo) and Ryan Guillen (D-Rio Grande City) requires the Department of Information Resources, in cooperation with state agencies, to monitor and verify the **purchase transaction reports** submitted by vendors reflecting monthly sales of commodity items on the department's list of commodity items available for purchase through the department. *It was signed by the governor on June 12, 2017 and takes effect on September 1, 2017.*

**SB 532** by Jane Nelson (R-Flower Mound) and Giovanni Capriglione (R-Keller) institutes reporting requirements related to state agency purchases of information technology.

**Confidentiality of Cybersecurity Efforts** – It makes information directly arising from a governmental body's routine efforts to prevent, detect, investigate, or mitigate a computer security incident, including information contained in or derived from an information technology log confidential. However, it clarifies that notification requirements related to a breach of system security are not affected by this confidentiality provision.

**Information Technology Infrastructure** - It directs the Department of Information Resources (DIR) to collect from state agencies information on the status and condition of the agency's information technology infrastructure including information regarding:

- the agency's information security program;
- an inventory of the agency's servers, mainframes, cloud services, and other information technology equipment;
- identification of vendors that operate and manage the agency's information technology infrastructure; and
- any additional related information requested by the department.

DIR is required to submit a consolidated report on the information submitted to the governor, the legislature, and the Legislative Budget Board by November 15<sup>th</sup> prior to each legislative session. The report must include an analysis and assessment of each state agency's security and operational risks; and for a state agency found to be at higher security and operational risks, include a detailed analysis of, and an estimate of the costs to implement the requirements for the agency to address the risks and related vulnerabilities; and agency's efforts to address the risks through the modernization of information technology systems; use of cloud services; and use of a statewide technology center established by the department. The consolidated report is public

information with the exception of information that is confidential under state or federal law.

**Cloud Computing** – It requires (instead of allows) a state agency to consider cloud computing service options, including any security benefits and cost savings associated with purchasing those service options from a cloud computing service provider and from a statewide technology center established by DIR. It requires DIR to report to the governor and legislature prior to each legislative session on the use of cloud computing service options by state agencies, including use cases that provided cost savings and other benefits, including security enhancements. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**SB 533** by Jane Nelson (R-Flower Mound) and Charlie Geren (R-Fort Worth) makes changes to **oversight of state contracting**. Specifically:

**Revolving Door** – It clarifies revolving door provisions prohibiting former state agency officers or employees that participated in a procurement or contract negotiation involving from accepting employment from that person before the second anniversary of the date the contract is signed or the procurement is terminated or withdrawn (instead of the second anniversary of the date the officer's or employee's service or employment with the state agency ceased).

**Major Information Resources Projects** – It requires DIR to provide additional oversight services for major information resources projects at the request of the governor, lieutenant governor, or speaker. It allows DIR to contract with a vendor to provide the necessary oversight at the department's direction. It requires the Quality Assurance Team to provide annual training for state agency procurement and contract management staff on best practices and methodologies for information technology contracts. It requires state agencies, in consultation with DIR, to prepare a technical architectural assessment of proposed major information resources projects or contracts. In the project plan, the state agency must consider incorporating into the project the applicable best practices recommended in the quality assurance team's annual. It requires state agency contracts for a major information resources project to comply with the requirements in the comptroller's contract management guide.

**Automated Project Review System** – It requires the comptroller, state auditor, Legislative Budget Board, and DIR to create an automated project review system.

**Vendor Communication Policy** – It requires the comptroller to update the contract management guide to include policies on the interactions and communication between employees of the state agency and a vendor that contracts with the state agency or seeks to conduct business with a state agency. It clarifies that this law does not prohibit the exchange of information between a state agency and a vendor related to future solicitations or as necessary to monitor an existing contract.

**Chief Procurement Officer** – It requires the comptroller to employ a chief procurement officer for the state with the authority to:

- analyze state purchasing data to leverage state purchasing power;
- provide functional support to state agencies;
- provide training on state purchasing and contract management;
- review major contract solicitations for information technology projects monitored by the quality assurance team;
- review solicitations for major contracts reviewed by the Contract Advisory Team;

- delegate to a state agency authority to contract for the purchase of a good or service valued in an amount specified by comptroller rule; and
- provide leadership on procurement issues.

It requires the chief procurement officer to coordinate with DIR and the quality assurance team to conduct a contract solicitation review and make appropriate recommendations to the comptroller and legislature based on that review. It clarifies that the Chief Procurement Officer only has the authority to review a contract solicitation but DIR retains the authority to award a statewide information resources contract.

**Interstate Purchasing** – It authorizes the comptroller to enter into agreements to authorize state agencies and political subdivisions of other states to purchase goods and services through comptroller contracts; and authorizes the comptroller to charge a reasonable administrative fee for providing services to entities in other states.

**Commodity Purchases** – it requires agencies to submit a request for pricing to at least three vendors for commodity contracts valued between \$50,000 and \$1 million; and to at least six vendors for a contract with a value between \$1 million and \$5 million. It prohibits state agencies from entering into a contract to purchase a commodity item if the value of the contract exceeds \$5 million (current law is \$1 million).

**Conflicts of Interest** – It requires state agency employees or officials to disclose any potential conflicts of interest that is know by the employee or official at any time during the procurement process, from the initial request for bids for the purchase of goods or services from a private vendor until the completed final delivery of the goods or services; or the term of a contract with a private vendor. This applies only to contracts if the amount of the purchase order exceeds \$25,000.

**Confidential Information** – It provides that a state agency that posts a contract on its Internet website to redact from the posted contract information that is confidential under law, information the attorney general determines is excepted from public disclosure, and the social security number of any individual.

**Contract Advisory Team** – It allows the Chief Procurement Officer to add members to the Contract Advisory Team by designating members from state agencies that agree to participate on the team; and allows a state agency to decline a request to participate on the team.

**Regional Education Service Centers** – It requires Texas Education Agency to comply with the comptroller’s contract management guide in each contract between the agency and a regional education service center. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**SB 564** by Donna Campbell (R-New Braunfels) and Giovanni Capriglione (R-Keller) allows governmental bodies to conduct a closed door meeting to deliberate **information technology security** assessments or deployments, network security information, or the deployment, or specific occasions for implementation, or security personnel, critical infrastructure or security devices. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**SB 706** by Brian Birdwell (R-Granbury) and Kyle Kacal (R-College Station) abolishes the **Council on Competitive Government** and transfers its functions to the Comptroller and the Department of Information Resources. *It was signed by the governor on May 18, 2017 and takes effect on September 1, 2017.*

**SB 1289** by Brandon Creighton (R-Conroe) and Chris Paddie (R-Marshall) requires governmental entities to use **iron and steel produced in the United States** in the construction projects unless the preference would increase the total cost of the project by more than 20 percent or complying is inconsistent with the public interest unless U.S. iron or steel products are not produced in sufficient quantities; reasonably available; or of a satisfactory quality. It also deletes provisions in the Water Code requiring a preference for U.S. manufactured goods. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

## **PROPERTY:**

**HB 1128** by John Wray (R-Waxahachie) and Larry Taylor (R-Friendswood) requires the **public sale of real property** under the Civil Practice and Remedies Code, the Property Code and the Tax Code to take place between 10:00 a.m. and 4:00 p.m. on the first Tuesday of a month or if the first Tuesday of a month occurs on January 1, or July 4, between 10:00 a.m. and 4:00 p.m. on the first Wednesday of the month. *It was signed by the governor on May 26, 2017 and takes effect September 1, 2017.*

**HB 1449** by Ron Simmons (R-Carrollton) and Jane Nelson (R-Flower Mound) prohibits local entities from adopting an ordinance or other measure that imposes, directly or indirectly, a **fee** or other charge on **new construction** to offset the cost or rent of any unit of residential housing (linkage fees). *It was signed by the governor on May 29, 2017 and took immediate effect.*

**HB 1704** by John Kuempel (R-Seguin) and Joan Huffman (R-Houston) allows a court to award **court costs and attorney's fees** to the prevailing party in a suit under Chapter 245 of the Local Government Code, which prohibits regulatory agencies from reviewing **construction permit applications** under a different standard than the one in effect at the time when the original permit application or development plan was filed. *It was signed by the governor on May 29, 2017 and took immediate effect.*

**HB 2252** by Wayne Faircloth (R-Dickinson) and Larry Taylor (R-Friendswood) establishes a joint interim committee to study the feasibility and desirability of creating and maintaining a **coastal barrier system** that includes a series of gates and barriers to prevent storm surge damage to gulf beaches or coastal ports, industry, or property. *It was signed by the governor on June 15, 2017 and takes effect on September 1, 2017.*

**HB 2285** by Ed Thompson (R-Pearland) and Larry Taylor (R-Friendswood) establishes the **Texas Institute for Coastal Prairie Research and Education** at the University of Houston to:

- conduct environmental research and education on coastal prairie and prairie restoration and provide a setting for other entities to conduct similar research and education; and
- provide national leadership and education on the best methods to restore coastal prairie.

*It was signed by the governor on June 15, 2017 and took immediate effect.*

**HB 3879** by Craig Goldman (R-Fort Worth) and Kelly Hancock (R-North Richland Hills) clarifies that a party involved in an **eviction suit** for nonpayment of rent can be represented by an owner or the owner's authorized agent who does not have to be an attorney. *It was signed by the governor on June 15, 2017 and takes effect on September 1, 2017.*

**SB 744** by Lois Kolkhorst (R-Brenham) and Dade Phelan (R-Port Neches) requires a municipality that imposes a **tree mitigation fee** for tree removal that is necessary for development or construction on a person's property to allow that person to apply for a credit for tree planting to offset the amount of the fee. **It was VETOED by the governor.**

**SB 807** by Brandon Creighton (R-Conroe) and Paul Workman (R-Austin) changes the type of construction-related contract in which provisions can be voided under Section 272 of the Business and Commerce Code from a contract principally for the **construction or repair of an improvement to real property** in Texas, to a construction contract concerning real property located in Texas or an agreement collateral to or affecting the construction contract. It defines "construction contract" to include agreements entered into by an owner, architect, engineer, material or supplier or equipment lessor for the design, construction, alteration, renovation, or remodeling of a building. Construction contract also means an agreement to which an architect, engineer, or contractor and an owner's lender are parties for an assignment of the construction contract or other modification. *It was signed by the governor on June 9, 2017 and takes effect on September 1, 2017.*

**SB 873** by Brandon Creighton (R-Conroe) and Jim Murphy (R-Houston) requires tenants to exhaust **administrative remedies** before bringing suit against a property owner for overcharging a tenant for submetered or nonsubmetered **utility services**. It does not limit the authority of an owner, operator or manager of an apartment house, manufactured home rental community, or multiple use facility to charge, bill for, or collect rent, an assessment, an administrative fee, a fee relating to the upkeep or management of chilled water, boiler, heating, ventilation, air conditioning, or other building system, or any other amount that is unrelated to utility costs. *It was signed by the governor on June 1, 2017 and took immediate effect.*

**SB 1215** by Bryan Hughes (R-Mineola) and Hugh Shine (R-Temple) establishes a joint interim committee to **study construction contracts** in this state to the extent the committee determines appropriate. **It was VETOED by the governor.**

**SB 2212** by Kelly Hancock (R-North Richland Hills) and John Kuempel (R-Seguin) authorizes a person to acquire **an option or an interest in a contract to purchase real property** and then sell or offer to sell the option or assign or offer to assign the contract without holding a license issued under the Real Estate License Act if the person does not use the option or contract to purchase to engage in real estate brokerage and discloses the nature of the equitable interest to any potential buyer. It establishes that a person selling or offering to sell an option or assigning or offering to assign an interest in a contract to purchase real property without disclosing the nature of that interest to a potential buyer is engaging in real estate brokerage. It prohibits the

Texas Real Estate Commission from restricting a person's advertisement under an assumed name that is authorized by state law and registered with the TREC or a rule that requires the term "broker," "agent," or a similar designation or term, a reference to the TREC, or the person's license number to be included in the person's advertisement. *It was signed by the governor on June 15, 2017 and takes effect on September 1, 2017.*

**SJR 60** by Kelly Hancock (R-North Richland Hills) and Tan Parker (R-Flower Mound) proposes a constitutional amendment establishing a lower amount for expenses that can be charged to a borrower for a **home equity loan**; allows the refinancing of home equity loans into non-home equity loans; repeals a prohibition on home equity loans for agricultural homesteads; revises a provision governing home equity lines of credit; and amends the list of approved lenders. *It was filed with the Secretary of State on May 10, 2017 for ballot placement (constitutional amendments do not go to the governor).*