



Representative

Desk

LSG Floor Report For General Calendar- Wednesday, April 19, 2017

Bill	Caption	Committee	Analysis & Evaluation	Recommendation
<p>HB 100 By: Paddie / Thompson, Senfronia / Nevarez / Kuempel / Morrison, Geanie W. / et al.</p>	<p>Relating to the regulation of transportation network companies; requiring an occupational permit; authorizing a fee.</p>	<p>Transportation</p>	<p>This legislation creates a whole new chapter in the Occupation Code, which will be called "Transportation Network Companies". Any provisions of this proposed chapter apply to a driver while the driver is logged in to receive requests for a digitally prearranged ride. TDLR <u>may</u> suspend or revoke a permit issued to a TNC that violates any provision of this potential chapter.</p> <p>HB 100, along with similar measures, continually chip away at the "local control" many claim to protect. Due to TNCs permits being regulated by the state, this bill further takes away local power and impedes on the ordinances that reflect the needs of those communities. These types of bills create a harmful patchwork of regulations that continuously take from local government without regard for the families who live within them. Similar to HB 40, which stopped cities from banning the drilling process known as fracking last session and to SB 6, that seeks to regulate bathrooms based on prejudice. HB 100 continues the Texas Legislatures' trend of protecting local control only when it is convenient to them and without regard for the families back home.</p> <p><u>Definitions in this proposed chapter:</u></p> <ul style="list-style-type: none"> • Department - Texas Department of Licensing and Regulation (TDLR) • Digital network - online-enabled application, website, or system offered or used by a transportation network company that enables the prearrangement of rides between passengers and drivers. • Digitally prearranged ride - a ride in a personal vehicle between points chosen by the passenger that is prearranged through a digital network. • Personal vehicle - owned, leased, or otherwise authorized for use by a driver. It is not a taxicab, limousine, or other vehicle regulation by a municipality or a joint airport board. • Transportation network company (TNC) - a corporation, partnership, sole proprietorship, or other entity that, for compensation, enables a passenger to prearrange with a driver, exclusively through the entity's digital network, a digitally prearranged ride. • Digital information - information stored on a digital network that may be accessed by a driver. <p><u>What is a Transportation Network Company?</u> TNC does not include: Street-hail taxicab services, limousine or other car services arranged by a method other than through a digital network, shared expense carpool or vanpool arrangement, ride service for which the fee received by the driver does not exceed the driver's costs of providing the ride, or ride service for which the driver receives a fee that exceeds the driver's costs associated with</p>	<p>Will of the House w/Concerns Evaluated by: Andrea Elizondo 210-382-4295 Andrea@Texaslsg.org</p>

providing the ride but makes not more than 3 round-trips per day between the driver’s or passenger’s place of employment and the driver’s or passenger’s home. TNCs and drivers logged into the company’s digital network are not common carriers, contract carriers, or motor carriers.

Regulations
 The regulation of TNCs, drivers logged in to a digital network, and vehicles used to provide digitally prearranged rides is an **exclusive power and function of the state** and **may not** be regulated by a municipality or other local entity. Local or municipality regulation includes: imposing a tax, requiring an additional license or permit, setting rates, imposing or entry requirements, or imposing other requirements. After this Act, any municipality’s or other local entity’s ordinance or policy related to TNCs or drivers authorized to access a TNC’s network that contradicts or is otherwise inconsistent with this Act is void and has no effect. An airport owner or operator **may** impose regulations including, a reasonable fee on a TNC that provides prearranged rides to or from the airport. These regulations **may not** conflict with the requirements of this new chapter of the Occupational Code nor include requirements for drivers. A person **may not** operate a TNC in this state without obtaining and maintaining a permit. TDLR shall issue a permit to each applicant that meets the requirements and pays the required annual fee of \$5,000. TDLR **may not** impose a fee for drivers authorized to use a TNC’s digital network or vehicles used to provide digitally prearranged rides. Driver or TNC on driver behalf **shall** maintain primary automobile insurance.

TDLR **shall** provide a means for information required (mentioned below) and the TNC **shall** maintain:

- records evidencing compliance with the requirements for a period of 2 years
- individual ride records for at least one year after the date the ride was provided
- the driver records for at least one year after the driver ceases to be authorized to log into the network.

Digitally Prearranged Rides
 A digitally prearranged ride **may** be wholly or partly shared by multiple passengers if the passenger consents to sharing the ride. A TNC that charges a fare for a digitally prearranged ride **shall** disclose to passengers the fare calculation method on the digital network of either the application rates being charged and the option to receive an estimated fare. Before the passenger enters a vehicle for a digitally prearranged ride, the following information **shall** be disclosed: the driver’s first name and picture; and the make, model, and license plate number of the driver’s vehicle. A driver providing a digitally prearranged ride **may** accept payment for the ride only through the digital network. Within a reasonable time of the completion of the ride, the TNC **shall** transmit through electronic mail or text message a receipt to the passenger who requested the ride. The receipt must include: the origin and destination of the ride, the total time and distance of the ride, and itemization of the total fare paid.

TNC Required Company Policies
 TNC **shall** implement an intoxicating substance policy that prohibits a driver who is logged into the company’s digital network from any amount of intoxication. The TNC **shall** include on its website a notice concerning the company’s intoxicating substance policy, and the means to make a complain about a suspected violation of the policy. In the case that a passenger does file a complaint, the TNC **shall** conduct an investigation into the reported incident, and immediately suspend the driver’s access to the company’s digital network for the duration of the investigation. Also, the TNC, **shall** maintain records relevant to a complaint for a period of at least 2 years after the date complaint is received.



Additionally, the TNC **shall** adopt a policy that prohibits a driver from discriminating on the basis of a passenger’s location or destination, race, color, national origin, religious belief or affiliation, sex, disability, or age. Also, a policy of prohibiting drivers from refusing to provide service to a potential passenger with a service animal unless the driver has a medically documented condition that prevents the driver from transporting animals. TNC **shall** notify each driver of this nondiscrimination policy and the driver **shall** comply.

Furthermore, a TNC **may not** impose an additional charge for transportation of individuals with physical disabilities. The TNC **shall** provide a passenger an opportunity to indicate whether the passenger requires a wheelchair-accessible vehicle. If there is no wheelchair-accessible vehicle then, the company **shall** direct the requesting passenger to an alternative provider of a wheelchair-accessible service.

Drivers
 Before permitting an individual to log in as a driver on the TNC’s digital network, the company **must** confirm that the individual: is at least 18 years old, maintains a valid DL, possesses proof of registration, and possess proof of automobile financial responsibility for each motor vehicle to be used to prearranged rides

The TNC **must** conduct, or cause to be conducted, a local, state, and national criminal background check for the individual that includes:

- a commercial multistate and multi-jurisdiction criminal records locator or other similar commercial nationwide database
- the national sex offender register database maintained by the U.S. Department of Justice or a successor agency
- obtain and review the individual’s driving records.

TNC **may not** permit an individual to log in as a driver on the company’s digital network if the individual:

- Has been convicted in the 3-year period preceding the issue date of the driving record of more than 3 offenses classified by DPS as moving violations. Including one or more of the following offenses: fleeing or attempting to elude a police officer, reckless driving, or driving without a valid or with an invalid DL.
- Has been convicted in the preceding 7-year period of any of the following: driving while intoxicated, use of motor vehicle to commit a felony, a crime involving property damage, fraud, theft, an act of violence, or an act of terrorism.
- Is found to be in the National Sex Offender Registry database

A driver that is logged into the network **may not** solicit or provide a ride for compensation unless the passenger has been matched to the driver through the digital network. A driver **may** receive payment for a prearranged ride **only** through the digital network. The driver **may not** solicit or accept cash payments from passenger. A driver **may** refuse to transport a passenger acting in an unlawful, disorderly, or endangering manner. All authorized TNC drivers are independent contractors and not employees of the company. This only applies if the company **does not**: prescribe the specific hours while the driver is logged on, impose restrictions on the driver’s ability to use other TNCs, limit the territory, or restrict the driver from engaging in another occupation or business. The drivers agree in writing that the driver is an independent contractor.



<p>Digital Information Digital information may be accessed by a driver that: serves as proof of identity of the driver, serves as proof that the insurance coverage requirements are satisfied, displays a photo of the driver, displays an image of the driver’s vehicle, or identifies the make, model, and license plate number of the vehicle used by the driver</p> <p>By the request of a law enforcement officer or a government official enforcing or administering, a driver providing a digitally prearranged ride shall display the driver's digital identification and display electronic proof that the ride was matched through the digital network. This bill does not require a driver to relinquish possession of the electronic device containing the digital identification.</p> <p>Any records, data, or other information disclosed to a public entity in this state, including TDLR, by a TNC, including names, addresses, and any other personally identifiable information of drivers is not subject to disclosure. A public entity, including TDLR, may not disclose any records, data, or other information provided by a TNC to a third party except in compliance with a court order or subpoena. If information is sought through a court order or subpoena, the public entity shall promptly notify the TNC to afford the company the opportunity to take actions to prevent disclosure. TDLR shall consider the potential risks to the privacy of the individuals whose information is being collected, used, or disclosed; ensure that the information to be collected, used or disclosed is necessary, relevant, and appropriate to the proper administration; and take all reasonable measures and make all reasonable efforts to protect, secure, and where appropriate, encrypt or limit access to the information. A TNC required to submit, disclose, or otherwise provide personally identifiable information of drivers to a public entity of this state, including TDLR, is not liable in any civil or criminal action for any authorized disclosure, misuse, alteration, destruction, access or acquisition, or use of the information that occurs while the information is in the possession of any public entity of this state.</p> <p>TNC may disclose a passenger’s personal identifying information to a third party only if: The passenger consents, the disclosure is required by a legal obligation, or the disclosure is required to protect or defend the terms of use of the TNC or investigate a violation of those terms. TNC may share a passenger’s name with a driver accessing the company’s network to facilitate identification of the passenger by the driver or communication between the passenger and the driver.</p> <p>Motor Vehicles For each motor vehicle, the TNC shall require: Inspection requirements, confirm that the vehicle has four doors, and a maximum passenger capacity or not more than 8 people, including the driver. A vehicle used to provide rides may be owned, leased, or rented by the driver; and may not also be used to provide street-hail taxicab service, limousine service, or other similar for-hire service regulated by a municipality or a joint airport board.</p> <p>Fiscal impact If the bill becomes effective on June/1/2017 then, there will be a negative impact of \$128,078 through the biennium ending in Aug/31/2019. If the bill becomes effective on Sep/1/2017 then, there will be a negative impact of \$162,862 through biennium ending Aug/31/2019. It is assumed 13 companies would be operating as TNCs in TX and pay \$5,000 annually to maintain the permit required by this bill, which will result in a revenue gain of \$65,000 to General Revenue Fund per FY.</p>
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			<p>TDLR would require 1.5 additional FTE employees to administer the new permitting and regulatory responsibilities. TDLR estimates \$51,134 for one-time setup costs to being operations, which include computer equipment and website configuration costs for data submission. Annual costs of \$87,150 in salaries and wages for one Program Specialist and a half FTE for the General Counsel’s Office, \$30,607 for employee benefits, \$1,307 for other payroll contributions costs, and \$1,800 for other operating expenses. To the extent revenue generated by this program is not sufficient to cover costs, the agency may raise fees on other licensee populations to comply with statutory provisions.</p> <p>Concerns: The concerns of this bill are that it will hurt the taxi industry and smaller TNCs will have to exit out of the market because they probably won’t be able to pay the annual \$5,000 permit. Another concern is that the bill doesn’t mention anything about worker’s rights due to the fact that drivers will be considered independent contractors. The bill states that drivers can’t receive cash from the passenger thus, giving the driver the lack of opportunity to receive a tip for great customer service. TNCs should have in their digital network an option for passengers to tip drivers for excellent service. In regards of just requiring background checks for TNC drivers, there is no single national database containing complete and up-to-date records cataloging all criminal history. As previously mentioned, with TNCs permits being regulated by the state, this bill further takes away local power and impedes on the ordinances that reflect the needs of those communities.</p>	
<p>HB 2053 By: Oliveira</p>	<p>Relating to the enforcement of workers' compensation compliance and practice requirements.</p>	<p>Business & Industry</p>	<p>Clarifies the existing authority of the Division of Workers’ Compensation, within the Texas Department of Insurance, to wholly conduct workers’ compensation fraud investigations. The National Insurance Crime Bureau (NCIB) accounts that workers’ compensation (WC) fraud accounts for 25% of all property and casualty insurance fraud--about \$7.2 billion per year. WC fraud is diverse and ranges from employer premium fraud, employee benefit fraud, insurance carrier fraud, health care provider fraud, and attorney fraud. WC fraud is damaging to the whole system: it increases employer premiums and decreases resources used for potential injured worker benefits.</p> <p>HB 2503 also increases the threshold of the value of benefits from \$1,500 to \$2,500. This simply brings the Labor Code statute in line with current Penal Code standards. Thus, offenses of fraudulently obtaining or denying workers’ compensation when less than \$2,500 is a class A misdemeanor and when more than that, it is a state jail felony. This bill does not increase criminal penalties or add in new ones.</p> <p>Centralizing the investigations to the Divisions of Workers’ Compensation for WC fraud promotes efficiency and effectiveness in the monitoring and handling of this rather complicated system. This bill clarifies authority of the DWC to: 1) maintain a fraud investigation unit, 2) investigate WC criminal fraud offenses, 3) assist in litigation by referring cases to prosecutors, and 4) clarifies subpoena authority and expands to include issuing subpoenas out of state.</p>	<p>Favorable Evaluated by: Serena Ahmed 210-382-4295 Serena@Texaslsg.org</p>
<p>HB 1352 By: Pickett/ Ortega/ Blanco</p>	<p>Relating to the conveyance of property by a municipality for the public purpose of economic development.</p>	<p>Economic & Small Business Development</p>	<p>This bill would allow municipalities to transfer real property to business entities for the use of economic development should the municipality and the entity have a 380 agreement. 380 agreements allow municipalities to provide assistance for local economic development initiatives in the form of loans, grants, personnel, or services; current statute is not clear regarding whether property transfer is included in the provisions of a 380 agreement. This bill would allow for a property transfer to take place under a 380 agreement should the municipality determine that the property can be utilized by the entity to stimulate the local economy. Allowing</p>	<p>Favorable Evaluated by: Tyler Anderson 210-382-4295 Tyler@Texaslsg.org</p>



			<p>municipalities to invest their land and resources to develop their local economies will provide jobs and economic stability to these communities.</p> <p>The bill stipulates that any transfer of property must include provisions guaranteeing that the municipality maintain sufficient control to ensure that the property is being used for public good and that the economic development benefit is accomplished. Additionally, the bill mandates that the municipality must notify the public of any pending property transfers by posting notice in a widely-circulated newspaper (to be located in the county where the property is) to be published on two separate days within 10 days before the property transfer is to take place. Ensuring that the public is notified and has an opportunity to voice concern is critical to maintain transparency and constituent’s trust in their localities.</p>	
<p>HB 1486 By: Price / Bonnen, Greg / Coleman / Collier / Sheffield / et al.</p>	<p>Relating to peer specialists, peer services, and the provision of those services under the medical assistance program.</p>	<p>Public Health</p>	<p>The challenge of providing sufficient behavioral services for the high demand of persons experiencing mental illness, and or substance abuse disorders is increasing for the state of Texas. Per the interim report of the Select Committee on Mental Health, 206 counties out of the 254 counties in Texas have been designated as mental health professional shortage areas. Furthermore, the use of behavioral health care services has decreased by 16%; concurrently with a 12% increase in persons not being treated for their behavioral health needs. To ensure sustainable recovery it is imperative that Texas have an adequate number of trained professionals and, consider all possible pathways that could assist people in their behavioral health needs. HB 1486 aims to close the gap between behavioral health services and professional shortages, increase access to behavioral services, and ensure continuity of care for the Texas citizens that need these services.</p> <p>Sec. 531.0999. Peer Specialists The executive commissioner of the Health and Humans Services Commission (HHSC) must adopt rules developed by HHSC that define the scope of services mental health and substance use disorder peer specialists may provide, distinguish peer services from services provided by other licensed professionals, or any other rules considered necessary to protect the health and safety of the individual receiving peer services. HHSC must establish a stakeholder workgroup that will offer input for the adopted rules pertaining to peer specialists. The workgroup will meet once a month and will be comprised of representatives appointed by the executive commissioner of HHSC. These representatives include people from organizations that certify mental health and substance use peer specialists, mental health and substance use disorder peer specialists from rural and urban areas, organizations of licensed mental health and addiction use professionals that supervise peer specialists, persons with personal experience recovering from mental illness and substance use disorder conditions, and any other persons considered appropriate by the executive commissioner. Once the rules on peer specialist have been adopted by HHSC the workgroup will be abolished.</p> <p>Sec. 2 Section 32.024, Human Resources Code Currently, peer support services are not defined in the health and safety code, and therefore peer support specialists cannot be reimbursed for peer support services. Per HB 1486, HHSC must include a provision for peer services provided by certified peer specialists to the extent permitted by the law, to its rules and standards that govern services rendered under the medical assistance program. Peer support specialists serve from an evidence based model of care that helps individuals facing mental illness of substance abuse disorder focus on recovery, wellness, self-direction, responsibility, and independent living. Peer support specialists have real life experiences with mental illness and substance abuse, and utilize this as they provide essential services that increase opportunities for recovery.</p>	<p>Favorable Evaluated by: Fabeain Barkwell 210-382-4295 Fabeain@Texaslsg.org</p>



<p>HB 932 By: Johnson, Jarvis</p>	<p>Relating to the collection of information concerning the number of juvenile offenders committed to the Texas Juvenile Justice Department who have been in foster care.</p>	<p>Juvenile Justice & Family Issues</p>	<p>Abuse and neglect put youth at risk for being involved with both Child Protective Services and the juvenile justice system. A study done by the National Institute of Justice shows that abuse and neglect increase the likelihood of youth being arrested as a juvenile by 59 percent. HB 932 aims to help policymakers make informed decisions regarding this vulnerable population by providing for the collection of information concerning the number of juvenile offenders committed to the Texas Juvenile Justice Department (TJJD) who have been in foster care at any time.</p> <p>The bill requires the TJJD, during the admission process, to determine if and how many times a child committed to the TJJD has been in foster care. That information must be recorded on the child's intake form and, not later than January 31 of each even numbered year, be used to create a report that summarizes statistical information concerning the total number and percentage of children in TJJD custody during the preceding two years who had been in foster care at any time. Establishing a data collection and information sharing system between the child welfare system and the juvenile justice system is a necessary step towards offering these youth appropriate services, making informed policy decisions and reducing recidivism.</p>	<p>Favorable Evaluated by: Arielle Day 225-588-1221 Arielle@Texaslsg.org</p>
<p>HB 21 By: Huberty / Zerwas / Turner / King, Ken / Dutton / et al.</p>	<p>Relating to the public school finance system.</p>		<p><i>Please see attachment labeled: Analysis for HB 21</i></p>	<p>Favorable w/ Concerns Evaluated by: Arielle Day 225-588-1221 Arielle@Texaslsg.org</p>
<p>HB 265 By: Hernandez / Flynn / Faircloth</p>	<p>Relating to the composition of the board of trustees of the Employees Retirement System of Texas.</p>	<p>Pensions</p>	<p>This bill seeks to make changes to the composition of the Employees Retirement System of Texas board of trustees. It amends the Government Code to reduce the number of elected members on the board from three to two. These members are required to be ERS members, maintain positions that are included in the employee class of membership and are not affiliated with any agency or department where another trustee holds a position. This bill requires that the third elected board member must either meet those requirements or be an ERS retiree.</p> <p>Some have expressed concern that with the ineligibility of an ERS retiree to be elected, there is no direct representation on the board of trustees and excludes this group of stakeholders from the decision-making process. It is important that there is adequate representation on the board as there is a need to have a voice for retirees as well as the active members.</p>	<p>Favorable Evaluated by: Elizabeth Hann 210-382-4295 Elizabeth@Texaslsg.org</p>
<p>HB 264 By: Hernandez</p>	<p>Relating to public outreach materials to foster awareness of certain public school curriculum requirements.</p>	<p>Public Education</p>	<p>HB 264 postpones the expiration date of the statutory provisions that require the Texas Education Agency to develop uniform public outreach materials to September 1, 2020. This would ensure that a critical outreach tool continues to be made available to school districts while endorsement tracks remain a relatively new feature that school counselors must explain to students and their families. Additionally, the bill provides clean-up language striking the B-On-Time Loan from state financial aid awards that must be covered by outreach materials, as the program is no longer active.</p>	<p>Favorable Evaluated by: Arielle Day 225-588-1221 Arielle@Texaslsg.org</p>



<p>HB 152 By: Dutton</p>	<p>Relating to the restoration of certain rights to a criminal defendant.</p>	<p>Criminal Jurisprudence</p>	<p>HB 152 allows defendants to apply for restoration of any civil rights forfeited as a result of conviction for any offense under Texas state law, following sentence completion. This bill further increases the waiting period for defendants convicted under the laws of another country to file an application for restoration of civil rights from two years to three or more years after the date of conviction.</p> <p>This bill has no fiscal note and an effective date of September 1, 2017.</p> <p>HB 152 would positively impact low-risk defendants wishing to apply for a full restoration of any civil rights forfeited resulting from their conviction. While the right to vote is restored automatically upon a defendant’s completion of their sentence, other civil rights are restored through a pardon or gubernatorial restoration of rights, but only for federal and foreign first offenders. Of the 93 clemency cases considered in FY 2016, only one case was considered for the restoration of civil rights in which clemency was recommended by the Board of Pardons and Parole.</p>	<p>Favorable Evaluated by: Katherine Kirages 210-382-4295 Katherine@Texaslsg.org</p>
<p>HB 2263 By: Gooden</p>	<p>Relating to continued monitoring of certain public school campuses that have been assigned a campus intervention team.</p>	<p>Public Education</p>	<p>Under current law, once a campus receives an Improvement Required (IR) rating, that campus must be assigned a campus intervention team (CIT). The Education Code further stipulates that the CIT must work with a campus that has received an IR rating until the campus satisfies all performance standards for two consecutive years. This means that even once a campus is meeting standards, the district must spend its limited resources on paying a Professional Service Provider (PSP) at a rate of about \$75 per hour to work with a campus that is in good standing with the state’s performance standards.</p> <p>Interested parties contend that the continued monitoring of schools that have been assigned a CIT is unnecessary. HB 2263 addresses this issue by removing the requirement of a CIT to continue to work with a campus once it has satisfied all performance standards. Removing this requirement will save local school districts significant funds that could be more efficiently used to impact student outcomes. This bill does not restrict a district’s ability to willingly contract with a PSP.</p>	<p>Favorable Evaluated by: Arielle Day 225-588-1221 Arielle@Texaslsg.org</p>
<p>HB 357 By: Hubberty/ Bernal</p>	<p>Relating to the eligibility of the children of certain first responders for free prekindergarten programs in public schools.</p>	<p>Public Education</p>	<p>The Star of Texas Awards honor peace officers, firefighters, and emergency medical first responders who are seriously injured or killed in the line of duty. HB 357 expands the availability of prekindergarten programs to children whose parents or guardians are eligible for the Star of Texas Award. Current statute has set a precedent for offering pre-kindergarten to those who protect and serve by providing that the child of a member of the U.S. armed forces is eligible for pre-k enrollment. HB 357 seeks to extend this provision to the children of peace officers, firefighters, and emergency medical first responders who are injured or killed in the line of duty.</p>	<p>Favorable Evaluated by: Arielle Day 225-588-1221 Arielle@Texaslsg.org</p>

